Nottinghamshire Healthcare
NHS Foundation Trust

# Nottinghamshire Healthcare NHS Foundation Trust

# Annual Report and Accounts 2018/19

positive about integrated healthcare

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

# TABLE OF CONTENTS

# PERFORMANCE REPORT

## OVERVIEW OF PERFORMANCE

This overview of performance provides a short summary of the organisation, its purpose, the key risks to achieving our objectives and performance throughout the year.

### A statement from the Chair and Chief Executive

We are delighted to welcome you to this annual report for Nottinghamshire Healthcare NHS Foundation Trust. The report covers the period 1 April 2018 to 31 March 2019 and as we look back on what has been a challenging year, both within the Trust and within the local health and social care system, we will reflect both on the positive developments that we have seen and the not so positive. The purpose of this overview is to give you a short summary that provides sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

We hope that this report provides a balanced view of the Trust's performance during the year, as well as celebrating the dedication and commitment of our staff to provide safe and caring services for our patients, service users, carers and volunteers.

During the year we have seen changes in the leadership of the Trust, with Ruth Hawkins retiring from her position as Chief Executive in September, Julie Attfield, Director of Nursing, stepping into that role for a period of three months and then Dr John Brewin joining us in January of this year. We would like to thank all colleagues who worked hard during this period of change to keep the focus on the delivery of safe and caring services.

At the end of the year it was announced that Paul Smeeton would be leaving his role as Executive Director for Local Partnerships, after 17 years with the Trust. The Board thanks him for his commitment and passion for services during his time with the Trust.

In our Non-Executive colleagues we also saw some changes, with Christine Lovett standing down after seven years in August 2018 and Peter Parsons standing down after ten years in February 2019. Many thanks to them both for their long and committed contribution to the Trust. We were joined by Trevor Orman in January 2019 and by Carolyn White in March 2019, who both bring excellent skills and experience into the Board mix.

On the national scene, the NHS Long Term Plan was published in January and outlines the NHS vision for the next 10 years. The Plan details the NHS commitment to improving mental and community health services and commits additional funding to support this.

The plan reiterates the ambition to deliver more services within community settings with increased collaboration and across system working. There is an emphasis on improving mental and community health responsiveness along with increasing access to areas, such as, talking therapies.

Better children's mental health provision is a key focus of the plan with a national transformation programme due to be launched in 2021. This will focus on improving access and service transitions for children and young people.

Prevention and technology are key drivers of the plan and through this it is expected that more innovative approaches to service delivery and care management will be implemented.

More locally, this year saw a hugely increased focus on developing real system working and we were closely involved in the emerging Integrated Care System (ICS) and the three Integrated Care Places (ICPs), supported by Primary Care Networks (PCNs). The full integration of health and social care is underway and will lead to a much more integrated offer for our patients, service users and carers. It will also lead to more integrated ways of working for our staff, with shared services and more joined up working for some support services, such as payroll, estates and communications. This is already having a direct impact on the way we work and we can look forward to this developing further over the coming year.

During the year we led on the development of a five year all age mental health strategy for the ICS. This has now been approved and will be operationalised over the coming months. This has been the result of nine months of work, involving the Trust, CCGs, our acute colleagues and Local Authorities, as well as the third sector, service users, carers and other partners, including the police and housing. The ICS Board commented on the collaborative nature of the work and held it up as an example of how strategies should be developed. Now, of course, there only remains the small task of making the strategy a reality. This will be supported through a series of workshops for South Notts, Nottingham City and Mid Notts to develop local priorities.

Regulatory activity has been very evident through the year, with a Care Quality Commission (CQC) inspection of our core services and a well led review taking place just before the end of the financial year. As this annual report is being prepared we have not yet received our report, but the initial feedback suggests that there are improvements to be made and we anticipate a number of recommendations from the CQC.

June saw the publication of the CQC report into Rampton Hospital. The Hospital remains as 'requires improvement' but it was good to see more positive remarks about staff morale and the visibility of the management team. It was especially gratifying to see the well led domain measure move from inadequate to good – a massive leap and thanks must go to the senior leadership team, and all staff who

worked hard to improve things. Areas of concern remain, such as lone working at night and cancelled patient activities, but these are being addressed and we look forward to continued improvement.

The Adult Mental Health Directorate has developed over the last few years to offer improved services in the community and reduce the number of inpatient beds. This has not been without problems as during this period we have seen patients becoming more unwell and more of them needing admitting to Hospital. We now think we need more beds and so have bought some private beds in the area. This is still not meeting demand and we currently have a large number of people in out of area (OOA) placements, who should be cared for in Nottinghamshire. This is not offering the best care to our patients, who are being cared for away from family, friends and other support mechanisms. It is also not good for our staff in terms of continuity of care with individuals. However, there is also a financial impact, with end of year costs being c£11m over what was forecast at the start of the financial year. Work will continue to address this situation.

The new care models programme within Forensic Services is moving apace as it has been agreed that the Trust will provisionally take the Lead Provider role within the region. The New Care Models Programme is set out in the Five Year Forward View for Mental Health. The Programme, regardless of clinical specialism, has the same aims to be achieved through devolving budgets to provider partnerships:

- reduce inappropriate out of area placements (repatriation and future placements)
- prevent avoidable admission
- reduce length of stay
- reinvest savings into improved services, including the community.

The Trust's focus is on adult secure services. The partners include Lincolnshire Partnership, Derbyshire Healthcare, Northamptonshire Healthcare, Leicestershire Partnership and St Andrews (from the independent sector). Other providers of secure services in the patch include Priory Group, Elysium Healthcare and Cygnet Health Care.

The Trust was successfully relicensed to provide high secure services at Rampton Hospital for the next five years, following a comprehensive authorisation process. This provides some stability through the changes that will be required in the Forensic Services Division due to the new models of care.

During 2018/19 the Trust has seen a reduction in competitive procurement of health contracts locally as commissioners move to more collaborative approaches to service provision. The Trust has welcomed this approach with the Business Development and Marketing Unit and divisional leads working alongside

commissioners and other system partners to design new, truly integrated models to support the communities we serve.

The Trust was also successful in its bid to provide high dependency and complex care rehabilitation services in Nottinghamshire, which are commissioned by NHS Arden and Greater East Midlands Commissioning Support Unit.

The Trust, which already provides these services in Nottinghamshire, was approved to continue the delivery of these services following a competitive tender and assessment process. The new commissioning arrangement started on 1 April 2019.

The services, sometimes referred to as locked rehabilitation services, are for adults with learning disabilities or mental health issues who are on a section of the Mental Health Act and need a period of rehabilitation.

We also agreed a contract to deliver library services and an innovative partnership with St Andrews Healthcare delivering a pilot for women in secure settings.

During the year, the Trust took over responsibility for Offender Health services in HMP Leicester and HMP Gartree. We also extended our contract for Greater Nottinghamshire's community beds. The contract is extended via direct award until the end of March 2020. The Trust and Nottingham CityCare Partnership will be working together to significantly transform current community bed models into one model that is fit for the future.

Mid Notts Neuro Rehab Services transferred to the Trust from 1 February 2019 from Sherwood Forest Hospitals NHS Foundation Trust. The Trust became responsible for the Bassetlaw Out of Hours service which is provided through a mix of Nurse Practitioners and GPs.

Much of the thinking that has taken place during the last year has been about the experience of staff working here and in turn how that impacts on our ability to do our jobs properly. The recent publication of the results of the National NHS Staff Survey makes for sobering reading. It is clear that we are not getting a lot right as our scores are below average in all categories and in the worst performing Trusts in relation to staff morale and engagement. This is really hard to take and is a fundamental hit to all of us. We are not shying away from this and are absolutely committed to addressing the issues raised; but there are no quick fixes. There is a lot of work to do to change the culture within the organisation and make this a place where we want to work and make a contribution. We can only make things better by working together. An action plan is not a solution and we want to listen to what our staff are telling us is wrong and how we can make it better.

We know that a lot of work has already taken place around staff engagement, experience and the culture in the Trust, but disappointingly we have to recognise that this hasn't landed well with everyone. Some notable successes have included the Positive Stars recognition scheme, our Champions celebratory event where some of

our 800 health and wellbeing champions came together to be thanked for the great job they do and our fantastic results in the staff flu vaccination programme. But we want to make it really clear to everyone that staff wellbeing and experience is our priority.

Throughout many of the Board reports and feedback we receive, similar themes are emerging of barriers which affect our ability to do our jobs. This feedback includes the National Guardian's Review into two of our service areas, the as yet unpublished CQC report, as well as the staff survey. These themes include pressure to make cost savings, time taken to make changes and bureaucracy and staffing levels. We want to remove these barriers and empower everyone to do their job the best way they can.

We have focused thus far on areas of concern but we have to recognise that many of our staff come to work to deliver the very best care they can and this has been recognised during the year with a number of awards and accolades, too numerous to mention here but some highlights include:

**Success in the National Service User Awards**
Patients at Rampton Hospital were recognised in the National Service User Awards 2018. Seven entries were shortlisted, with one winning the judges' award and two the service users' vote. Staff who supported the projects attended the awards ceremony on patients' behalf.

**Baby friendly is best for Nottinghamshire Healthcare**
The Trust's Children and Young People's Service was awarded the prestigious Baby Friendly Reaccreditation Award, becoming the latest UK healthcare facility to win international recognition from UNICEF.

**Two more celebrated Queen's Nurses for the Trust**
Two more Trust staff were awarded the prestigious title of Queen's Nurse (QN) by community charity The Queen's Nursing Institute (QNI)

**Children's Centre celebrates 'Outstanding' Ofsted result**
The Ashfield North East Children's Centre childcare setting based at the Summerhouse Children's Centre was assessed as 'Outstanding'; the highest possible rating, following its latest Ofsted inspection.

**National Award for the Clinical Psychology Cancer Service**
Nottinghamshire Healthcare and Sherwood Forest Hospitals' Clinical Psychology Cancer Service wins a Macmillan Professionals Excellence Award. The team won the Integration Excellence Award which commended them for their excellent psychological support service to patients, their families and all cancer staff teams at King's Mill Hospital.

**Energy and Environmental Team Award**
The Trust's Energy and Environmental Team won the Water and Energy Award at the Sustainable Health and Care Awards 2018. The team won the award for its

successful Trustwide Energy Campaign and use of the Energy Data Innovation Network (EDI-net).

**National Award shortlisting for Hopewood**
Finalist in the Mental Health Category of the Building Better Healthcare Awards.

**Congratulations Procurement Team**
The Trust's Procurement Team has become only the fourth non-acute organisation and 17th Trust in the country, to achieve Level 2 of the prestigious NHS Standards in Procurement accreditation.

**DESMOND National Awards win**
The Diabetes Structured Patient Education Team won 2 out of 3 awards it was nominated for in the DESMOND National Awards.

There have been other highlights during the year, such as the formal opening of Hopewood, our £21m hub for children, young people and families. It was an absolute delight to welcome Stephen Manderson (also known as Professor Green) to officially open the unit at a special celebration event.

Stephen took the time to meet with current and former patients and staff at Hopewood, and said that the unit was amazing. Speaking before he declared the unit officially open, he talked about how important it is to see people's recovery and hear the stories of how they have been helped. He highlighted how we should all be open about mental health and that there shouldn't be a division between mental and physical health; it should just be health. Past patients from the unit also told their stories in what was an inspirational and moving afternoon.

Earlier in the year we had celebrated Fab Change Week, which coincided with the 70th anniversary of the NHS. Over 221 individual staff and teams made pledges to improve the quality of what we do at work, supported and enhanced by the growing Quality Improvement work that has been going on across the Trust. We also released three special commemorative films to celebrate why our staff are proud to work for the NHS.

This year also saw the approval of a revised clinical strategy for the Trust and a new nursing strategy, both of which have been well received and give us a strategic direction in two of the most important areas of work going forward.

2019 sees the anniversary of our partnership with Care Opinion, the online feedback site, which demonstrates our commitment to receiving and acting on the feedback people give us about our services. This partnership has evolved over the years and is not without its challenges, but to improve we need to be a listening organisation and this platform is one of the most important ways we do this.

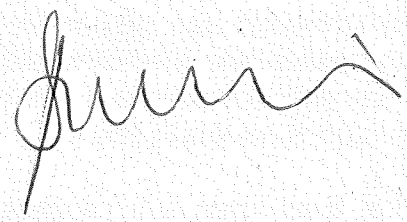
The Council of Governors has developed throughout the year, with recent elections still to have an outcome. The Council adds an extra level of scrutiny to the decisions

planned by the Trust and is a welcome voice of the public in our business developments. The role of the Council of Governors is to gain assurance on behalf of the Membership and the public, with regard to the organisation's performance, with a particular focus on service quality. The Council continues to challenge appropriately.

It would be remiss not to mention the OSCARS. Its timing in March is a really celebratory way to end the year, recognising the fantastic work that our staff and volunteers do to offer the best service they can to our patients, service users and carers. This is always a joyous occasion and this year proved no exception. Congratulations to all those nominated, shortlisted and the winners. If we can harness the enthusiasm, skill and engagement that this event demonstrates then we are confident that the other issues highlighted in this introduction can be challenged and overcome.

We are listening, we are changing and we want to move forward together, all of us working to a common goal; making Nottinghamshire Healthcare a really great place to work or be cared for.

Dean Fathers
Chair
23 May 2019



Dr John Brewin
Chief Executive
23 May 2019

## ABOUT US

### Purpose and activities of Nottinghamshire Healthcare NHS Foundation Trust

Nottinghamshire Healthcare NHS Trust was formed on 1st April 2001 by bringing together the mental health and learning disability services previously provided by other NHS organisations.

In April 2011, the Trust secured the contract to deliver community physical healthcare services to the population of Nottinghamshire County, followed by the Bassetlaw population in November 2011 and the Trust thus became an integrated provider of physical and mental healthcare services.

In 2015 the Trust was authorised as a Foundation Trust (FT).

We receive an annual income of circa £467.5m and staffing costs equate to around 73% of total expenditure (including PDC). We are one of the largest employers in Nottinghamshire, employing approximately 8,700 talented and dedicated staff members across a wide range of professions and disciplines.

As a Foundation Trust we are accountable to local people through our Council of Governors and are regulated by NHS Improvement.

### The population we serve

We provide a wide range of services, locally, regionally and nationally. We provide services across all age groups from infants to older adults and deliver services to support physical and mental health needs and we provide services for those with intellectual and development disabilities. The Trust also provides offender health services across several sites.

The core local area and population the Trust serves is Nottingham City and Nottinghamshire County with a combined population of 1.1m. There are large variations in the levels of deprivation across our local area. For example, none of the population within Rushcliffe is identified as being in the lowest income quartile, whilst Nottingham City is identified as being in the top 25% of the poorest areas in England.

The Trust operates within two Integrated Care Systems (ICS) footprints: i) Nottingham & Nottinghamshire and ii) South Yorkshire & Bassetlaw. Both footprints are designated as accelerated ICS sites. The Trust currently covers seven Clinical Commissioning Groups (CCGs):

The local Clinical Commissioning Groups are:

- Nottingham City
- Nottingham North and East
- Nottingham West
- Rushcliffe
- Mansfield & Ashfield
- Newark & Sherwood
- Bassetlaw


## Our services

We provide a wide range of services at different levels of specialism and intensity. Some are delivered by local teams and some by countywide or national teams. We deliver services in a range of settings from people's own homes and from over 110 different sites eg from community clinics through to specialist hospitals such as our high secure hospital site at Rampton.

Our main hospital sites are:

| Locations | Services Offered |
|---|---|
| **Highbury Hospital, Nottingham** | Acute mental health inpatient beds and outpatient facilities |
| **Millbrook Mental Health Unit, Mansfield** | |
| **Doncaster & Bassetlaw Hospital (Wards B1 & B2)** | |
| **Hopewood, Nottingham** | Child and adolescent mental health services (CAMHS) - inpatient and outpatient<br>Perinatal mental health services - inpatient and outpatient |
| **Lings Bar Hospital, Nottingham** | Physical rehabilitation for older people |
| **John Eastwood Hospice, Mansfield**<br><br>**Bassetlaw Hospice** | End of life and palliative care |
| **Wells Road Centre, Nottingham** | Low secure mental health services |
| **Arnold Lodge, Leicester** | Medium secure mental health services |
| **Wathwood Hospital, Rotherham** | Medium secure mental health services |
| **Rampton Hospital in Retford** | High secure mental health services |

Our clinical service model aims to deliver care and support in a way that enables people to be in a better position to take ownership of their own health and care needs. We want to move away from reactive, hospital based treatment models to a proactive approach of prevention and early intervention, delivered in community locations where this is appropriate.

**Community and integrated care**
We deliver a wide range of community and home based services for all ages, including children, with physical and/or mental health conditions. These services include community nursing and therapies, as well as universal services for children and young people as part of the Healthy Families Programme.

Community services are delivered from facilities such as children's centres, local health centres, GP practices and outpatient clinics as well as people's own homes. Our community services range from providing short term support following a period of illness through to providing long term care to help people manage chronic mental health and/or physical health conditions, as well as providing end of life care.

We are also a significant provider of healthcare to offenders in a number of prisons across the East Midlands.

**Specialist and inpatient care**
We provide a diverse range of specialist services locally and more widely, including inpatient services across numerous sites.

For example, our forensic services provide care for those deemed to present a risk to themselves or others and who are admitted under the Mental Health Act. We provide inpatient facilities at all levels of forensic security – low secure, medium secure and high secure. We are one of only three providers nationally to provide high secure services. We also provide community forensic services.

In 2018, we opened our new Hopewood site in Nottingham, providing CAMHS and perinatal mental health services.

Our specialist services also include national services such as The Nottingham Centre for Transgender Health.

**Our strategy vision and values**
The Trust Board of Directors approved a 5-year strategy in March 2016 and undertook a mid-term refresh of the strategy during 2018/19 to reflect the changing environment of integrated care systems.

**Our vision**
Our vision remains - **'**Through partnerships, improve lives and the quality of care'.

**Our values**


**Our strategic objectives**

Our four strategic objectives set out how we will achieve our vision:

**Delivering our objectives**
During 2018/19, we made good and sustained progress in delivery of our strategy, including areas such as:

- A refresh of the Trust's clinical strategy, which was led by the Medical Director and approved by the Board of Directors in December 2018. The strategy sets out our ambition and underpins our system offer, reaffirming our commitment to delivering safe, effective and evidence-based services and recognising that we need to do more to adapt and flex our services and priorities to respond to differing needs across the many communities we serve.
- Leadership of the New Care Models programme for secure services - in the East Midlands, the Trust is leading the programme and is a partner in the South Yorkshire & Bassetlaw programme.
- 'Quality First' – an internal programme launched in 2018 to drive quality improvement (QI) across the organisation and build on work to implement a QI culture.
- The new Hopewood site became fully operational.
- Nursing Strategy - led by the Executive Director of Nursing Director.

A key consideration for delivery of the strategy continues to be the necessity to balance quality against the challenging financial environment we operate in. This remains a key area of focus for the Board of Directors.

Risks and mitigations to the delivery of our strategic objectives are documented in the Board Assurance Framework. The top five risks are:

- Inability to manage admissions into Adult Mental Health inpatient beds leading to an increasing reliance on Out Of Area private beds. This has an impact on the quality of care and service we provide to our patients and also significant financial risk for the division.
- If recruitment issues are not resolved for High Secure services, then wards might not be appropriately staffed, leading to a) lone working at night and/or the cancellation of patient day time activities, b) compromise of the integrity and safety of the hospital and c) adverse regulatory assessment.
- System wide pressures, regulation regimes and the business rules around the newly formed Integrated Care System impact adversely on the financial strategy and sustainability and lead to a lack of financial sustainability, short term and long term.
- If the health, wellbeing and resilience of the workforce is not effectively supported and managed, then there will be adverse impacts on patient care and patient and staff experience.
- Inability to recruit and retain an engaged and appropriately skilled and motivated workforce, with the right behaviours and leadership capacity while addressing unacceptable variance across the Trust.

The Board Assurance Framework is reviewed regularly by the Board of Directors and appropriate Board committees. Further information is provided in the Annual Governance Statement in this report.

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

## PERFORMANCE ANALYSIS

Understanding how effectively and efficiently we deliver care is central to our approach to performance analysis; it helps us understand our services, patients and care systems. Performance analysis is also crucial for improving the care we deliver, a process of continuous improvement and service development that uses overlapping review mechanisms to monitor past, present and projected performance.
This section of the annual report considers the Trust's operational performance. Our workforce performance is considered in the Staff Report, our quality performance is considered in the Quality Report and our detailed financial performance is shown in the annual accounts of this Annual Report.

**Internal Analysis**
There are a range of ways in which we ensure that performance is considered as a whole to enable the organisation to fully understand how different areas of performance interact.
Trust performance is measured across the following areas:

- Staff experience, productivity and performance
- Commissioning for Quality & Innovation (CQUIN)
- Quality assurance and improvement
- Patient safety
- Patient experience
- Financial performance against targets and plan
- Equality and Diversity
- Organisation performance risk
- National and local regulator targets
- Internal operational targets

**Performance Management Framework**
The Trust oversees performance through the Performance Management Framework, which requires regular oversight reviews at all levels, from service level meetings, directorate and divisional reviews to the Board of Directors' monthly Integrated Performance Report (IPR).

The Performance Management Framework ensures that the organisation has a complete view of the different aspects of performance which are assessed together to give a comprehensive view of performance (such as finance information and workforce indicators). This triangulation process underlines a commitment to reviewing performance based on a holistic and interlinked approach, cognisant of how different measures may impact on, or overlap into, other areas of performance.
The IPR gives an overview of Trust performance at Board level against locally agreed quality, workforce, finance and operational indicators, as well as providing

reporting against those indicators of performance relevant to the Trust within the appendices of the NHS Improvement's 'Single Oversight Framework' (SOF).

There is a clear escalation route from ward and team level to the Board of Directors and the Committees of the Board.

**External Analysis**
Externally, our performance is measured and reviewed by NHS Improvement and by the Nottinghamshire Integrated Care System (ICS). We also comply with the CQC and Ofsted regulatory framework.

Performance against contracted targets is monitored through contract meetings with each of our commissioners including Nottinghamshire CCGs, NHSE and our Local Authority.

A review of Trust performance for 18/19 is given below, followed by a forward looking view of the Trust's development of performance management for 2019/20.

**Summary of Performance 2018/19**

| Category | Indicator of Performance | Performance achieved |
|---|---|---|
| **NHS Improvement (March 2019)** | **Single Oversight Framework Segmentation** (1-4, with 1 being the best) | 2 |
| **NHS Improvement (March 2019)** | Single Oversight Framework **Operational Performance Standards** | Targets achieved, apart from: Cardio metabolic assessment and Out of Area acute mental health |
| **Care Quality Commission Rating (March 2019)** | Overall Rating | Good |
| **Care Quality Commission Rating (March 2019)** | **Safe** | Requires Improvement |
| | **Effective** | Good |
| | **Caring** | Good |
| | **Responsive** | Good |
| | **Well-led** | Good |
| **National Staff Survey (2018)** | **Staff recommendation of the organisation as a place to work or receive treatment** (the higher the better) | 62.4% (against a national average of 66.2%) |
| **National Community Patient Survey (2018)** | **Overall Score** (the higher the better) | 7.2 (against a national average of 7.0) |
| **NHS England (March 2019)** | **The Friends and Family Test (FFT)** | 90% approval rate |

The anticipated outcome of a Care Quality Commission inspection of our core services and a well led review is set out below

- Overall Rating – Requires Improvement
- Safe – Requires Improvement
- Caring – Good
- Responsive – Requires Improvement
- Well-Led – Requires Improvement

## Operational Performance Summary

| Trust Performance against the NHS Single Oversight Framework | Standard (where applicable) | Monthly average 2017/18 | Monthly average 2018/19 |
|---|---|---|---|
| Formal complaints received per 1000 full time staff | | **8.7** | **7.9** |
| Number of Never Events (year total given) | | **1** | **0** |
| Staff % recommend as a place to work (quarterly) | | **54%** | **59%** |
| Staff % recommend place of work as a care provider (quarterly) | | **65%** | **66%** |
| Friends and Family Test - % Patients and carers recommend the Trust as a care provider | | **95%** | **94%** |
| Follow up within 7 days of Care Programme Approach (CPA) patients | 95% | **98.5%** | **98.0%** |
| CPA patients % in settled accommodation | | **53.1%** | **41.1%** |
| CPA patients % in employment | | **4.4%** | **3.8%** |
| Early Intervention Psychosis % waiting times less than 2 weeks | 53% | **74.1%** | **71.0%** |
| Data quality maturity index (DQMI) | 95% | **96.4%** | **98.1%** |
| Improving Access to Psychological Therapies (IAPT) Recovery rate | 50% | **52.7%** | **53.4%** |
| IAPT – Wait from referral to treatment < 6 weeks | 75% | **75.6%** | **75.0%** |
| IAPT - Wait from referral to treatment < 18 weeks | 95% | **98.3%** | **98.4%** |
| Inappropriate acute mental health out of area placements – Bed days spent out of area vs improvement trajectory - April 18 to March 19 end position | versus local trajectory timeline | **1818** | **1265** |
| Staff Sickness and absence | 4% | **5.4%** | **5.6%** |
| Staff Turnover | 9-11% | **15.4%** | **14.5%** |
| Under 18 admissions to adult beds | Zero | **5** | **2** |

| Trust Performance against internal indicators | Standard (where applicable) | Monthly average 17/18 | Monthly average 18/19 |
|---|---|---|---|
| STEIS recorded serious incidents - Trust | | **24** | **30** |
| Complaints % upheld/ partially upheld - Trust | | **30.7%** | **27.8%** |
| Safer Staffing levels - all inpatient wards - Trust | | **94%** | **93%** |
| Vacancy rate - Trust | | **7.6%** | **8.5%** |
| Vacancy rate % - registered nurse - High Secure mental Health | | **15.8%** | **17.0%** |
| Ward occupancy - Low Secure mental Health | 90 - 97% | **93.3%** | **94.3%** |
| Ward occupancy - High Secure mental Health | 90 - 97% | **90.9%** | **86.8%** |
| Ward occupancy - Medium Secure mental Health | 90 - 97% | **96.7%** | **94.6%** |
| Ward occupancy - Adult mental health | 90 - 97% (provisional) | **99.3%** | **97.7%** |
| Mental Health delayed transfers of care attributable to the Trust (non secure) | 7.5% | **3.4%** | **4.6%** |
| Number of patients readmitted within 28 days - Mental health (non secure) | | **5.3** | **6.6** |
| Average length of stay - days (discharged patients) - Adult mental health | | **32** | **34** |
| Patients received treatment within 18 weeks - Mental health (non secure) | | **94.2%** | **95.3%** |
| Average length of stay - days - Community Hospital | | **31** | **24** |
| Patients received treatment within 13 weeks - Community general health | | **99.9%** | **97.1%** |

## Performance Challenges in 2018/19

- **Patients in mental health beds out of area:**

The Trust hasn't achieved the improvement target trajectory for reducing the number of patients in out of area beds at the end of 2018/19. Nonetheless, the Trust has made significant progress in reducing its number of out of area bed days over 2018/19 by around a third from April 2018 to March 2019.

We recognise that as a Trust we are still unable to offer all patients a bed in the local area and that we still have to use private service provision when there aren't sufficient beds available internally. This is an area of service provision that will be subject to a range of improvements and service developments in 2019/20 to achieve the reduction required.

- **Our workforce:**

Workforce pressures across the Trust, as for the NHS as a whole, has remained an ongoing issue throughout 2018/19, with voluntary turnover running at over 11% towards the end of the financial year, and a gradual increase over the year in vacancy rates reporting 9% at year end. This is particularly significant for High Secure Mental Health, with a vacancy rate for registered nurses running at around 17%. This pressure has the inevitable effect of raising overtime, agency and bank workforce levels but we are pleased to note that where extra staff is needed, we continue to deploy our own Bank staff to cover shifts wherever possible, rather than using external agency staff, with an average agency usage below national averages. Sickness and absence currently stands at 5.6%, which is above the Trust's target of 4%, but at a stable and manageable level.

Mandatory training levels for staff remain at around 90% and clinical supervision levels have remained stable, although lower than the Trust's 85% target; the implementation of a new clinical supervision system has not seen significant improvements in clinical supervision rates over 2018/19, with performance remaining at around 82%. Staff appraisal rates have remained well below the 95% target throughout 2018/19, with an average over the year of around 81%. Whilst the number of employment relation cases has continued to rise over the year, reaching 150 cases in February 2019, there has been a marked drop in Bullying and Harassment cases. The Trust's Leadership team keep the Trust Board apprised of the ongoing situation around workforce issues, and the initiatives being put into place to lessen and mitigate the nationally recognised issues around staffing in the NHS which the Trust is facing.

- **Waiting times for Mental Health services:**

Levels of waiting times for treatment and assessment remain high within mental health services, mainly within the Adult Mental Health directorate. Whilst demand is high, the Trust is actively improving how it manages waiting times to reduce waiting times wherever possible; services now have more up to date and detailed information regarding current waiting times to enable better self-management of waiting lists.

**Performance: Risk**

Sound management of performance requires risks and uncertainty to be addressed as part of the Trust's risk management strategy. Risk management involves understanding, analysing and addressing risk to make sure organisations achieve their objectives, which is underpinned by a proactive and informed review of Trust performance.

The Trust employs a Board Assurance Framework (BAF) which forms part of the Trust's risk management strategy and is the framework for identification and management of strategic risks. Each area of service within the Trust is required to

regularly update their risk registers to ensure that performance issues are both identified and addressed, with corresponding actions and mitigations monitored in a timely manner. This approach enables risk and uncertainty around performance to be managed within the Trust's organisational hierarchy to ensure accountability and transparency. The BAF and the associated Risk Register are clearly linked to the Integrated Performance Reporting to the Board.

**Performance Management Development in 2019/20**
The next year will be an exciting time as we develop our approach to managing performance. Along with new service specifications for many of our key mental health services encompassing new and improved performance metrics, we will be implementing new internal systems to bring performance from ward teams to the Board.

We will also be exploring new platforms to review our activity and performance data in real time which will enable our teams and senior leaders to make decisions with the best data available to them.

**Conclusion**
Whilst overall the performance for 2018/19 has been good, the areas outlined where we have not achieved what we would have wanted or is expected, underline the need to continuously improve. We are acutely aware that the results of the staff survey were disappointing and we are actively seeking to improve the experience and well-being of our staff in the coming year.

However it is recognised that to deliver high quality care, in the face of growing demand and a challenging financial situation requires us to keep developing our management of performance so that it is more forward focussed and innovative. We are continuing to improve access and breadth of performance information to enable more effective service level ownership of issues. As part of this move to more sophisticated and less resource intensive performance management, we in the Trust need to increase our active engagement with our data so that it enables us to inform our decision making and provide better and more responsive care.

## Financial performance

The Trust has delivered a strong financial performance and met all of its statutory financial obligations. The Trust is required to achieve at least breakeven position, ensuring that income is sufficient to meet expenditure. The Trust reported a surplus of £7,147k versus a plan and regulator control total of £7,422k, prior to the allocation of additional Sustainability and Transformation Funding (STF) from NHS Improvement. Following a further STF allocation received on 18th April 2019 of £3,134k this gave a total surplus of £10,281k for the financial year 2018/19. After the inclusion of £60k of impairment reversals the Trust achieved a reported surplus for the year of £10,341k.

The Trust's main source of income is received from local Clinical Commissioning Groups and NHS England. Clinical income in the year equated to £413.1m. A further £54.4m was received from Local Authorities, Health Education England and other organisations relating to non-clinical income. From this income the Trust

incurred £335.4m on staffing costs, equivalent to 73% of total expenditure (including PDC and other interest but excluding impairments). The remaining expenditure consisted of non-pay costs of £99.8m, with depreciation, PDC dividend and other finance costs of £22.0m.

Within the delivery of the above the Trust delivered £18.1m of efficiency savings, of which £9.3m were recurrent. The resulting surplus of £10,281k resulted in an Income & Expenditure margin of 2.2%.

Working capital during the year remained strong with average net current assets of £31m and average liquidity to cover 27.1 days of operating expenses. Cash holdings at the end of March were £45.7m.

Capital expenditure of £14.9m included £1.4m in completing Hopewood, the CAMHS and Perinatal unit that opened in the first quarter of 2018/19. IT and communications infrastructure accounted for £3.1m, with the remainder relating to maintaining the Trust estate, other equipment and intangible assets. As part of the Trust's ongoing review on the use of its estate, asset disposals during 2018/19 realised proceeds of £1.4m and a profit on disposal of £0.1m.

The Trust was set a cap on total agency spend by NHS Improvement (NHSI) of £10.1m for 2018/19, which included within that a secondary cap on Medical agency of £4.3m. The total spend on agency staffing of £8.4m for the year is below the cap set by £1.7m, with the expenditure on medical agency of £3.1m, being £1.2m below that element of ceiling set by NHSI.

## Environmental and Sustainability Performance

### Sustainability Leadership and Vision

The Trust's current Sustainable Development Management Plan (SDMP) was approved by the Trust Board in June 2018. The objectives and targets contained within the revised SDMP are aligned to the Sustainable Development Assessment Tool (SDAT) issued by the NHS Sustainable Development Unit (NHS SDU).

The key areas are detailed below:

- Corporate Approach
- Asset Management and Utilities
- Travel and Logistics
- Climate Adaptation
- Capital Projects
- Green Space and Biodiversity
- Sustainable Care Models
- Our People
- Resources
- Carbon and Greenhouse Gases

In total there are 32 objectives contained with the SDMP which were agreed following discussions held with senior managers from each of the respective areas.

The objectives are therefore considered relevant, achievable, patient focused and deliverable.

To ensure continual improvement is made and that the Trust remains on target to achieve the objectives set, each area has a nominated/responsible lead. Under the agreed reporting process, the leads report to the Sustainability Steering Group, the Chair of this group then reports to the Board every 6 months.

The Trust Board received the first update report in this new format in December 2018. Of the 32 objectives 2 are complete, 7 have slipped and 23 are on track. Those which have not yet started will continue to be reviewed and where appropriate, recovery actions will be initiated. At its outset, it was acknowledged that the SDMP action plan needed to remain a dynamic document and as such, there may be actions which get closed down without achieving the initial desired outcome.

The overarching vision of the SDMP is to 'ensure that the Trust works within its available environmental and social resources to protect and improve health both now and for future generations'.

Our goals are to ensure:

- A healthier environment
- Communities and services are ready and resilient for changing times and climates
- Every opportunity contributes to healthy lives, healthy communities and healthy environments

The current SDMP dated 2018 can be found on the Trust website at https://www.nottinghamshirehealthcare.nhs.uk/what-are-our-priorities-and-how-are-we-doing. This is accessible by all relevant internal and external stakeholders of the Trust.

**Sustainable Development Assessment Tool (SDAT)**
The SDAT is an online self-assessment tool managed by the NHS SDU which helps health and care providers understand their sustainable development action areas, measure progress against these and develop plans for the future.

Using four cross cutting themes: –

- Governance and Policy
- Core Responsibilities
- Procurement and Supply Chain
- Working with Staff, Patients and Communities

the SDAT is comprised of ten modules, the same ten modules upon which the Trusts SDMP is based. This approach was taken to align reporting requirements and benchmarking with sector best practice.

The self-assessment helps the Trust to understand how achieving the objectives in our SDMP, directly supports progress against meeting the United Nations Sustainable Development Goals (UN SDGs).

The SDMP makes a commitment to complete the benchmarking tool on an annual basis. The SDAT was completed for the first time during the reporting year 2018/19 and a score of 52% was obtained. A breakdown of the individual category scores is provided along with details of the UN SDGs that our work locally is starting to contribute towards.

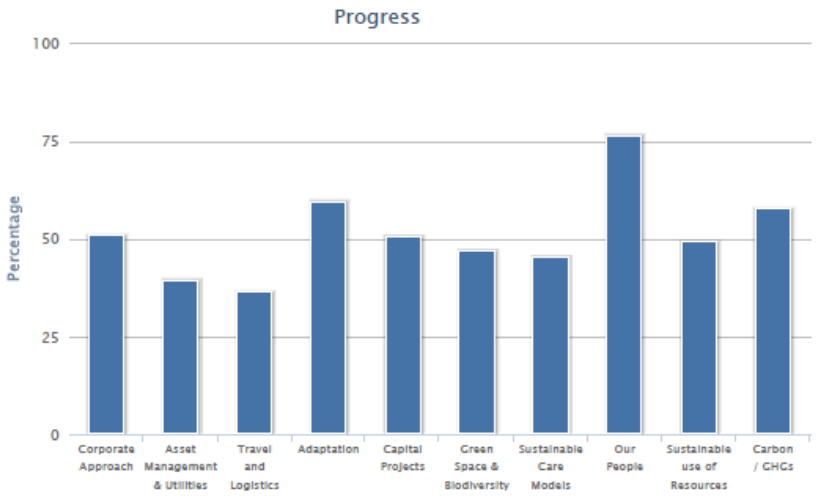
Nottinghamshire Healthcare NHS Foundation Trust

**NHS TRUST**

Latest assessment score

**52%**

| Module | Score |
|---|---|
| Corporate Approach | 50.94% |
| Asset Management & Utilities | 39.39% |
| Travel and Logistics | 36.46% |
| Adaptation | 59.42% |
| Capital Projects | 50.79% |
| Green Space & Biodiversity | 46.97% |
| Sustainable Care Models | 45.33% |
| Our People | 76.34% |
| Sustainable use of Resources | 49.28% |
| Carbon / GHGs | 57.66% |




SUSTAINABLE DEVELOPMENT GOALS

Our organisation is starting to contribute these SDGs at a local level

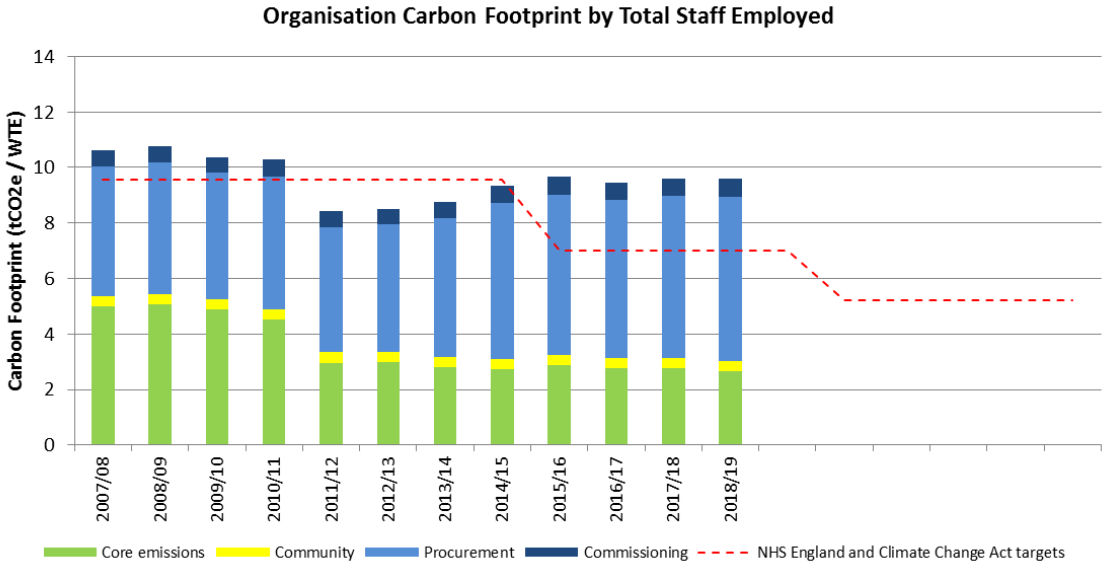

**Carbon Reduction**

The Trust aims to reduce its carbon footprint in tonnes of carbon dioxide equivalent ($tCO_2e$) per whole time equivalent (WTE) against a 2007/08 baseline by 34% by 2020, and 80% by 2050 with an interim target of 51% by 2025, which is in line with the requirements of the Climate Change Act 2008 and the NHS Long Term Plan published in January 2019. Our carbon footprint in 2007/08 was 10.61 $tCO_2e$/WTE. In 2018/19 it was 9.58 $tCO_2e$/WTE and the target for 2020/21 is 7.00 $tCO_2e$/WTE.

The Climate Change Act 2008 outlines the UK's approach to tackling and responding to climate change. It requires a reduction in emissions of carbon dioxide and other

greenhouse gases and that climate change risks are prepared for. The SDMP sets objectives to ensure both of these requirements are addressed.

The following graph outlines our past and projected progress against this target.




## Carbon Footprint

There are four main categories which make up the carbon footprint of the Trust. These are Procurement, Core activities, Commissioning and Travel. The actions taken and progress made during 2018/19 in each of these areas is detailed in the following section.

## Procurement

Carbon emissions associated with procurement still remain the greatest contributor to our carbon footprint accounting for 62% of the total.

Although carbon emissions associated with procurement have remained consistent to those recorded last year, considerable progress has been made in terms of procurement practice over the last year and in 2018, the Trust's Procurement Department was successful in achieving Level 2 Accreditation of the Department of Health's NHS Standards in Procurement. The standards set out a framework for assessing and benchmarking procurement performance, which includes elements of sustainability.

Ongoing progress is being made within Procurement to investigate ways of reducing carbon in both the products we use and the services we provide. The Trust complies with the Public Services (Social Value) Act 2012 and at the outset of each procurement project, the procurement lead and project sourcing group consider how the Social Value Act applies and detail the measures that will be put in place to support it. An example of this is breaking larger tenders into geographical lots to support SMEs (Small and Medium sized Enterprises). Whole lifecycle costing for procurement contracts is standard practice within all tenders to make sure that the full costs and associated carbon footprint are evaluated as part of the tender award procedure. A good example of this is the recently awarded Orthotics Tender, which

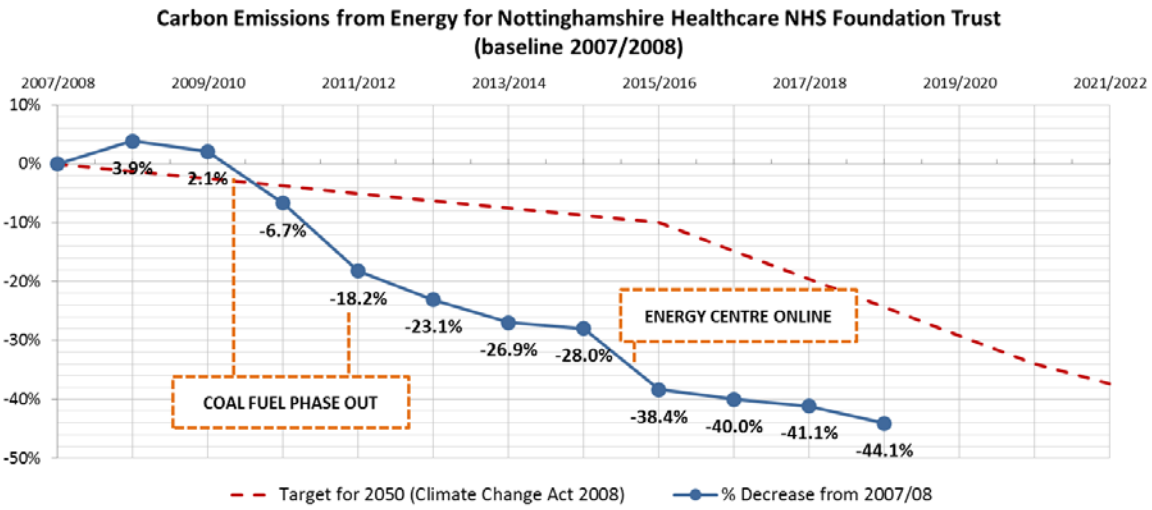
moved from taking a cast of a patient foot, to scanning it electronically instead. This procedure significantly shortened the patient pathway and eliminated the cost and associated waste of making casts.

Initiatives for 2019 include Procurement engaging with the new NHS Supply Chain National Procurement Category Tower leads, who deliver and provide the largest proportion of medical consumables to the organisation to challenge how they are reducing carbon and waste within their respective supply chains. The Procurement team is also working within the ICS and collaborating with other Trusts and Councils to share best practice on increasing local providers and encouraging SME's to bid for Trust contracts. Procurement is engaged in a number of strategic Trust projects including electronic prescribing and offsite document storage to support how the Trust can continue to move away from paper to working more electronically. The movement to a Paperless NHS can be supported by staff reducing the use of paper at all levels, this reduces the environmental impact of paper and the cost of paper to the Trust, and can also help improve information security. Procurement is also leading an innovative social value project to look at how we can support patients through working with our Trust suppliers to provide training and work placements both within our hospital sites and the wider community.

**Core emissions**

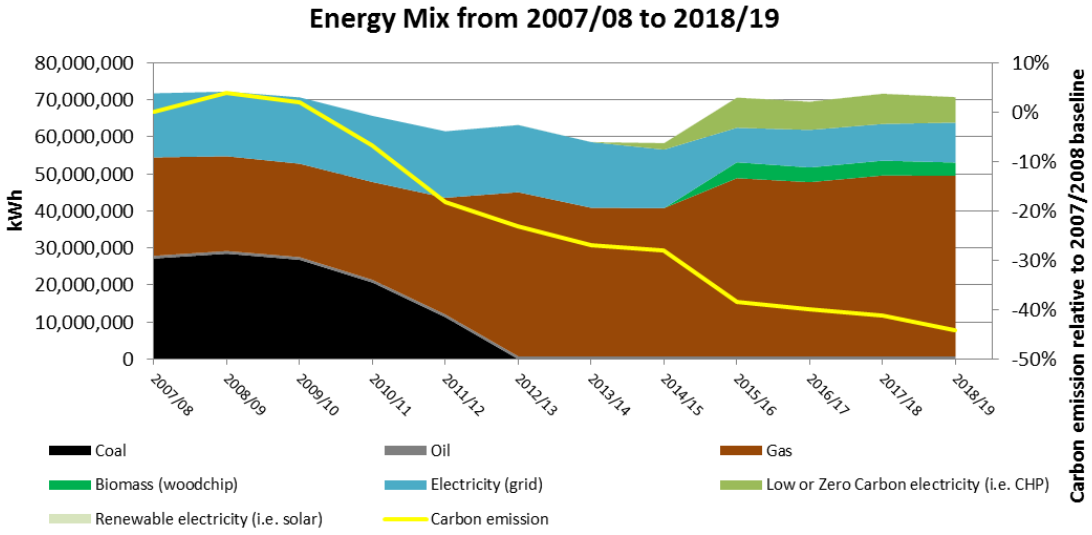
- **Energy** - carbon emissions associated with building energy account for approximately 25% of the Trust's overall carbon footprint. This comprises all Forensic Services and Local Partnerships properties and up to 4% of that is from our Leased Assets.
  In the baseline year 2007/08, the reported emissions were 25,575 $tCO_2e$. During 2018/19 the emissions were 14,294 $tCO_2e$ a reduction against baseline of 44%. The NHS Long Term Plan sets an interim target of 51% by 2025.

  A summary of our performance since the baseline year is detailed below:




Since the baseline year of 2007/08 there has been significant investment into energy efficiency and renewable energy as a strategic move to reduce the

Trust's carbon footprint, enhance its environmental sustainability, reduce operational and maintenance costs and to improve resilience.




The Trust's spend on utilities in 2018/19 was £3.4 million. This includes gas, electricity and biomass costs for the core sites as well as estimated costs for leased assets. Compared to last year, the energy cost increase, which equates to approximately 13%, can be explained by the increase in commodity and non-commodity prices; the opening of Hopewood, our new 40 bed inpatient unit in Nottingham; and the temporary shutdown of one of our co-generation units for essential maintenance, which impacted our grid electricity requirement.

During 2018/19 the Trust continued to source its energy via Crown Commercial Services (CCS), which is a not-for-profit, national framework provider specifically for public sector organisations; and through this framework, an exciting change is planned for the coming year.

The Board Approved SDMP makes a commitment to procure alternative and more sustainable energy sources and as a result of this, the Energy and Environment Department has engaged with the Trusts current electricity providers and has secured 100% renewable sourced electricity (RSE) from all of our suppliers for the next three years starting from 1st April 2019. The RSE will be backed by REGO certificates (Renewable Energy Guarantees Origin) and the scheme is regulated by Ofgem. British Gas, our non-half hourly electricity provider, has recently been certified by the Carbon Trust for their green energy product offering. Selecting a REGO backed supply helps demonstrate that the Trust is aware of the demand for lower-carbon services and that we are managing our climate risks accordingly.

In 2018/19, as in previous years, the Trust was fully compliant with the legal requirements relating to energy management and efficiency. As required by UK law, the Trust is part of the Carbon Reduction Commitment (CRC) Scheme. The carbon emissions associated with our energy use is internally

audited by independent assessors on an annual basis. The CRC scheme is closing after the current reporting year with the final internal audit taking place in June 2019.

The reported carbon emissions under CRC are different to those stated in this report, due to differences in the calculation methodologies. The cost of CRC compliance in 2018/19 is estimated to be £103k after taking advantage of the forecast sale of carbon allowances. Actual costs will be calculated when compiling the Annual CRC Report which will be completed before June 2019.

In 2018 the Energy and Environmental Team co-ordinated for the fourth year running its 'Energy Challenge' which saw 16 sites compete with each other to reduce electricity and gas consumption. This was achieved through encouraging building occupiers to report faults and raise awareness about energy efficiency. The project was again a great success and highlights the importance of involving stakeholders in environmental initiatives.

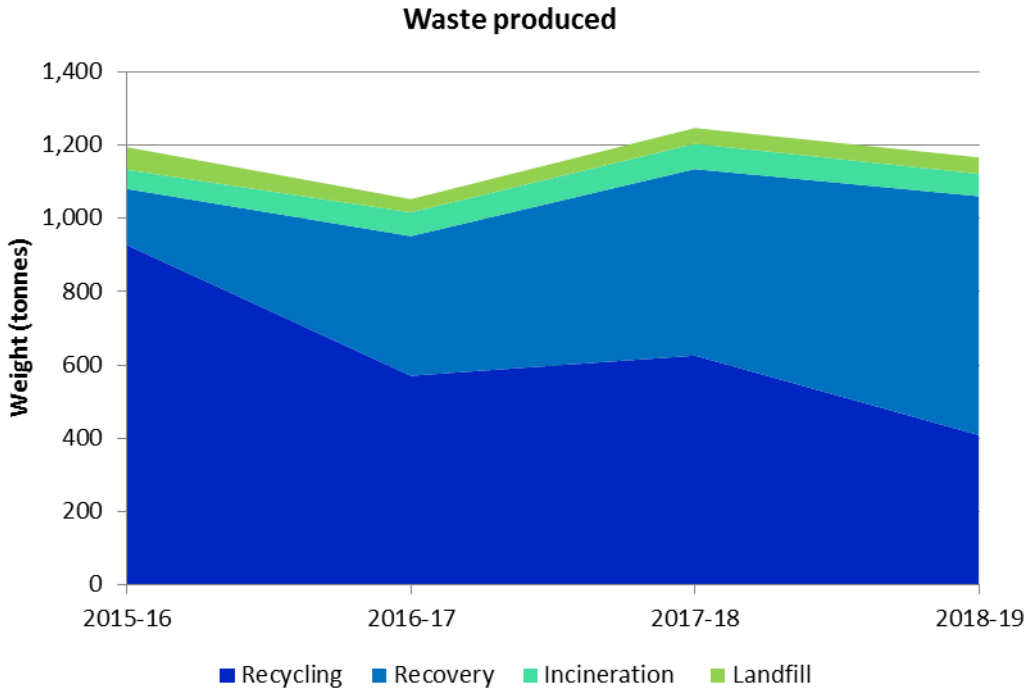
Engaging with our staff is essential to encourage behaviour change which will help to deliver financial as well as carbon savings. This year we used EDI_Net (https://dashboard.edi-net.eu/p/o/nottshc) to communicate the energy performance of buildings in an innovative way utilising a RAG (Red, Amber, and Green) system. The online tool was well received with positive feedback provided to the Energy and Environmental Department by various stakeholders.

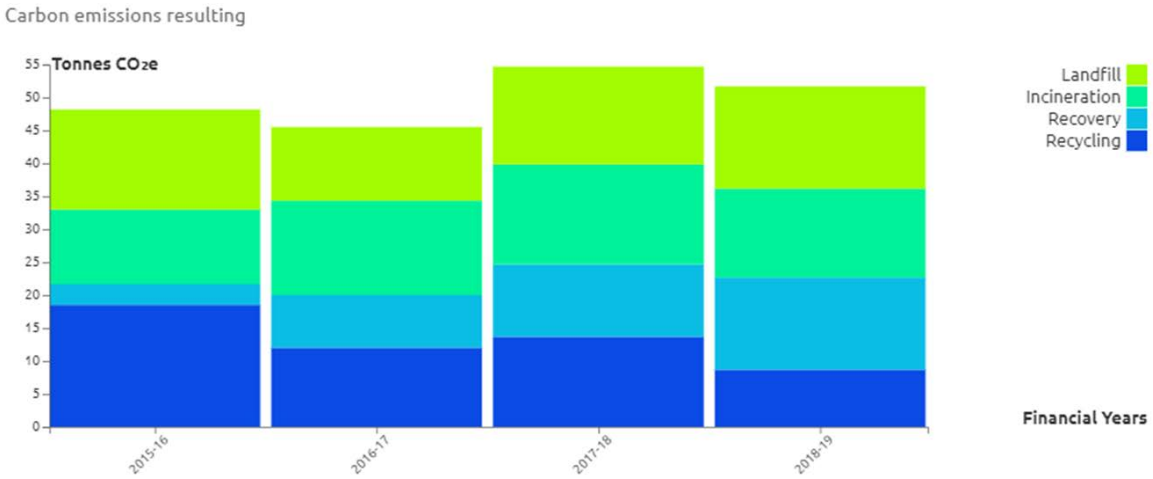
In 2018/19 the Energy and Environment Department started to develop Trust-wide Energy and Water Strategies to fulfil the requirements of Section 2.1 and 2.2 of the SDMP. The strategy documents will set SMART objectives for the next 5 years. Both documents will be subject to annual reviews and the targets will be adjusted accordingly to maximise their deliverability.

In October 2018 NHS Improvement announced a £46m fund to accelerate the adoption of LED lighting in NHS premises. The Trust submitted their bid but, unfortunately, was unsuccessful with their application. Feedback received from NHSI was generally positive, but the fund was significantly oversubscribed. The Estates and Facilities Directorate is currently looking into sourcing alternative funding streams.

In December 2018 BEIS (Department for Business, Energy and Industrial Strategy) announced a £320m fund, under the Heat Networks Investment Project (HNIP) scheme, to develop district heating systems in England and Wales. To maximise resource efficiency and site resilience; improve the security of heating and hot water services; and to improve environmental performance, the Trust is currently considering expanding the district heating network at Rampton Hospital, seeking funding from BEIS to do this. The Energy and Environment Department submitted the pre-application form in March 2019 and should the pre-application be successful, the Trust will prepare and submit the full application.

- **Waste** - has the potential to cause significant environmental harm, and as a result of this the Trust has a duty in law to manage waste appropriately.




Following a competitive tender process, the Trust awarded a new general waste and recycling contract in August 2018. This contract provides significantly improved data which has considerably improved the accuracy and confidence of our reporting. All general waste and recycling bins covered by this contract are now chipped and weighed upon collection with figures provided to the Trust on a regular basis. An area for improvement exists in the data acquisition processes for sites where the Trust does not manage the waste contracts and this is currently being addressed.

Under this new contract, the Trust has been offered the opportunity to have compositional analysis of it's of waste bags undertaken which has identified a number of opportunities for improvement. The Trust has acted on some of these already and is currently trialling the removal of under desk bins at Duncan Macmillan House. This project is in the early stages but it is hoped the main outcome will be improved waste segregation and increased recycling rates. If the project is a success the Energy and Environment Department hope to extend this to other Trust sites.

The Energy and Environment Team is working on a Waste Strategy, which was set as an objective under the SDMP. This strategy will aim to improve awareness and to work more closely with staff, patients, service users and contractors to change behaviours towards waste. The waste strategy will focus on the higher tiers of the waste hierarchy – reduce and reuse, which will improve resource efficiency, reduce costs and reduce the Trust's environmental impact whilst improving compliance with environmental legislation.

There was increased pressure on the healthcare waste disposal infrastructure in late 2018/early 2019 when one of the UK's largest healthcare waste contractors, HES went into receivership. To date, this has had minimal impact on the Trusts healthcare waste contractor, however, contingency plans are in place from their perspective and similarly, a plan is being developed by the Trust to ensure continuity in service should this have a wider reaching impact than anticipated.
We are able to accurately report on re-use tonnages, both internally and externally, as these are documented through the use of Warp-it, the Trusts re-use system. Between April 2018 and January 2019, we have saved £56k, 25 tonnes of carbon and avoided 8.6 tonnes of waste. The majority of these savings came from the internal re-use of items following the closure of one of our sites, Thorneywood.

Internally the use of Warp-It has been promoted through information on pay slips, targeted promotions with listed Trust buyers and promoting the system on the Energy and Environment Department's Twitter account. The total number of registered staff is now 750, covering over 100 of our sites. These details held are being mapped and utilised to actively target areas where there are no representatives to achieve further savings.

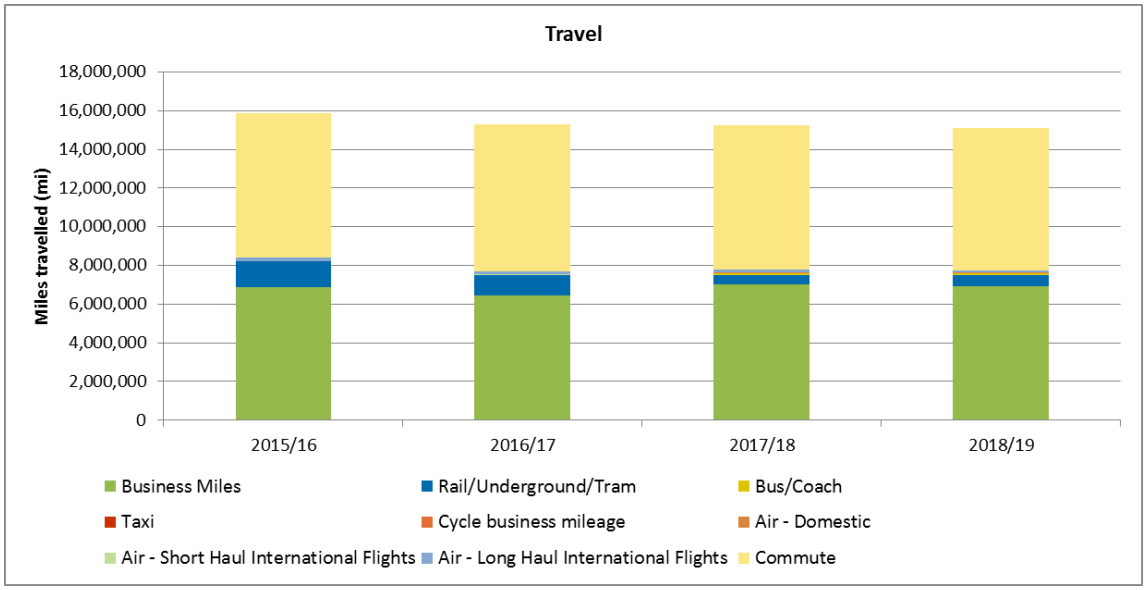
Once items have been redistributed where possible within the Trust, local charities are now being approached to maximise redistribution and re-use of these items within the local community. Work to partner with these organisations, has resulted in claims on Warp It from Relate and the British Heart Foundation. The financial value of avoided cost by external re-use of durables, goods and community equipment was £2,666 for the same period, achieved by donating unwanted items to local charities.

The environmental issue of single use plastic has grown in importance over the last year following David Attenborough's focus on this in Blue Planet 2 and in response to this; the Trust has an objective within its SDMP to reduce the

use of single use plastic. Work has already started on this in terms of catering, with a reduction on the cost of purchasing food if people take their own plate/cutlery and wooden cutlery is now available. In terms of plastic cups, work is underway to assess the areas of highest use and what alternative options are available.

**Commissioning** - based on the model provided by the NHS SDU there has been little change in the carbon emissions associated with commissioned health and social care services. As previously identified this is an area that requires further understanding and development. Commissioning currently is estimated to represent 7% of the Trust carbon footprint.

**Travel** - business travel miles travelled (including road, rail and air travel) and staff commute and patient travel represents 8% of the Trust's carbon footprint. In 2018/19, a total of 6,943,000 business miles were travelled by non-organisation owned grey fleet/pool/third party vehicles in total, which is a slight decrease when compared with the previous year.




The link between air pollution from vehicle emissions in our towns and cities and ill health is now well documented and is growing in importance, so much so that the NHS Long Term Plan makes specific reference to this by committing to improve air quality by ensuring that at least 90% of the NHS fleet uses low-emission engines (including 25% ultra-low emissions) by 2028.

In line with this requirement and to contribute to the delivery of Nottingham City Council's (NCC) Clean Air Strategy, the Trust's Transport and Logistics department trialled an electric van for a 4 week period in collaboration with NCC. Following the successful trial and a comprehensive cost-benefit analysis, Trent and Derwent Logistics is now considering taking the next step to electrify some of their fleet, with the first leased electric van arriving in mid-2019.

In support of reducing the Trust impact from travel, the SDMP makes a commitment to expand the provision of electric vehicle (EV) charge points across the Trust. To facilitate this the Trust applied for external funding and was successful in receiving a £21k grant from NCC in 2018 to install EV charge points at key Trust sites across Nottinghamshire and neighbouring counties. This will help to improve local air quality and encourage Trust staff to switch to cleaner vehicles.

To help the Trust better understand the feasibility of making the switch to electric vehicles, the Energy Savings Trust was commissioned in 2018 to undertake a review of its vehicle fleet. Using the information provided 19 Vauxhall Combo and Ford Transit Connect vans were identified as being suited to being replaced by EVs. These existing vehicles are undertaking a typical mileage of between 30 and 100 miles per day, the lower limit being necessary for cost neutrality and the upper limits for a realistic, single charge, EV range. It is hoped that this recommendation is taken forward and steps are made to reduce the impact of delivering our services.

In its Long Term Plan, the NHS also committed to cutting business mileage by 20% by 2023/24. The Trust has already identified that this is something which should be addressed and within the SDMP has similarly committed to reducing unnecessary business travel claims for all non-patient related activities.

To engage and inform our workforce about the causes and impact of air pollution there is now a dedicated page on Connect, the Trusts intranet, which links to the Department for Environment Food and Rural Affairs Daily Air Quality Index so staff can check levels of air pollution in their area, enabling them to modify their activity if needs be.

The SDMP makes a commitment to develop a Trust-wide Travel Strategy. Work on this is still in its early stages but a mapping exercise has been undertaken to identify key stakeholders and areas for consideration. The first all staff travel survey held in January 2018 did highlight areas for consideration and development and may influence the scope and shape of sustainable travel options for the Trust going forward. Options we are currently investigating include electric bikes for staff.

**Stakeholder Engagement**

The Trusts main mechanism for engaging with staff on environmental and sustainability issues is the Green Champion Network which now has over 390 members Trustwide. Each month an e-bulletin is produced which outlines key focus areas, news on awards, hot topics and ideas for being more sustainable both at work and at home.

A survey of Green Champions was conducted at the end of 2018 to help shape engagement activity going forward. The responses demonstrated that the bulletin is well read and shared beyond the individuals in the network and that the major interest areas are waste and recycling, along with climate change.

Green Champions appreciate the information which is shared in the bulletin particularly when this features advice, but would like to see more projects they can get directly involved in. This feedback is having an immediate impact on our activity and already a discussion page has been added to Connect and a standing “Do one

small thing" section will be added to the bulletin. Over time it is hoped the Energy and Environment Department can support Green Champions to set up their own projects and co-ordinate themselves as a network.

Regular articles in the Trust's magazine, Positive over the last year along with dedicated articles on the Trust intranet Connect has also helped to raise the department's profile, highlight the work we do and share the successes we have had.

**Biodiversity and Greenspace**

Engagement with our patients and staff in relation to green space is very important, particularly within our secure hospitals, as many patients will stay within the same environment for a considerable number of years. Encouraging connectedness with nature and being outside in the fresh air is good for wellbeing and social integration. The NHS Long Term Plan recognises the need to support social prescribing, an idea that complements sustainability and takes advantage of its benefits.

The Trust supports this approach and the SDMP makes a commitment to develop a Biodiversity and Greenspace Strategy which will seek to promote, conserve and enhance biodiversity as well as encouraging staff and patients to spend time outside. In 2018 the Energy and Environmental Department was delighted to be asked to take part in the development of an area of greenspace at an outpatient CAMHS site. Staff have been working together to determine how young people using the service can benefit from the greenspace available to them. The Department has supported their suggestions by recommending actions to take, funding or resourcing opportunities to apply for and making connections with other established greenspace projects across the Trust. Ideas such as creating insect houses, building bird boxes and taking part in citizen science projects such as the Big Garden Bird Watch have all been discussed. This is a great way to engage both staff and patients with the sustainability agenda.

**Communication**

Members of the public are able to access information about the environmental performance of the Trust from the Annual Report and also via the Trust website. Staff can find out information about the energy and environmental agenda via Connect, the Trust intranet. The Environment pages have been overhauled in the last six months to include more resources, guidance documents, training slides and links to relevant procedures and policies.

In November 2018, an Energy and Environment Department Twitter account was set up to facilitate immediate engagement and connections with stakeholders both inside and outside of the Trust. The profile has gathered over 80 followers and our tweets have been seen over 30,000 times. We have promoted Warp It, the Green Champions network and other events; and shared (or retweeted) information about sustainable healthcare and projects our staff and patients have been involved in, for example contributing data to the Big Garden Bird Survey. It is hoped that the number of followers and engagement will increase in the coming months, and that twitter can be used to promote and facilitate co-ordinated environmental action across the Trust.

**Climate Adaptation**
Events such as heatwaves, intense or prolonged cold periods and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our patients, service users and local community we are in the process of developing a Climate Change Risk Assessment and assessing the impact of climate change on our estate, infrastructure and workforce as outlined in our SDMP.

**Sustainable Food**
Sustainable food events were held in 2018 with patients at Wells Road and Wathwood Hospital. These focussed on using food waste as a resource and raising awareness of meat and fish accreditations such as Red Tractor and the Marine Conservation Society.

Although progress over the last year has been slower than anticipated, the Trust remains a Board Member of Good Food East Midlands, an initiative linking schools, hospitals, charities and other organisations to work towards the East Midlands becoming the first accredited Sustainable Food Region.

**Our People**
In order to raise awareness of the environmental agenda and the Trust's commitment to this, the Energy and Environment Department attend the monthly inductions at Duncan Macmillan House and Rampton Hospital to speak to new staff. Activity, promotions and campaigns we support are detailed in the Trusts Engagement and Communications Plan which has been produced as part of the SDMP and will be updated annually.

Funding is being sought so the Trust can participate in the Green Impact Scheme which would provide a means of improving the understanding of the Trust's sustainability agenda by developing our people and culture, linking directly to objectives in the SDMP.

**Awards and Successes**
The Trust continued in its award winning ways by being awarded the Water and Energy Award at the first Sustainable Health and Care Awards in November 2018 for the use of the EDI-net software for the Trust Annual Energy Challenge. The award was presented by Professor Lord Robert Winston, eminent authority on medical science and BAFTA award-winning television presenter. The award programme highlights and celebrates the fantastic sustainable development work across the NHS, social care and public sector. The event provides organisations, teams and individuals the opportunity to showcase their projects. We were delighted to have been successful in such a fiercely contended category.

Each year, the NHS SDU undertakes an analysis of all provider and clinical commissioning group (CCG) annual reports to evaluate sustainability content. In March 2019, the Trust was awarded a Certificate of Excellence for our 2017/18 Annual Sustainability Report. Only 55 trusts and 42 CCGs (around 22%) have been selected for recognition out of 432 organisations across England and the Trust is delighted to be one of them.

Following the recent restructure of Estates and Facilities, and the decision for this to become a Corporate Service, approval was granted by the Trust Board in June 2018, as part of the SDMP, to extend the scope and remit of the internationally recognised environmental standard ISO14001:2015 across the whole Directorate. The Energy and Environmental Department is excited about the opportunities that this will present and is keen to begin revising and updating the system to include these sites and operations over the coming years.

**Barriers and Challenges**

Meeting the objectives of the NHS Long Term Plan will present significant challenges, whether that be having the resources to adopt innovative solutions to reduce waste, water and carbon, or having capital to invest in alternative technologies, for example increasing the number of electric vehicles in the Trust fleet. Whatever happens, it is essential that all stakeholders involved in the SDMP ensure that sustainability objectives and targets are integrated into service delivery.

**Clarifications**

**Note 1:** All information contained within this section of the annual report is based on NHS SDU reporting guidelines and template, both its online and offline version, which have been created in accordance with HM Treasury and DEFRA guidance on carbon reporting.

**Note 2:** Data for travel, energy, waste and procurement is estimated for January, February and March 2019.

**Note 3:** There are some limitations to the data provided for leased properties and services. Specifically this will include some estimated data for utilities and waste within NHS Property Services premises.

**Note 4:** Procurement, business travel, and healthcare waste are included for Offender Health portfolio only. No data is included for utilities or waste other than healthcare waste.

**Note 5:** All Commissioning data is estimated based on the model provided by the NHS SDU.

**Note 6:** The NHS SDU has developed a functional framework for reporting carbon emissions, where the primary driver is around the level of control and/or influence the organisation may have. The further from the centre the less control the organisation has but the more value/impact can be achieved in supporting individuals, patients and community to support their health through healthy lifestyles and choices.

| Area of influence | Level of control | Description / Scope |
|---|---|---|
| **Core emissions** | High | Scope 1, 2, 3 emissions from energy, waste, water, business travel and transport and fugitive GHGs (e.g. anaesthetic gases) These impacts cover the energy, travel and fugitive emissions captured within ERIC and other central processes that a Trust or CCG will have significant control over. |
| **Commissioned Healthcare** | High | Scope 3 impacts of commissioned healthcare. For providers this may be where healthcare is commissioned from NHS providers. |
| **Supply chain** | Medium | All scope 3 emissions from the goods, services and buildings procured – this includes the extraction of raw materials, their transport and processing in usable items used by the NHS organisation, e.g. oil transported and processed into plastics and provided to the NHS such as syringes and their packaging. |
| **Community** | Low | All emissions (Scope 1, 2, 3) from staff commute, patient and visitor travel. This is the travel NHS organisations can influence through healthy travel planning, site locations and partnership working with the local authority for instance but are not in a position to dictate the mode of transport these individuals choose. |

## Carbon Emissions from Energy (2007/8-2018/19)

| Resource | | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gas | Use (kWh) | 26,591,101 | 25,603,560 | 25,233,365 | 26,422,296 | 31,531,168 | 44,317,576 | 40,151,517 | 40,054,619 | 48,137,865 | 47,062,827 | 48,865,092 | 48,775,040 |
| | tCO2e | 5,434 | 5,232 | 5,156 | 5,399 | 6,443 | 9,056 | 8,518 | 8,404 | 10,099 | 9,836 | 10,360 | 10,220 |
| Oil | Use (kWh) | 714,158 | 714,158 | 714,158 | 737,901 | 728,152 | 763,027 | 729,522 | 739,522 | 739,522 | 739,522 | 739,522 | 739,522 |
| | tCO2e | 228 | 228 | 228 | 235 | 232 | 243 | 233 | 237 | 236 | 234 | 242 | 236 |
| Coal | Use (kWh) | 27,196,924 | 28,486,208 | 26,839,757 | 20,680,813 | 11,333,503 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | tCO2e | 10,011 | 10,485 | 9,879 | 7,612 | 4,172 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electricity (grid) | Use (kWh) | 17,316,653 | 17,456,830 | 17,933,711 | 17,865,429 | 17,959,075 | 18,163,431 | 17,747,058 | 15,798,974 | 9,317,439 | 10,144,421 | 9,910,433 | 10,801,241 |
| | tCO2e | 9,903 | 10,629 | 10,853 | 10,622 | 10,064 | 10,368 | 9,937 | 9,785 | 5,357 | 5,243 | 4,417 | 3,810 |
| Low or Zero Carbon electricity (i.e. CHP) | Use (kWh) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,747,896 | 8,133,875 | 7,613,433 | 8,161,613 | 6,865,283 |
| | tCO2e | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Renewable electricity (i.e. solar) | Use (kWh) | 0 | 0 | 0 | 0 | 1,213 | 35,463 | 38,348 | 73,577 | 60,853 | 68,185 | 65,126 | 55,354 |
| | tCO2e | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Biomass (woodchip) | Use (kWh) | | | | | | | | | 4,304,340 | 3,977,248 | 4,017,201 | 3,586,930 |
| | tCO2e | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 72 | 31 | 32 | 28 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total energy CO2e | tCO2e | 25,575 | 26,574 | 26,116 | 23,869 | 20,911 | 19,667 | 18,687 | 18,425 | 15,764 | 15,344 | 15,051 | 14,294 |
| Total energy spend | £ | 2,184,060 | 3,173,702 | 3,018,944 | 2,566,151 | 2,862,578 | 3,215,780 | 3,238,730 | 3,014,066 | 2,402,362 | 2,026,048 | 2,433,696 | 2,827,501 |
| Diff to 2007/08 | | | 1,000 | 541 | -1,706 | -4,663 | -5,907 | -6,887 | -7,150 | -9,811 | -10,231 | -10,524 | -11,280 |
| %Diff | | | 3.91% | 2.12% | -6.67% | -18.23% | -23.10% | -26.93% | -27.96% | -38.36% | -40.00% | -41.15% | -44.11% |

## Carbon Emissions from Procurement in $tCO_2e$

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|---|
| Business services | 9,856 | 9,740 | 9,638 | 9,940 |
| Capital spending | 2,864 | 4,743 | 5,413 | 4,185 |
| Construction | 4,178 | 4,129 | 4,086 | 4,220 |
| Food and catering | 2,148 | 4,546 | 4,499 | 4,640 |
| Freight transport | 5,035 | 4,975 | 4,923 | 5,080 |
| Information and communication technologies | 2,600 | 2,569 | 2,543 | 2,620 |
| Manufactured fuels, chemicals and gases | 4,315 | 4,264 | 4,220 | 4,350 |
| Medical instruments / equipment | 5,970 | 5,899 | 5,838 | 6,020 |
| Other manufactured goods | 811 | 802 | 794 | 819 |
| Paper products | 1,534 | 1,516 | 1,500 | 1,550 |
| Pharmaceuticals | 1,993 | 1,970 | 1,949 | 2,010 |
| | | | | |
| **Total** | **41,304** | **45,153** | **45,403** | **45,434** |

## Social, community, anti-bribery and human rights issues

The Trust recognises and works to ensure that it operates as a socially responsible organisation, is supportive of and engages with the diverse range of communities and interests in the delivery of its principal purpose as set out within the Constitution (the provision of goods and services for the purposes of the health service in England) and complies with and upholds the principles of human rights for all those who come into contact with the Trust in relation to this principle purpose.

The Trust is known and recognised for its POSITIVE values base which underpin the Trust`s approach to social, community and human rights issues.

At a strategic level issues relating to social, community, anti-bribery and human rights issues are reflected within a range of strategic documents and enacted through Trust wide policies, operational policies and associated monitoring and reporting arrangements. Associated risks are assessed and reflected within the Board Assurance Framework or risk registers.

The Trust works closely and in partnership with a broad range of public, private and voluntary sector organisations in the delivery of services to identify, assess and meet the needs of communities, be these geographical or demographic. In so doing the importance of engagement with these communities is recognised as being of crucial importance as is ensuring that communities consider their voice has been heard and appropriately responded to.

Trust wide policies aim to ensure compliance with current legislation, regulation and national guidance. Policies are ordered under a number of categories, with policies in the following categories addressing varying aspects of human rights:

- Mental Health Legislation
- Human Resources – including Equality, Diversity and Human Rights
- Safeguarding
- Patient Care
- Confidentiality
- Risk Management

The Trust has in place a counter fraud, anti-bribery and hospitality policy that protects the NHS, its staff and users. The policy is annually reviewed and the Counter Fraud Specialist reports quarterly to the Audit Committee on preventative and proactive measures that are in place. No material incidents have been detected in 2018/19.

Human rights, specifically the right to life in regard to detentions under the Mental Health Act are addressed by the Mental Health Act and incident management policies which are kept under regular review by the Trust’s Quality Committee and Mental Health Legislation Committee. No infringements of human rights have been reported in 2018/19.

Robust human resources policies and procedures are in place to ensure compliance with employment and equality legislation.

The Trust has supported external agencies to progress a number of safeguarding cases through the courts in relation to modern slavery and exploitation. These cases have been subject to multiagency safeguarding reviews from which the Trust has strengthened policies and practices to increase awareness and support to vulnerable service users.

The Trust does not tolerate any form of fraud, bribery or corruption by, or of, its employees, associates, or any person or body acting on its behalf. The Trust employs an independent dedicated agency to provide local counter fraud services to support staff in dealing with counter fraud issues.

The Trust's Audit Committee agrees the work plan for the counter fraud specialist and this is updated on a regular basis in relation to progress. The Trust also works closely with NHS Counter Fraud Authority for major investigations. The Trust's counter fraud policy is scrutinised by the Audit Committee and recommended to the Board of Directors for approval, and details the organisation's procedure for dealing with suspected fraud, bribery and corruption. Staff or service users who witness or have concerns that a fraud is being undertaken can contact the local counter fraud specialist in confidence, who will review and initiate an investigation where appropriate.

As a provider of secure forensic, offender health and mental health services, a specific focus is placed on ensuring that practice and processes for the provision of these services safeguards the interests of service users and patients in accordance with legislation, regulation and national guidance. The Board of Directors maintains oversight of arrangements through direct reporting or through the work of its committees e.g. the Mental Health Legislation Committee with regard to compliance with the Mental Health Act and associated legislation. Night Time Confinement is approved on a number of wards at Rampton Hospital. The Board of Directors is asked to approve further continued use of Night Time Confinement at Rampton Hospital on a quarterly basis.

**Working with suppliers**

In compliance with the consolidation of offences relating to trafficking and slavery within the Modern Slavery Act 2015, the Procurement Team continuously reviews its supply chains with a view to confirming that such actions are not taking place. Analysis of the Trust's Non Pay spend and associated supply chains identifies the general potential areas of risk as Provision of Food, Construction, Cleaning & Clothing (work wear). All suppliers in these categories are contacted by letter, to confirm compliance with the Act and provide additional information on their organisation, their supply chains, the areas of risk and the due diligence undertaken.

In addition, the Procurement Team ensures that due diligence is undertaken for all new and ongoing suppliers of goods and services to the organisation and their associated Supply Chains by sourcing through the following compliant routes:

- Competitive OJEU (Official Journal of the European Union) procurements tendered in compliance with EU guidance which require suppliers to confirm they comply with the Modern Slavery Act.

  In high risk categories, to support their response bidders are additionally required to state:

  - the organisation's structure, its business and its supply chains;
  - its policies in relation to slavery and human trafficking;
  - its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
  - the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
  - its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
  - the training and capacity building about slavery and human trafficking available to its staff.

- Procurement through EU compliant national government frameworks.

- All contracts and associated purchase orders are raised on the NHS Standard Terms and Conditions which suppliers are mandated to comply with. These conditions state:

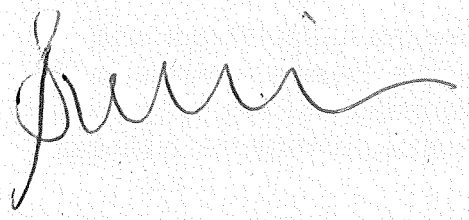
  - It shall comply with all relevant Law and Guidance and shall use Good Industry Practice to ensure that there is no slavery or human trafficking in its supply chains; and notify the Authority immediately if it becomes aware of any actual or suspected incidents of slavery or human trafficking in its supply chains;

  - It shall at all times conduct its business in a manner that is consistent with any anti-slavery Policy of the Authority and shall provide to the Authority any reports or other information that the Authority may request as evidence of the Supplier's compliance with this clause and/or as may be requested or otherwise required by the Authority in accordance with its anti-slavery Policy.

The Procurement Team also upholds the Chartered Institute of Procurement and Supply (CIPS) Code of Professional Conduct which promotes the eradication of unethical business practices, by:

- fostering awareness of human rights, fraud and corruption issues in all my business relationships
- responsibly managing any business relationships where unethical practices may come to light, and taking appropriate action to report and remedy them
- undertaking due diligence on appropriate supplier relationships in relation to forced labour (modern slavery) and other human rights abuses, fraud and corruption

- continually developing my knowledge of forced labour (modern slavery), human rights, fraud and corruption issues, and applying this in my professional life

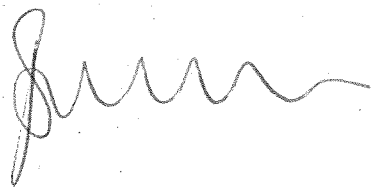


Dr John Brewin
Chief Executive
23 May 2019

# ACCOUNTABILITY REPORT

The Trust's directors take responsibility for preparing the Annual Report and Accounts. We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

This accountability report is signed in my capacity as accounting officer.



Dr John Brewin
Chief Executive
23 May 2019

# DIRECTORS REPORT

## THE BOARD OF DIRECTORS

### Role and function of the Board of Directors

The Board of Directors has overall responsibility for defining the Trust's strategy and strategic priorities, vision and values, for the overall management and performance of the Trust and for ensuring its obligations to regulators and stakeholders are met.

The decisions reserved for the Board of Directors and the delegated discharge of its responsibilities is set out under a formal Scheme of Delegation defining the allocated responsibilities for making and approving decisions relating to Trust business.

The Board of Directors meets 12 times per annum. Meetings of the Board of Directors are held in public with members of the public welcome to attend to observe proceedings. Due to the confidential nature (commercial or personal issues) of some matters of business, the Board of Directors does reserve the right to undertake such business in private session. The meeting agendas are circulated to Governors in advance of the meeting with a standing invitation to each meeting of the Board of Directors (and of its committees) to observe the work of the Board of Directors. Papers and minutes of the public sessions of the meetings are available via the Trust's website.

The Board of Directors is a unitary board comprising Executive and Non-Executive Directors who make decisions as a single group and share the same responsibility to constructively challenge during Board discussions and support the development of proposals on priorities, risk tolerance, values, standards and strategy:
Executive Directors are employees of the NHS Foundation Trust, led by the Chief Executive, and are responsible for the day to day management of the Trust.
Non-Executive Directors are not employees and bring to the Board an independent perspective having a duty to challenge the executive and to hold Executive Directors to account.

All members of the Board of Directors have the same general legal responsibilities to the Trust and have a collective responsibility to act with a view to promoting the success of the organisation to maximise the benefits for the members of the Trust and for the public.

The Directors of the Trust bring a broad range of skills and experience to their roles on the Board to ensure an appropriate balance with the capability and capacity to meet the requirements of the Trust. The Board of Directors' Nominations & Remuneration Committee maintains an overview of the Board's composition.

To support the Board of Directors in the undertaking of its responsibilities, the following committees have been formally established, all being chaired either by the Chair of the Trust or by a Non-Executive Director:

- Audit Committee
- Quality Committee

- Finance & Performance Committee
- Workforce, Equality & Diversity Committee
- Mental Health Legislation Committee
- Nominations & Remuneration Committee
- Charitable Funds Committee

A programme of Board Development sessions have been held during 2018/19 focusing on a range of issues including strategy development, staff and cultural engagement and system wide transformation.

**Board members**

| Name | Position | Comment | End Date of Current Term of Office |
|---|---|---|---|
| Dean Fathers | Chair | | 31 December 2019 |
| Sheila Wright | Non-Executive Director<br>Vice Chair | | 28 February 2020 |
| Peter Parsons | Non-Executive Director<br>Senior Independent Director | End Date: 28 February 2019 | 28 February 2019 |
| Steve Banks | Non-Executive Director | | 31 January 2022 |
| Stephen Jackson | Non-Executive Director<br>Senior Independent Director from March 2019 | | 18 June 2019 |
| Christine Lovett | Non-Executive Director | End Date: 03 August 2018 | 28 February 2019 |
| Di Bailey | Non-Executive Director | | 31 October 2020 |
| Trevor Orman | Non-Executive Director | From: 24 January 2019 | 24 January 2022 |
| Carolyn White | Non-Executive Director | From: 4 March 2019 | 03 March 2022 |
| Ruth Hawkins | Chief Executive | End Date: 28 September 2018 | |
| John Brewin | Chief Executive | From: 01 January 2019 | |
| Simon Crowther | Executive Director of Finance | | |
| Julie Attfield | Executive Director of Nursing | Interim Chief Executive from 01 October 2018 to 31 December 2018 | |

| Name | Position | Comment | End Date of Current Term of Office |
|---|---|---|---|
| Fiona Illingsworth | Interim Executive Director of Nursing | Interim from 01 October 2018 to 31 December 2018 | |
| Julie Hankin | Executive Medical Director | | |
| Paul Smeeton | Executive Director: Local Partnerships | End date 30th April 2019 | |
| Peter Wright | Executive Director: Forensic Services | | |
| Angela Potter | Director of Business Development and Marketing | Non-voting Board member | |
| Clare Teeney | Director of Human Resources | Non-voting Board member | |

All Non-Executive directors who served on the Board of Directors in 2018/19 are considered to be independent by virtue of the employment checks made on appointment, ongoing fit and proper person's reviews and the declaration of their actual and potential conflicts of interest. Further information can be found in the Annual Governance Statement.

**Dr John Brewin – Chief Executive**

Dr John Brewin took up post as Chief Executive on 1 January 2019.
John, a consultant psychiatrist for 23 years, was CEO at Lincolnshire Partnership Foundation Trust (LPFT), where he has been in that role for four years and was their Medical Director for three years prior to this. John previously worked for Nottinghamshire Healthcare in a variety of senior clinical roles between1995-2011 and he also trained in Nottingham. John has an extensive career history of leadership and managerial roles, with experience as an associate medical director and clinical director before he joined LPFT.
John's achievements during his time at LPFT include the Trust moving from 'Requires Improvement' in 2015 to 'Good' in 2017 in the CQC ratings. He also helped the Trust improve quality, deliver strong performance and meet financial targets year on year. Some of John's other skills are around culture, leadership and staff engagement.

**Dr Julie Hankin – Executive Director Medical Affairs**

Julie is a Consultant Psychiatrist working in general adult services. She has worked in a number of management and leadership roles through that time including Clinical Director roles for Service Redesign, Service Improvement, and Adult Services. Prior to her appointment to the Executive Medical Director role in 2014 she was Clinical Director for Wiltshire, including service responsibility for adult and older people's community mental health services, acute adult inpatient units and crisis and home treatment services.
From 2012 to 2014 Julie was the National Professional Advisor for Mental Health for the Care Quality Commission (CQC) and was the clinical lead for the implementation of the new inspection regime.
She is a board member of the Mental Health Network of the NHS Confederation and chairs the Mental Health Medical Directors Forum which is hosted by the Confederation. She is also the Mental Health lead for the Nottingham and Nottinghamshire ICS.
She holds an honorary Associate Professor role within the Health Sciences School of the University of Nottingham and is a panel member for the national Health Services and Delivery Research funding stream with the NIHR.

**Dr Julie Attfield - Executive Director of Nursing**

Dr Julie Attfield is the Executive Director for Nursing. She took up her role on 1 June 2015 and was previously Executive Director with responsibility for high secure provision at Rampton Hospital; medium secure units at Arnold Lodge in Leicester and Wathwood Hospital in Rotherham, the Low Secure and Community Forensic Directorate and Offender Health in the East Midlands and Yorkshire.
Julie began her career as a Registered Mental Nurse, and has since worked as a clinician, senior manager and director within mental health services in the East Midlands. Between these appointments Julie spent time as a full time lecturer in Nursing at the University of Nottingham, before returning to the NHS.

**Simon Crowther - Director of Finance**

Simon joined the Trust on 30 March 2015 as Executive Director of Finance. Prior to his appointment, Simon had worked at Board level in both provider and commissioning organisations within the NHS. He has gained extensive experience in not only finance but also in contracting, performance management and information strategy.
Since qualifying as a management accountant in 1996, Simon has complimented his accountancy background with further studies in leadership and change management, coaching, strategic financial management and corporate governance and assurance, the latter being completed at Cass Business School in London.

**Paul Smeeton - Executive Director, Local Partnerships**

Paul Smeeton is Executive Director for Local Partnerships. Paul has been with the Trust since 2002 when he joined as Head of Health Informatics. He has then worked as Director of Business Development, then Operational Director for the community services the Trust took on in 2010. He first joined the NHS in 1986 as a general management trainee working in Preston and has held various jobs in the NHS ever since. Paul has an MBA from the University of Durham, 1997; a Diploma in Managing Health Services, Open University, 1990 and a BA in Geography and Anthropology, University of Durham 1986.

**Peter Wright – Executive Director, Forensic Services**

Peter joined the Trust in 2016 having worked in prisons for 23 years, both in the public and private sectors. As well as his work in prisons, Peter has partnership experience including safeguarding children and adults, victim services and local criminal justice board collaboration. He previously worked in partnership with Nottinghamshire Healthcare for many years particularly in relation to the Trust's Offender Health services in prisons, for which he takes on responsibility as part of his role.

**Angela Potter – Director of Business Development & Marketing (Non-Voting Member**

Angela has been with the Trust since December 2011 having started her career in the NHS in 1986 as a Registered General Nurse working in a number of Accident & Emergency departments across the East Midlands.
She has undertaken a number of management roles in both operational services and business planning, including contract management and negotiation; business development and service planning.
Angela has a BA (Hons) in Health Studies and an MBA from De Montfort University.

**Clare Teeney – Director of Human Resources (Non-Voting Member)**

Clare joined the Trust in 2011 as the Head of HR for Local Services. In 2012 her portfolio extended to include HR for the Health Partnerships Division. She was appointed as the Director of HR with responsibility for HR, Learning and Development and Equality and Diversity in October 2015. Clare is a member of the Chartered Institute of Personnel and Development, has a BA (hons) Degree, a qualification in Employment Law and an MBA from Loughborough University. She has a particular interest in Equality and Diversity and health and wellbeing.

**Dean Fathers (Chair)**

Dean became Chair of Nottinghamshire Healthcare in January 2011 and subsequently took up the additional post of Chair of United Lincolnshire Hospitals NHS Trust in March 2016. Alongside his duties in the NHS, Dean is also a Non-Executive Director with the Parliamentary and Health Services Ombudsman. Prior to becoming Chair of Nottinghamshire Healthcare, Dean chaired NHS Bassetlaw, had a long period as a Non-Executive Director on the South Yorkshire Strategic Health Authority and has also chaired Doncaster Health Authority. Dean has a strong interest in leadership/development as well as governance and has consequently held roles on the NHS's National Training Group, chaired the East Midlands SHA's Learning and Development Board, was a founder of the East Midlands Leadership Academy, of which he is also a Board Member, and also held roles on two Workforce Development Boards. He currently sits on the NHS's Workforce Race Equality Standards (WRES) Advisory Group, the NHS's Culture Advisory Group, has been involved with both the Accelerated Access Review and the National Strategy for Improvement and Leadership Development Advisory Group (Smith Review) and is a member of NHS Improvement's Chairs' Advisory Partnership Board.

**Sheila Wright (Deputy Chair)**

Sheila Wright is the former Deputy Chief Executive of Nottinghamshire Probation Trust and Senior Executive of Derbyshire, Nottinghamshire, Leicestershire and Rutland Community Rehabilitation Company, and is currently a Trustee of a Nottingham City based charity Improving Lives. She has an Honours Degree in Applied Social Studies, a Certificate Qualification in Social Work (CQSW) and an MA in Social Policy from Sheffield Hallam University.
Sheila brings a wealth of experience to the Board in Transformation/Organisational Development, Equality Diversity and Inclusion, multi-agency working, contract negotiations, service user/community engagement, Public Protection, Safeguarding and Forensic Services.

**Steve Banks**

Steve Banks has extensive experience operating at board level within the private sector and in a non-executive capacity within the community.
He is currently Chairman of The Tinnitus Clinic and his previous posts include Director of Professional Standards and Superintendent Pharmacist, IT Director and Director of HR at Boots, where he has a long history of providing healthcare services.
He first started working with the Trust whilst at Boots, most recently as a member of the Council of Governors. Steve's first degree was in Pharmacy from Leicester and he has since completed an MBA at Nottingham University alongside numerous Leadership Development Programmes. Alongside his strong strategy and transformation background he has always been passionate about getting it right for patients.

**Stephen Jackson**

Stephen Jackson is a qualified accountant who has had a varied career in both the private and public sectors.
After qualifying as an accountant Stephen joined Bass plc. and had several senior financial roles in the company's pubs and hotel subsidiaries.
He has had a wide variety of posts since, including five years in Hong Kong as Chief Financial Officer and Head of Development and IT for Holiday Inn – Asia Pacific.
In 2003, Stephen joined Nottingham Trent University where he held the post of Chief Financial and Operations Officer with overall responsibility for Finance, Estates, Commercial Development, Legal, Registry, IT, and Governance Services. He was also appointed as a member of the Board of Governors and the Academic Board. In May 2016 Stephen retired from NTU.

Stephen also acts as Non- Executive Director with each of the following local organisations: -

- Marketing NG (and Chair of F and GP);
- Derbyshire Health United
- Chair of the Active Partners Trust (set up to increase participation in sport and active recreation in Nottinghamshire and Derbyshire)
- The Nottingham BID.

**Di Bailey**

Di is responsible for the overall management and leadership of the Division of Social Work and Health within the School of Social Sciences at Nottingham Trent University. She is also Director of Research for the School of Social Sciences and Chairs the School's Research Committee.

Di's teaching subject areas include:

- mental health
- working with individuals with complex needs
- service user involvement in education and service development
- organisational change and development
- adult learning and research skills.

Prior to joining Nottingham Trent University in 2010, Di held the position of Reader in Social Work at Durham University from 2005.
Between 1995-2005, Di was employed by the University of Birmingham where she held the role of Principal Lecturer in Mental Health. In 2002 during her time at Birmingham Di was a National Teaching Fellow for excellent teaching in interdisciplinary mental health education.
Di is a Principal Fellow of the HEA and a Chartered Member of the CIPD. She is a registered social worker with the HCPC.

**Trevor Orman**

Trevor joined Nottinghamshire Healthcare on 24 January 2019. He is a high performing leader with a proven track record for initiating and implementing strategic business and cultural change and delivering operational results in complex global organisations. He has over 25 years' experience at senior executive level in aerospace and automotive sectors including 10 years as a member of the Rolls-Royce Civil Aerospace board/leadership team. He is a passionate and inspirational leader.
Trevor is a Fellow of the Chartered Institute of Management Accountants. He lives in Derby.

**Carolyn White**

Carolyn is a highly experienced, senior health care leader with 17 years' experience working at Board level within the complex and highly regulated environment of Acute and Community Foundation Trusts.
She joined Nottinghamshire Healthcare on 4 March 2019 and has a demonstrable track record in harnessing and developing the talents of staff, working to identify and realise their potential and building their confidence so that, even within the most challenging of environments, delivering excellence in patient care is always achievable.
Having worked in two Foundation Trusts and with the Care Quality Commission to develop its well-led framework for Community Trusts, Carolyn has an excellent understanding of healthcare regulation and the rigour trusts must apply to ensure the quality and safety of their services and has worked as both a specialist advisor and executive reviewer with the CQC.

**Board of Directors: attendance at Board meetings 2018/19**
**The Board met on 12 occasions during the year**

| Name | Role | Meetings Attended 2018/19 | % Attendance |
|---|---|---|---|
| | | | |
| **NON-EXECUTIVE DIRECTORS** | | | |
| Dean Fathers | Chair | 11 of 12 | 92% |
| Sheila Wright | Non-Executive Director | 10 of 12 | 83% |
| Peter Parsons | Non-Executive Director | 11 of 11 | 100% |
| Steve Banks | Non-Executive Director | 12 of 12 | 100% |
| Stephen Jackson | Non-Executive Director | 12 of 12 | 100% |
| Christine Lovett | Non-Executive Director | 4 of 4 | 100% |
| Di Bailey | Non-Executive Director | 9 of 12 | 75% |
| Trevor Orman | Non-Executive Director | 3 of 3 | 100% |
| Carolyn White | Non-Executive Director | 1 of 1 | 100% |
| | | | |
| **EXECUTIVE DIRECTORS** | | | |
| Ruth Hawkins | Chief Executive | 5 of 5 | 100% |
| John Brewin | Chief Executive | 3 of 3 | 100% |
| Simon Crowther | Executive Director of Finance | 12 of 12 | 100% |
| Julie Attfield | Executive Director: Nursing & Interim Chief Executive | 11 of 12 | 92% |

| | | | |
|---|---|---|---|
| Fiona Illingsworth | Interim Executive Director of Nursing | 4 of 4 | 100% |
| Julie Hankin | Executive Medical Director | 10 of 12 | 83% |
| Paul Smeeton | Executive Director: Local Partnerships Division | 11 of 12 | 92% |
| Peter Wright | Executive Director: Forensic Services Division | 11 of 12 | 92% |
| Clare Teeney* | Director of Human Resources | 12 of 12 | 100% |
| Angela Potter* | Director of Business Development & Marketing | 10 of 12 | 83% |

* Non-voting members of the Board of Directors
Overall attendance 2018/19 (voting members): 92%

**Performance evaluation**
The Board of Directors recognise the importance of ensuring ongoing assessment of its performance, that of its committees and of its directors, including the Chair, to ensure all aspects remain fit for purpose and support the sustainability of the Trust and the delivery of its strategic vision.

All of our Non-Executive Directors fulfil the same primary role and it is important for us to acknowledge the additional activities which are undertaken in order to support their understanding of the Trust, its challenges and best practice.
Activities include:

- Organisation Site Visits – visit teams/services trustwide in accordance with a refined programme to ensure all teams/services are visited by Board members. Non-Executive Directors will routinely invite Governors to observe their site visit to enable accountability. In addition to this, visiting clinical areas allows Non-Executives to triangulate their understanding and provides an opportunity to challenge and scrutinise the governance and practice of the services and teams within the Trust
- External training and networking – Non-Executive Directors willingly participate in national training and networking events, some of which are occasionally specific to elements of their enhanced duties (e.g. Audit Committee Chair, Senior Independent Director and Vice Chair)
- Stakeholder engagement – where needed Non-Executive Directors have actively engaged with key stakeholder organisations to support wider system development and engagement within the membership and general public.

The Chair uses performance assessments and evaluations as a basis for determining individual and collective professional development programmes for Non-Executive directors relevant to their duties as Board members.

The Chair is appraised twice a year jointly by the Senior Independent Director and the Lead Governor. The appraisal is informed by a 360 degree appraisal questionnaire which is completed by a selection of Governors, Directors and other staff. The appraisal is reported to the Governor's Nominations and Remuneration committee before being reported to the full Council of Governors.

The Chair appraises the Chief Executive's performance twice yearly. Due to the nature of the closeness of their working relationship, a 360 degree appraisal tool is used to enable Non-Executive Directors and Executive Directors to provide feedback to the Chair on the Chief Executive's performance. The results are used by the Chair in order to bring a wider perspective to the review.
It is within the powers of the Council of Governors to remove or suspend any Non-Executive directors. The process is set out within the Trust Constitution. These powers have not been required in 2018/19.

**Declaration of interests**
Governors and Trust decision making staff are required to, and have signed to say that they will comply with their respective codes of conduct and declare any potential conflict of interest. Registers of interest are maintained. These registers can be accessed on the Trust's website, www.nottshc.nhs.uk, and copies can also be obtained by members of the public by writing to the Trust Secretary at Trust headquarters.

**Audit**
Audit committee
The Audit Committee met on 5 occasions in 2018/19:

| Name | Position | Meetings attended in report period | % Attendance |
|---|---|---|---|
| Christine Lovett | Non-Executive Director (Chair to end July 2018) | 3 of 3 | 100% |
| Steve Banks | Non-Executive Director | 5 of 5 | 100% |
| Stephen Jackson | Non-Executive Director | 5 of 5 | 100% |
| Peter Parsons | Non-Executive Director | 5 of 5 | 100% |
| Di Bailey | Non-Executive Director | 5 of 5 | 100% |
| Sheila Wright | Non-Executive Director (Chair from August 2018) | 1 of 1 | 100% |
| Trevor Orman | Non-Executive Director | 0 of 1 | 0% |

The Audit Committee is required to review the establishment and maintenance of an effective system of internal governance, risk management and internal control.
Key activities of the last year include the following:

- Consideration of the results of the External Audit for the year ended 31 March 2018 prior to approval of the financial statements. Matters discussed included expenditure cut off errors, the valuation of PPE (use of location factors) and inter NHS mismatches.
- Consideration of the adverse conclusion for the prior year quality indicator on inappropriate out of area placements.
- Reviewed the Annual Governance Statement, together with the Head of Internal Audit and External Audit opinion.
- Provided ongoing oversight of the risk management strategy and processes.

- The Committee reviewed Compliance with the FT licence. A detailed review of the Code of Governance also took place which provided assurance over compliance with a few small actions to consider in the year end processes.
- A report on the revised statutory guidance on Conflicts of Interest was reviewed and the actions taken to ensure compliance were noted.
- The Committee has considered on a number of occasions, changes to accounting policies and emerging accounting issues, their implications for the Trust and how these are being addressed.
- Consideration of external audit planning matters for the year ended 31 March 2019 including asset valuation methodology (location factors and useful lives) and the external audit plan.

**Internal audit**
The Trust's internal audit service is provided under contract by 360 Assurance who provide one of the main independent sources of assurance to the Board of Directors. 360 Assurance undertake audit reviews in accordance with the Trust's internal audit plan as approved by the Audit Committee. The plan provides for core assurance provision and assurance against identified risks having potential to impact on the achievement of the Trust's strategic objectives (alignment with the Board Assurance Framework). It supports the Trust in the evaluation and continual improvement of the effectiveness of its risk management and internal control processes. The plan is flexible to ensure it meets the Trust's assurance needs in respect of the changing risk environment in which it operates and provides the basis for the provision of a robust annual Head of Internal Audit Opinion to support the Trust's Annual Governance Statement.

The Trust's Audit Committee monitors the delivery of the Internal Audit Plan at each of its meetings. 360 Assurance attend all meetings of the Committee presenting a progress update on new and follow-up reviews, the key findings of each audit review undertaken, agreed recommendations and the associated Audit Opinion.
The Committee continues to maintain oversight of implementation of agreed internal audit actions at each meeting, with detailed scrutiny of slippages occurring at the relevant Board Committees. The annual reporting process identified differences across Committees in how this is done. Going forward, at each Committee there will be standing formal agenda items to review any outstanding medium or high risk internal audit action items. Summary reports are provided to the Board of Directors following each meeting with any identified issues of concern escalated as appropriate.

**External audit**
External audit services are provided by Pricewaterhouse Cooper. The contract started in June 2016 for a period of three years (+two optional years) with a value of £66k pa for the standard agreed service in 2018 (including the quality report). The service has recently been retendered with the outcome pending.

At each meeting, the Committee receives a report from Pricewaterhouse Cooper, outlining progress and highlighting matters such as emergent national guidance and findings of national benchmarking reviews.

**Counter fraud and security management**

At each meeting, the Committee continues to receive and discuss a detailed report against plan, an overview of local fraud investigations, fraud warnings and intelligence bulletins.

One area of focus has been on prevention. In order to help ensure all new starters are familiar with Counter Fraud, work has been done to develop a new e-learning package. The Committee also receives a tracker showing progress against recommendations, to help ensure lessons are learned.

**Details of any political donations**
Nottinghamshire Healthcare NHS Foundation Trust has made no political donations during 2018/19.

**Better Payment Practice code**
The better payment practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is the later.

The Trust's performance against the code in 2018/19 has been calculated as follows:-

| Measure of compliance | Number | £000s |
|---|---|---|
| | | |
| Non NHS Payables | | |
| Total non NHS trade invoices paid in the year | 69,106 | 192,314 |
| Total non NHS trade invoices paid within target | 61,654 | 184,238 |
| Percentage of non NHS trade invoices paid within target | 89 | 96 |
| | | |
| NHS Payables | | |
| Total NHS trade invoices paid in the year | 2,020 | 12,742 |
| Total NHS trade invoices paid within target | 1,865 | 12,203 |
| Percentage of NHS trade invoices paid within target | 92 | 96 |

Where invoices are sent directly to the Accounts Payable department, the payment period is calculated from the date of the invoice, plus a buffer of 4 days to allow for the invoice to arrive at the Trust. Where invoices have been sent directly to off-site locations, the payment period is calculated from the date the invoice is received within the Accounts Payable Department.

The Trust is signed up to the Prompt Payment Code and no interest was paid under the Late Payment of Commercial Debts (Interest) Act during the 2018/19 financial year, however the potential liability was £60k.

**Income disclosures**
The Trust's main source of income is received from local Clinical Commissioning Groups, NHS England and Local Authorities. The requirement that the Trust's income from the provision of goods and services for the purpose of the health service in England must be greater than income from the provision of goods and services for any other purposes has been met. The majority of the Trust income is received for the provision of healthcare. In relation to non-healthcare services the intention is to at least recover all costs ensuring there is no detrimental impact on the provision of goods and services for the purpose of the health services in England.

**Compliance with cost allocation and charging guidance**
The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

**NHS Improvement's well led framework**
Foundation Trusts are required to undertake a Well-Led Governance Review every three years. The Trust commissioned a well-led review which was undertaken between September and October 2017 and has implemented all actions that were identified in that review.

The CQC's annual core and well-led inspection of the Trust took place during January and March 2019. The CQC inspected the following six complete core services

- Child and adolescent mental health wards
- Acute wards for adults of working age and psychiatric intensive care units
- Forensic inpatient or secure wards
- Community-based mental health services for adults of working age
- Mental health crisis services and health-based places of safety
- Community mental health services for people with a learning disability or autism

Initial feedback from the CQC following their inspection was very positive about the strength of our patient engagement and experience, how we communicate effectively with patients, carers and external partners, and our work with volunteers. They highlighted how focused our clinical staff are and that we have some very good services. Our leadership in equality and diversity and estates and facilities was impressive. They were also encouraged by the early progress of our quality improvement initiatives and positive about our work in safeguarding and infection prevention and control.

However, the feedback also included areas where we could do better. This focused strongly on our culture, values, clinical and staff engagement and experience. This is consistent with the results of our Staff Survey, further highlighting the work we need to do together to address these issues. The draft inspection report was received in

April 2019 and it is anticipated that the final report will be published week commencing 20th May.

Further information is provided in the Quality Report.

**Entity Information**

Nottingham Healthcare NHS Foundation Trust is a Public Benefit Corporation established in accordance with the National Health Service Act 2006 as amended by the Health and Social Care Act 2012. The entity is based in and wholly operates in England with its registered office being located at The Resource, Duncan Macmillan House, Porchester Road, Nottingham, NG3 6AA.

**Disclosure to auditors**

Each director of the Board of Directors has confirmed that:

- So far as they are aware, there is no relevant audit information of which the Trust's auditor is unaware and
- They have taken all the 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

## COUNCIL OF GOVERNORS

### Composition of the Council of Governors

| Constituency | Sub-Constituency | Elected / Appointed | Number of Governors | Number of Members* |
|---|---|---|---|---|
| Public, Patient, Service User & Carer | Nottingham City | Elected | 6 | 2,237 |
| | Nottinghamshire County | | 11 | 4,730 |
| | South Yorkshire and the Rest of the East Midlands | | 2 | 1,793 |
| | Rest of England & Wales | | 2 | 745 |
| | | **Sub Total** | **(21)** | **9,505** |
| Staff | Nursing | Elected | 2 | 2,613 |
| | Allied Health Professionals | | 2 | 1,301 |
| | Clinical Support | | 2 | 2,343 |
| | Medical | | 1 | 236 |
| | Non-Clinical Support | | 1 | 2,172 |
| | | **Sub Total** | **(8)** | **8,665** |
| Partners | | Appointed | 8 | - |
| | | **Sub Total** | **(8)** | **-** |
| | | **TOTAL** | **37** | **18,170** |

***Membership figures are subject to ongoing changes and are therefore indicative

### Duties and responsibilities of the Council of Governors

The Council of Governors forms an important and integral element of the Trust`s governance structure, having two statutory general duties, these being:

- To hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and
- To represent the interests of the members of the Trust as a whole and the interests of the public.

Matters reserved for the Council`s decision and set out within the Trust`s Constitution are:

- the appointment and removal of the Trust`s Chair and Non-Executive Directors
- determination of the terms of service, remuneration and other allowances of the Trust`s Chair and Non-Executive Directors
- to approve the appointment of the Chief Executive (other than the initial Chief Executive of the NHS Foundation Trust)
- to approve amendments to the Trust`s NHS Foundation Trust Constitution
- the appointment and removal of the Trust`s external auditor
- to provide views to the Board of Directors on the strategic direction of the Trust and targets for the Trust`s performance and in monitoring the Trust`s performance in achieving those strategic aims and targets
- to hold the Board of Directors to account in relation to the Trust`s performance
- to give the views of the Council of Governors to the Directors for the purpose of the preparation of the Forward Plan
- to consider and give/withhold approval for applications for a merger, acquisition, merger, separation or dissolution
- to consider and give/withhold approval for the Trust to enter into a Significant Transaction (as defined within the Constitution)
- to be presented with the Trust`s annual accounts, any report of the Auditor on them and the Annual Report
- to consider resolutions to remove a Governor
- to respond as appropriate when consulted by the Directors
- to exercise other functions at the request of the Directors

**Activities of the Council of Governors**
During 2018/19 key activities of the Council of Governors and Governors have included:

- gaining assurance and enhanced understanding with regard to the Trust`s performance (activity, quality and financial), strategy and processes
- raising assurance questions and concerns
- review of Non-Executive Director terms of service
- Non-Executive Director appointments
- consideration of the Annual Audit Letter
- received a detailed presentation of the financial position from the Director of Finance for the year 2018/19
- attendance as observers at meetings of the Board of Directors and Board Committees

- presentation by the Lead Governor at the 2018/19 Annual General meeting/ Annual Members Meeting
- identification of an internal indicator to be audited
- participation in ward and service area visits with Non-Executive Directors
- attendance at national networks and conferences
- attendance at the opening of Hopewood, the Trust's new CAMHS inpatient, Eating Disorder and Perinatal service unit
- focus group held with the CQC as part of the Trust core and well led inspections
- part of the process for the appointment of External Auditors
- approved the appointment of Chief Executive
- received presentations from a range of key services within the Trust

**Arrangements for the resolution of disagreements between the Council of Governors and Board of Directors**

The Board of Directors and Council of Governors seek to ensure a successful and constructive relationship focussed on realising the Trust`s ambition of providing high quality sustainable services. Both the Board and the Council are committed to developing and maintaining a constructive and positive relationship.

It is recognised that disagreements and differences of opinion may arise between the Board of Directors and the Council of Governors. The aim at all times is to resolve any potential or actual differences of opinion in a timely manner through discussion and negotiation without resort to formal dispute resolution processes.

The Trust`s Constitution (annex 8, section 8) sets out the dispute resolution process by which disagreements between the Council of Governors and Board of Directors will be addressed. During 2018/19 none of these processes were required.

**Council of Governors and supporting structure**

The Council of Governors performs its role and responsibilities through general meetings of the Council, monthly accountability and development meetings, participation in service area visits and observations at the Board of Directors and related sub committees.

In 2018/19 the Council held 4 formal meetings, these held in April, July and October 2018 and January 2019. In addition the Trust`s Annual General Meeting/Annual Members Meeting was held in July 2018. The Council held an extraordinary meeting in July 2018 to carry out its powers to approve the appointment of the Trust's new Chief Executive Officer.

The monthly assurance and development meetings are attended by governors and Non-Executive Directors, along with senior management where relevant. The following service areas and topics have been covered during 2018/19:

- Medium Secure Services
- Financial forecasts and CIPS
- Offender Health
- High Secure Services
- Mental Health Services for Older People

- External Audit plan 2018/19 update
- Annual Business Plan 2018/19

In addition to the meetings provided above, some governors have taken part in two masterclasses provided by the Chair covering governance and strategy. The sessions provided the governors with further insight into the complexity and importance of good governance and effective strategies.

The Council of Governors is supported by a Steering Group formed of the Lead Governor, the Deputy Lead Governor, Trust Chair, Vice Chair, and Trust Secretary. The Steering Group takes responsibility for setting and agreeing the agenda of the formal Council of Governors meetings.

The Council of Governors` Nomination & Remuneration Committee is responsible for reviewing and making recommendations to the Council of Governors with regard to Chair and Non-Executive Director terms of service, remuneration and appointments. The Committee is chaired by the Lead Governor and has a membership consisting of the Deputy Lead Governor and 4 additional governors with relative skills and experience.

During 2018/19 the Council of Governors has not exercised its power under paragraph 10C of schedule 7 of the NHS Act 2006 to require one or more of the directors of the Trust to attend a meeting of the governors for the purpose of obtaining information about the foundation trust`s performance of its functions or the director`s performance of their duties.

**Governor and Member engagement**
The Council of Governors have a statutory duty to represent the views of the membership and the wider public on key issues relating to the Trusts forward plans, its objectives, priorities and strategy. During 2018/19 Governors have continued to hold the trust to account on its priorities through formal Council meetings, monthly governor meetings and directly with Non-Executive Directors via email. Governors have had the opportunity to join in focus sessions with the Care Quality Commission as part of the Well-Led Review, and support the “Developing Our People And Culture Together” (DOPACT) programme. Governors have taken the opportunity to engage with their constituents by:

- Attending consultation events
- Attending local Trust Annual Members’ Meeting/Annual General Meeting
- Members attending the Council of Governors meeting
- Membership of the local Citizenship Board
- Contact from members via the Trust website

The Trust will continue to seek to further enhance the processes by which the Council of Governors is engaged and supports the development of the Trust`s future plans, ensuring that all stakeholders have an opportunity to contribute.

**Lead/Deputy Lead Governor**
The role of the Lead Governor is to:

- act as a point of contact for NHS Improvement should the regulator wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.
- be the conduit for raising with NHS Improvement any Governor concerns that the Trust is at risk of significantly breaching the terms of its authorisation, having made every attempt to resolve any such concerns locally.
- Chair such parts of meetings of the Council of Governors which cannot be chaired by the Trust Chair/Vice Chair due to a conflict of interest in relation to the business being discussed.
- support the continued and progressive development, operation of and governance arrangements of the Council of Governors.
- be a key conduit for communication between the Council of Governors and the Board of Directors.

The Council of Governors agreed the process by which the Lead Governor and Deputy Lead Governor were elected, these positions held in 2018/19 as follows:

| Position | Post holder | Dates | |
|---|---|---|---|
| | | From | To |
| Lead Governor | Jenny Britten | 01/03/2017 | To date |
| Deputy Lead Governor | John Collins* | 02/06/2017 | 10/06/2018 |

*Stood down as a governor

The Deputy Lead Governor role is currently vacant pending further discussion with governors around the purpose and need of the role.

**Governor Members 2018/19**

In December 2018 the Trust undertook an election to fill 14 vacancies on the Council of Governors. The vacancies had arisen from a combination of governors reaching the close of their term of office and standing down due to personal reasons. Electoral Reform Services led the election process which concluded in February 2019. 8 seats were filled and there were only contested seats for two of the constituencies; South Yorkshire and the rest of England and Wales (public) and Allied Healthcare Professionals (staff). A decision was made by the Trust to re-run the election due to there being no nursing representatives on the Council. The new election processes started in March 2019 and will conclude in late April 2019.

The following Governors served on the Council of Governors in 2018/19:

| Current Governors | | | | |
|---|---|---|---|---|
| **Governor** | **Constituency** | **Start Date** | **End Date** | **Meetings Attended** |
| **PUBLIC** | | | | |
| Jenny Britten (Lead Governor) | Nottingham City | 1 March 2017 | 29 February 2020 | 4 of 4 |
| Bettina Wallace | Nottingham City | 1 March 2017 | 29 February 2020 | 1 of 4 |

| | | | | |
|---|---|---|---|---|
| Rebecca Cassidy | Nottingham City | 1 March 2018 | 28 February 2021 | 3 of 4 |
| Lorna Marshall | Nottingham City | 1 March 2018 | 28 February 2021 | 0 of 4 |
| Jean-Rene Agbodjan | Nottingham City | 1 March 2019 | 28 February 2022 | 0 of 0 |
| Michael Whitehead | Nottingham City | 1 March 2019 | 28 February 2022 | 0 of 0 |
| | | | | |
| Linda Bennett | Nottinghamshire County | 1 March 2017 | 29 February 2020 | 4 of 4 |
| Tad Jones | Nottinghamshire County | 1 March 2018 | 28 February 2021 | 3 of 4 |
| Susan Kernahan | Nottinghamshire County | 1 March 2018 | 28 February 2021 | 2 of 4 |
| Teresita Martin-Browning | Nottinghamshire County | 1 March 2018 | 28 February 2021 | 3 of 4 |
| Derek Brown* | Nottinghamshire County | 1 March 2019 | 28 February 2022 | 3 of 4 |
| Anita Astle | Nottinghamshire County | 1 March 2019 | 28 February 2022 | 0 of 0 |
| VACANT | Nottinghamshire County | N/A | | |
| VACANT | Nottinghamshire County | N/A | | |
| VACANT | Nottinghamshire County | N/A | | |
| VACANT | Nottinghamshire County | N/A | | |
| VACANT | Nottinghamshire County | N/A | | |
| | | | | |
| Pam Beech | South Yorkshire & rest of the East Midlands | 1 March 2018 | 28 February 2021 | 2 of 4 |
| Paul Longhorn | South Yorkshire & rest of the East Midlands | 1 March 2019 | 28 February 2022 | 0 of 0 |
| | | | | |
| George Allerton-Ross** | The rest of England and Wales | 12 June 2017 | 28 February 2020 | 4 of 4 |
| Gbenga Shadare | The rest of England and Wales | 1 March 2018 | 28 February 2021 | 3 of 4 |
| **STAFF** | | | | |
| VACANT | Nursing | N/A | | |
| VACANT | Nursing | N/A | | |
| Helen Caldwell | Allied Health | 1 March | 28 February | 0 of 0 |

| | | | | |
|---|---|---|---|---|
| | Professionals | 2019 | 2022 | |
| Mike Marriott | Allied Health Professions | 1 March 2017 | 29 February 2020 | 1 of 4 |
| Corrine Hendy | Clinical Support | 1 March 2017 | 29 February 2020 | 2 of 4 |
| VACANT | Clinical Support | N/A | | |
| Palleb Majumder | Medical | 1 March 2019 | 28 February 2022 | 4 of 4 |
| Tony Bradstock* | Non-Clinical | 1 March 2018 | 29 February 2020 | 3 of 4 |
| **PARTNER** | | | | |
| Rob Gardiner*** | 3rd Sector – Carers Federation | 1 March 2019 | 28 February 2022 | 1 of 4 |
| Angela Kandola | 3rd Sector – AWAAZ | 1 March 2019 | 28 February 2022 | 0 of 0 |
| Kathy Thomas | 3rd Sector Barnaros | 1 March 2019 | 28 February 2022 | 0 of 0 |
| Roshan Dasair | Nottingham Trent University | 1 March 2019 | 28 February 2022 | 0 of 0 |
| Paddy Tipping*** | Police & Crime Commissioner | 1 March 2019 | 28 February 2022 | 1 of 4 |
| Lucy Robinson*** | Chamber of Commerce | 1 March 2019 | 28 February 2022 | 0 of 4 |
| Cllr Stuart Wallace | Nottinghamshire County Council | 14 June 2017 | 13 June 2020 | 2 of 4 |
| Adisa Djan | Nottingham City Council | 1 March 2019 | 28 February 2022 | 0 of 0 |

*Re-elected in the most recent election

**Terms of office have been extended to align the election process and reduce unnecessary costs to the trust. This was formally supported by the Council of Governors at its April 2018 meeting

***Re-appointed for further 3 years

| **Governors for part of 2018/19** | | | | |
|---|---|---|---|---|
| **Governors** | **Constituency** | **Start Date** | **End Date** | **Meetings Attended** |
| **PUBLIC** | | | | |
| Jane Stevenson | Nottingham City | 1 March 2017 | 28 February 2019 | 0 of 4 |
| David Cracknell | Nottingham City | 1 March 2017 | 28 February 2019 | 0 of 4 |
| | | | | |
| John Collins | Nottinghamshire County | 1 March 2017 | 10 June 2018 | 1 of 1 |
| Paul Radin | Nottinghamshire County | 1 March 2017 | 23 November 2018 | 3 of 3 |

| | | | | |
|---|---|---|---|---|
| John Ferris | Nottinghamshire County | 1 March 2017 | 28 February 2019 | 0 of 4 |
| Steve How | Nottinghamshire County | 1 March 2016 | 28 February 2019 | 2 of 4 |
| Mike Holmes | Nottinghamshire County | 1 March 2016 | 28 February 2019 | 2 of 4 |
| Maxine Robinson | Nottinghamshire County | 1 March 2016 | 28 February 2019 | 1 of 4 |
| **STAFF** | | | | |
| Craig Goffin | Nursing | 1 March 2017 | 16 September 2018 | 1 of 2 |
| Steven Kerry | Nursing | 1 March 2017 | 28 February 2019 | 0 of 4 |
| | | | | |
| Susan Baker | Allied Health Professionals | 1 March 2016 | 23 August 2018 | 0 of 2 |
| | | | | |
| Stuart Leask | Medical | 1 March 2016 | 31 December 2018 | 2 of 3 |
| | | | | |
| David McCallin | Clinical Support | 1 March 2017 | 28 February 2019 | 1 of 4 |
| **PARTNERS** | | | | |
| Imogeen Denton | Nottingham City Council | 1 March 2017 | 31 August 2018 | 1 of 2 |

**Membership eligibility criteria and constituencies**

- Public, Patient, Service User & Carer membership

Trust membership is open to any individual aged 12 or over who live in England or Wales. There are four public membership geographical constituencies: Nottingham City, Nottinghamshire County, South Yorkshire and the Rest of the East Midlands, and The Rest of England and Wales.

Criteria which prevent an individual becoming a member or retaining membership of the Trust are set out within the Trust`s Constitution. Any public member wishing to stand for election as a Governor must be aged 16 or over.

- Trust staff membership

Staff who meet the criteria below* are automatically enrolled as members of the relevant staff constituency on appointment. All staff members have the right to opt-out of membership at any time and information about this can be found in the staff handbook on Connect, the Trust intranet site.

*A person who is employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months or has been continuously employed by the Trust under a contract of employment for at least 12 months. A staff

member will be a member of the relevant staff constituency dependent on the role undertaken (Medical, Nursing, Allied Health Professional, Clinical Support and Non-clinical Support). A member of staff cannot be a member of more than one sub-constituency or be a member of a Public, Patient, Service User & Carer and Staff Constituency.

**Membership strategy and engagement**
The Trust`s Membership Strategy sets out four key objectives around recruitment, communication, engagement and support to the Council of Governors. An update on progress on implementation of the strategy is reported annually to the Annual Members' Meeting/Annual General Meeting, providing an overview of the overall membership, activity undertaken and opportunities provided for the active engagement of members.

The importance of membership engagement is an integral element of the Trust`s overall approach to involvement and engagement. It is recognised that there are various levels at which members wish to engage eg receiving information about the Trust, its services and developments; being offered the opportunity to be engaged on an ad hoc basis on issues of interest or being actively engaged on an ongoing basis. The Trust`s strategic approach seeks to ensure these levels of engagement are accommodated.
We seek to ensure a representative (reflecting geographies, services and demographic diversity) and appropriately engaged membership which adds value in terms of informing the development and provision of high quality services. A database is maintained and is used to analyse representativeness of the Trust`s membership to focus recruitment (although there are no set targets for membership recruitment we aim to have a greater public membership base than staff and to focus on an engaged membership).

The Trust will continue to improve links with third sector organisations and local communities to improve engagement and membership representation based on demographics of our communities and the Trust membership. One of the ways we have been doing this is through working with partners across the health and social care system through the Bassetlaw Integrated Care Partnership (ICP) and Nottingham and Nottinghamshire Integrated Care System (ICS).

A monthly e-bulletin is sent to all members by email (and is available via the Trust`s website and involvement blog). The bulletin details a wide range of both internal and external engagement opportunities together with information about the Trust and its developments. In addition, targeted opportunities are notified to specific elements of the membership according to their specified interests and preferences. The Trust website provides details of how members and the public can become involved and engaged with the Trust, access to the Trust`s Positive magazine and how people can take up membership of the Trust. As well as following the Trust on social media, members can read the Trust blog and Involvement blog.

We have two Involvement Centres which serve as hubs for training, engagement, coproduction groups and meetings for our service user, carer and volunteer members. We have developed our involvement approach and strategy over a number of years and we are proud that it has gained us international interest, and

won national awards. The centres provide a focal point for volunteers to be part of the wider community of volunteers across the Trust, who are participating in service development groups, presenting at Trust induction and training, contributing to staff recruitment, conducting patient-led audits, collecting feedback, collaborating in projects such as the 'Ideal Ward Round' and much more.

Members are also involved though the Nottingham Recovery College, accessing a range of courses.

**Contact information**
Trust Members can contact Governors either via the Governor Support Office (becky.cassidy@nottshc.nhs.uk) or the Membership Office membership@nottshc.nhs.uk. There is also a dedicated email address for Governors (governors@nottshc.nhs.uk) and a membership free phone number: 0800 012 1623.

Staff members can make contact with their relevant Staff Governor via Connect, the Trust intranet site.

Information about Trust Governors and the constituencies they represent can be found on the Trust website. Members can also follow the Trust and Governors on Social Media including Twitter @InvolveT1 @NottsHCGovernors and Facebook @nottinghamshirehealthcare.
People wishing to join as a Trust member can do so via the online membership form.

**SIGNIFICANT PARTNERSHIPS**

**Integrated Care Systems**
The Trust continues to operate within two ICS footprints:

- Nottingham & Nottinghamshire
- South Yorkshire & Bassetlaw.

The footprints cover seven CCGs, with Nottingham & Nottinghamshire having commenced work on moving toward a single strategic commissioner.

The Trust is an active partner in both ICS's and has been fully engaged in work during 2018/19 to develop the 'system architecture' for Nottingham & Nottinghamshire, which is focussed on three key dimensions:

- **Neighbourhood -** Primary Care Networks (PCNs) will be the key delivery unit for integrated care at a neighbourhood level.
- **Place** - Integrated Care Providers (ICPs) will be key to managing a capitated budget and ensuring delivery of strategic objectives
- **System** - Integrated Care System (ICS) will set the strategic direction of the system and articulate the outcomes expected and priority areas.

The Trust is represented at all key system leadership, planning and governance forums.

During 2018/19 the Trust has also played a leading role in promoting and developing system wide strategies for mental health and community services. For example, the Trust's Medical Director was the sponsoring executive for the development of Nottingham & Nottinghamshire's mental health strategy.

**New Models of Care**
Commencing in 2018, the Trust has led a programme of work across East Midlands' providers to develop a new care model for secure services. This includes the establishment of collaborative working arrangement across providers. The Trust is also a partner in the emerging arrangements in South Yorkshire & Bassetlaw. Though in its early stages, it is clear the programme will offer the opportunity to transform the pathway of care, ensuring care is delivered in the least restrictive setting, as close to home as possible and with a clear focus on recovery.

**Transforming care in Bassetlaw**
Throughout 2018/19 the Trust's Bassetlaw Together Programme has continued its work to design and implement a new model of integrated mental and physical health care. A key deliverable of this programme has been to integrate mental and physical health care provision working across a number of system stakeholder groups.

**Intellectual Development Disabilities**
The Trust has continued working with partners in the Transforming Care Partnership to transform care pathways and develop community services as an alternative to inpatient care, and to support commissioners' intentions to reduce the overall number of beds across all providers.

Work is ongoing in terms of bed capacity, with the number of beds commissioned from the Trust reducing to 8 for 2018/19. The Trust is working with commissioners on the future commissioned service model and associated costs.

A new community forensic service for people with an intellectual disability has been established in 2018/19 to support a small number of patients. Work will continue into 2019/20 with further improvements being identified.

**Children, Young People and family services**
The Trust has continued to work in partnership with Family Action and North Notts College in the delivery of children centre services and the 'Healthy Families Programme'. This programme began mobilisation in 2017 and involved significant service redesign and workforce development. During 2018/19 we have seen further integration of professionals within the Healthy Family teams providing a seamless public health offer for 0-19 year olds, along with embedding revised pathways and brief interventions.

**Information technology**
The Trust has worked in partnership with other national and local health and social care providers to develop new approaches and improve information sharing and the quality of information to improve patient care, experience and clinical outcomes. The

Trust has also worked in partnership with local authorities to asses and adopt best practice to maximise technology and increase productivity across the Trust footprint.

The Trust has continued to work collaboratively as part of 'Connected Notts' in developing a local digital road map. This includes working closely with primary care partners to refine and increase the availability of information to facilitate earlier intervention and reduce avoidable admissions. Focus has continued to digitalise patient records and increase accessibility of patient level information and to improve recording processes to increase data quality.

**Patient and carer engagement**

During 2018/19 the Trust launched the Collaborative Service Change Model which reaffirms our commitment to working in partnership with patients, carers, staff, volunteers and partners in our approach to service changes. The model provides a platform to maximise our commitment to collaboratively working with other health and social care organisations and the voluntary sector to meet the needs of our service users and carers.

In 2018/19 the Trust received national recognition following successful achievement of Stage 2 of the Triangle of Care. The Trust is continuing to rollout the approach using service user and carer feedback to inform improvements.

The Trusts commitment to engagement and involvement is further supported through our Involvement Centres which bring together a range of volunteers and stakeholders to support Trustwide decision making and activity and to influence the way we serve our communities.

**Development of service delivery through partnership**

In addition to system wide partnership work, we also continue to deliver services in partnership with other specialist providers, charities or 3rd sector organisations, with the Trust either working as a sub-contractor or having sub-contracts in place. The nature of the Trust's role in these arrangements is always defined by how a service can best be offered to provide integrated pathways in the most efficient manner.

**Complaints handling**

The Trust remains committed to improving patient experience and aims to resolve all complaints swiftly. Complaints that need investigating receive a formal response from the Trust. The complainant is kept informed of progress throughout the process and receives a comprehensive written response which includes details of any actions taken. Complaints and concerns that can be resolved through conversations at a ward or local service level, often with support from the complaints and PALS teams, require a less formal response. In such cases, however, written feedback detailing the steps that have been taken to resolve the issues, the outcome and any learning points are recorded.

A total of 718 complaints were received across the Trust in 2018/19. This is a reduction of 13% on 2017/18.

The table below provides the data for the clinical divisions:

| Division | Number of Complaints Received in 2018/19 | Number of Complaints Received in 2017/18 | Number of Complaints Closed in 2018/19<br><br>Upheld | Number of Complaints Closed in 2018/19<br><br>Upheld in Part | Number of Complaints Referred to the Ombudsman in 2018/19 |
|---|---|---|---|---|---|
| Local Partnerships – Mental Health | 206 | 220 | 40 | 40 | 3 |
| Local Partnerships – General Health | 68 | 87 | 4 | 22 | 2 |
| Forensic Services | 444 | 516 | 52 | 51 | 14 |
| **Trust-wide Total** | **718** | **823** | **96** | **113** | **19** |

The Trust implements improvements to patient care when issues have been identified through the investigation of complaints and concerns. Examples of measures taken over the past year focused on improving communication, both with patients and their families and between different services. Action was also taken to improve the management of hospital patients' property. Service user and carer volunteers now routinely review the Trust's response to complaints in the Forensic Division via a Complaints Peer Review group.

In addition the Trust encourages further feedback by subscribing to 'Care Opinion' which is a feedback platform for health and social care services. This is a publically accessible website that allows patients, service users and carers to share their experiences of our services. Posts are responded to by senior staff within two working days.

**Service improvements from feedback**

We listen to our patients, service users and carers in meaningful, comprehensive and varied ways, respond honestly and use the information we receive intelligently to make changes that improve people's health and wellbeing.

The Trust is committed to both listening and responding to feedback. There is a range of ways that we capture feedback including a Trust wide survey, active promotion of the online feedback site, Care Opinion , as well as a range of patient and carer forums. Some services also employ mechanisms they design, including a text messaging service in our Department of Psychological Medicine, and a visitors' survey at Rampton Hospital.

All the feedback we receive from surveys and Care Opinion is visible online at feedback.nottinghamshirehealthcare.nhs.uk/. All the survey comments are analysed so that the key issues people are raising can be seen for each service. The Trust has a number of mechanisms in place to ensure that feedback is responded to.

Each month we produce a Patient Voice report for the Board of Directors. This focuses on a particular Directorate and outlines all the key issues raised from feedback for that service. Each Directorate reports on the 3-5 main issues raised about their services and details the action they are planning to take to address the issues. Updates on progress made are provided to the Board after three months and one year.

Changes made in the last year as a result of feedback (including over 19,000 returned feedback surveys with over 18,000 comments offered), include:

- Flooring and signage within inpatient mental health services for older people were improved after they were reported as problematic by service user volunteers during a PLACE audit
- The initial session for Pulmonary Rehabilitation in Bassetlaw has been changed to help patients to feel clearer and less anxious about the rehabilitation treatment
- A large scale review of clinic and appointment times at the Leg Ulcer Clinic to enable fair and equitable service to all patients
- Peer Support Workers have been recruited to the Mother and Baby Unit to support mothers through the transition back home
- The IAPT service have a developed a group programme for treatment so that service users can access support quickly following their assessment into the service while they wait for individual input
- HMP Lowdham Grange have introduced a daily 'wing triage' system, conducted by a paramedic, to help manage waiting times.

Of the 603 stories posted on Care Opinion in the last year, seven stories have led to changes, including a new hairdresser in our older people's services, the continued commissioning of a group for people hearing voices and the refurbishment of the showers in the women's seclusion suite at a medium secure unit. A further six planned/intended changes are currently in progress.

**Information for patients**

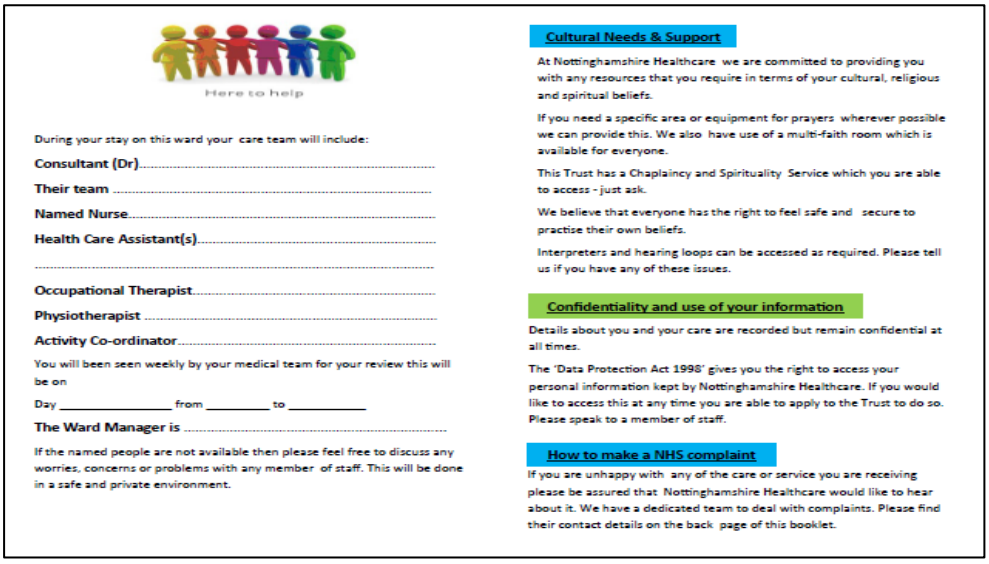
We set out to use the most effective methods and technologies including our website and social media to reach out to and engage with our service users, carers, members and communities.

We have continued to improve the information we share on the Trust website relating to opportunities for service users, carers and families to contribute their views and experiences in ways which help us to improve our services. This includes volunteering opportunities, as well as opportunities to support service redesign projects and to help us to collect feedback from service users and carers. We have continued to work with carers to improve and updated the information we provide for carers on the Trust website as well as continuing to distribute our Guide to Carers and Confidentiality. This year we have also produced a Quick Guide for Carers, Families and Friends.

In addition the Involvement, Experience and Volunteering Team have been keeping people up to date with information and opportunities for involvement via their Twitter account, twitter.com/InvolveT1, and a blog, involvementvolunteeringexperience.wordpress.com/.

We also produce a monthly e-bulletin which goes out to our membership. This includes information about the Trust and opportunities for involvement in the Trust and the wider health community.

A new collaborative group formed this year involving service user and carer volunteers and staff to review and produce new information provided to patients within their first 48hours of admission to a ward. This resulted in a new leaflet, co-written by service users and carers, for service users and carers. This group now intend to produce useful information for patients in their first week of admission.



Here to help

During your stay on this ward your care team will include:

**Consultant (Dr)**.....

**Their team** .....

**Named Nurse**.....

**Health Care Assistant(s)**.....

.....

**Occupational Therapist**.....

**Physiotherapist** .....

**Activity Co-ordinator**.....

You will been seen weekly by your medical team for your review this will be on

Day _____ from _____ to _____

**The Ward Manager is** .....

If the named people are not available then please feel free to discuss any worries, concerns or problems with any member of staff. This will be done in a safe and private environment.

**Cultural Needs & Support**

At Nottinghamshire Healthcare we are committed to providing you with any resources that you require in terms of your cultural, religious and spiritual beliefs.

If you need a specific area or equipment for prayers wherever possible we can provide this. We also have use of a multi-faith room which is available for everyone.

This Trust has a Chaplaincy and Spirituality Service which you are able to access - just ask.

We believe that everyone has the right to feel safe and secure to practise their own beliefs.

Interpreters and hearing loops can be accessed as required. Please tell us if you have any of these issues.

**Confidentiality and use of your information**

Details about you and your care are recorded but remain confidential at all times.

The 'Data Protection Act 1998' gives you the right to access your personal information kept by Nottinghamshire Healthcare. If you would like to access this at any time you are able to apply to the Trust to do so. Please speak to a member of staff.

**How to make a NHS complaint**

If you are unhappy with any of the care or service you are receiving please be assured that Nottinghamshire Healthcare would like to hear about it. We have a dedicated team to deal with complaints. Please find their contact details on the back page of this booklet.

New information for patients in their first 48hrs of admission to a ward

**Patient and public involvement**

We have continued to work with patients, service users, carers, members and our communities in ways that enable us to truly listen and respond to them and to develop and shape services in partnership using both traditional and innovative approaches. A number of projects have been undertaken to bring about improvements to services and to involve people in reviews of our care through PLACE audits and CARe reviews.

Key activities include:

- We have progressed our work around Collaborative Service Change and the model that was developed with the support of the King's Fund. Bassetlaw Integrated Care Partnership has adopted the Collaborative Service Change Model. All workstreams will start to use it in their work. We putting on an event on 3rd April for workstream leads and other key people. This will look at how to use the model and the skills and behaviours need to work well

collaboratively. We have also set up a Collaborative Partnership in CAMHS looking at Equality & Diversity within CAMHS, specifically around LGB issues.

- The team responsible for security at Rampton high secure hospital involved staff, patients and carers in the review and writing of the new Security Directions at the Hospital which govern the safety and security of high secure hospitals.
- We have continued to work with carers through our Carers Strategy Group. This has involved producing guides for carers, co-producing carer awareness training and working with teams to support, involve and communicate with carers across the Trust. In March 2019 we won a Patient Experience Network National Award for the work we have done to build a carer friendly organisation.
- Service user and carer volunteers have been involved in 19 PLACE (Patient-Led Assessments of the Care Environment) assessments. These have been carried out at a number of sites including mental health services for older people, 145 Thorneywood Mount (residential rehabilitation unit), Arnold Lodge medium secure unit.
- Volunteers have been involved in 15 Compliance Assurance Reviews (CARe). These are cross-divisional assessments that check the various sites against the fundamental standards of quality and safety that are also monitored by CQC.
- The Ideal Ward Round is a project to improve ward rounds through a partnership between service users, carers and staff. An Ideal Ward Round project event with Adult Mental Health staff refined the recommendations, share the resources that have been produced (audit tools, online learning, recommendations) and discuss implementation in all adult mental health inpatient settings. The Ideal Ward Round is now part of AMH's Purposeful Admission Workstream and is being directly supported by the QI Team.
- The CAMHS (Child and Adolescent Mental Health Services) Collaborative Partnership has created the design for all Hopewood publications. Content has been co-produced in order for it to be of the most use for service users and carers.
- An extensive programme of re-decoration and repairs at Arnold Lodge has been commissioned as a result of the PLACE (Patient-Led Assessment of the Care Environment) audit. This audit captures the patient experience of living in the hospital and is intended to push forward positive changes in the patients' environment.
- Early Intervention in Psychosis (EIP) have been running focus groups specifically to feed into the development of the EIP treatment offer that adult mental health are currently developing.
- Bassetlaw COPD (Chronic obstructive pulmonary disease) services have now implemented respiratory diaries so that patients are able to record their normal symptoms and identify any exacerbation of their condition. The diary contains a self-management plan enabling patients to self-medicate rather than attending the emergency department.

Over the last year we have increasingly worked as part of the Health and Social Care system and have worked with partners so that the value of collaborative

working with patients, service users, carers, members and our communities takes on a more significant role.

**New or significantly revised services**
During 2018/19, the Trust secured some important contract renewals that were competitively tendered within our forensic services along with a number of contract extensions across our Children and Young People's portfolio. The Trust also pursued a number of internal service transformation initiatives.

**Adult Mental Health Services**
A significant priority for the Trust has been a continued focus on the pathway for adult mental health, and in particular out of area placements which resulted in a cost pressure c£11m in 2018/19, and more importantly mean that some patients are cared for at quite some distance from where they live.

The Trust has established an internal transformation programme and instigated a range of initiatives to improve patient 'flow' through in-patient care, including reviewing assessment and discharge processes, as well as reviewing community pathways. And the Trust has committed additional investments in crisis support services whilst working with our commissioners to identify sustainable long term funding for key interventions aimed at reducing the risks to finance and quality. This includes responding to the requirements and national standards in the Mental Health Five Year Forward View.

**Physical Healthcare Services**
During 2018/19, at the request of Mid Nottinghamshire CCGs, the Trust worked with commissioners on a re-specification for community physical health services. This included redesigning services to meet a new, reduced financial envelope whilst improving service provision.
The new model provides improved navigation through an integrated single point of access; ensures service users are able to access the right service level at the right time, supporting them back to self-care and independence; and wraps around primary care whilst also being seamless for secondary care, reducing fragmentation.

**Children, Young People & Family services**
In 2016, the Trust commissioned the construction of a new campus style Children, Young People and Family development, now called Hopewood. The site was officially opened in 2018. The development has increased our CAMHS inpatient services from 13 to 24 beds, including designated eating disorder beds. It also provides a new 8-bed CAMHS Psychiatric Intensive Care Unit, the first such unit in the East Midlands. In addition, the site provides a new Education Centre for CAMHS inpatients and a new CAMHS community unit. It has also re-provided perinatal mental health inpatient beds, increasing the number of beds from 7 to 8, and a new community perinatal unit.

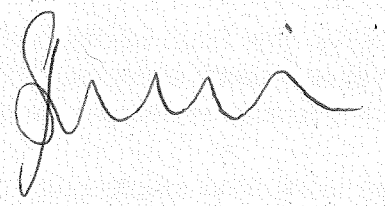
In June 2018, the Trust's contract for the Children Centre Model was extended for a further two years to May 2020, with a new target model and focus on service outcomes. The Trust was also successful in winning the Healthy Families Programme contract in 2018, a four-year contract delivering school nursing, health visiting and Family Nurse Partnership.

The Nottingham City Youth Offending Team services were transferred over to the Trust from CityCare. The service is now integrated within our County Youth Offending Team service and the City and County Looked after Children teams.

**End of Life**
Starting in 2018, the Trust has worked closely with partners in the Mid Nottinghamshire Alliance on redesigning the end of life pathway. This has created a seamless pathway, utilising current skills and expertise to deliver compassionate patient care whilst improving staff experience and ongoing bereavement support.

**Integrated Healthcare HMP Leicester**
In 2018 the Trust successfully won the Integrated Healthcare Services tender for HMP Leicester. The contract runs for three years from April 2019, with the potential for an extension.

**Blended Women's Services**
The Trust successfully bid in 2018 to provide sub-contracted services to St Andrews Healthcare for blended women's forensic services across the East Midlands. The contract will see the commencement of a pilot to blend medium and low secure women's services across the region to increase support and improve outcomes, thereby reducing the need for women to move between services.



Dr John Brewin
Chief Executive
23 May 2019

# REMUNERATION REPORT

## ANNUAL STATEMENT ON REMUNERATION FROM THE CHAIR OF THE NOMINATIONS AND REMUNERATION COMMITTEE

Senior Managers' remuneration relates to voting and non-voting Directors of the Board.

The Trust has two Nomination and Remuneration Committees. One is established by the Board of Directors and comprises Non-Executive Directors that oversee the nomination and remuneration of executive appointments and the composition of the Board of Directors. The second, established by the Council of Governors and formed of Governors, oversees the nomination and remuneration of Non-Executive Director appointments.

The cost of living pay increase awarded to Directors of the Trust Board was paid in accordance with the arrangements determined by Ministers and notified to the Trust by NHS Improvement i.e. a fixed amount of £2,075 per annum. In determining this amount Ministers referred to the awards agreed for senior staff whose pay is determined by Agenda for Change terms and conditions of service; medical and dental staff; and Department of Health and Social Care arm's length body for executive and senior managers.

During 2018/19 the Trust undertook a formal job evaluation of Trust Board Directors. Taking into account the outcome of this formal evaluation and the Director pay ranges published by NHS Improvement a number of adjustments were made to Director remuneration.

During the course of the financial year the Chief Executive Ruth Hawkins retired on 30th September 2018 and was replaced by John Brewin with effect from 1 January 2019.

## SENIOR MANAGERS' REMUNERATION POLICY

Separate pay policies exist for a) the Chief Executive and employed Directors and b) the Chair and Non-executive Directors.
The current components of the remuneration packages for Employed Directors, includes:

- their salary - determined by market conditions and capability requirements
- expenses (which are paid in accordance with Agenda for Change terms and conditions)
- An entitlement to be part of the NHS pension scheme.

For Non-Executives Directors the remuneration package includes:

- their salary - determined by market conditions and capability requirements;
- Expenses - claimed in accordance with Agenda for Change terms and conditions or, where applicable, in accordance with the conditions set out by NHS Improvement (previously Trust Development Authority).

The table, below, summaries the component parts of the remuneration package:

| | Employed Director | Non-Executive Director |
|---|---|---|
| **Salary** | Y | Y |
| **Expenses** | Y | Y |
| **Pension** | Y | N |

The Medical Director received remuneration for a Clinical Excellence Award payment, this payment is detailed below.

**Employed Directors of the Board**

There are three component parts to the pay of employed Directors. These are; a salary payment, pension contribution and expenses.

The salary for each of the employed directors is determined by the Nominations and Remuneration Committee, and the decisions regarding pay rates are informed by national pay benchmarking data, personal performance and the performance of the Trust as a whole. Personal performance is considered by the Committee following annual appraisals. The content of any nationally determined pay awards (e.g. Agenda for Change) are also considered.

The wider skills requirements of the Board are also considered as part of assessing remuneration, as it is important that there is sufficient capacity and capability in the short and long term to support the strategic objectives of the Trust. This is assessed alongside benchmarking data.

The maximum payable is determined by the market forces, the need of the business at that time and, where the proposed salary is over £150,000 per annum, the opinion of the Secretary of State for Health and Social Care.

Following the evaluation exercise referred to above, the current payments being made are consistent with those being paid to others in similar roles within the NHS.

The pension element is paid in accordance with the NHS pension scheme contributions whereby the employee contributes either 13.5% or 14.5% (depending on salary) and the employer makes a 14.38% contribution (including 0.08% service administration levy).

Expense claims are paid in accordance with Agenda for Change terms and conditions. The maximum amounts that can be claimed are determined nationally and are set out in national terms and conditions.

The Medical Director, in accordance with National Terms and Conditions for Doctors and Dentists, can be awarded a payment via the Clinical Excellence Awards Scheme. The Medical Director is in receipt of an annual award of £24,128. In

addition £9,200 of back pay was due, giving a total payment of £33,323 in 2018/19 in relation to CEAs.

Employed Directors of the Board are required to participate in the Trust's on-call arrangements; no additional remuneration is paid for this.
Where an Employed Director of the Trust is paid more than £150,000, the Trust has assured itself that this payment is reasonable and appropriate. Relevant benchmarking has been undertaken and labour market conditions have been reviewed and tested.

Increases in pay can be withheld where it is considered, through the annual appraisal process, that individual or Trust performance warrant this. These increases can also be withheld subject to affordability and the labour market conditions. There are no provisions for the recovery of sums paid to Directors.

Performance is considered as part of an annual appraisal cycle. Should a situation arise where performance is considered poor, then the principles of the Trust's Conduct and/or Capability Policy would be applied. In the case of the Medical Director, the Trust policy on Maintaining High Professional Standards would apply.

In all cases of ill-health, the Trust's sickness absence policy would be applied. In all cases, alternative employment within the Trust and/or wider NHS would be considered, in accordance with the Trust's overall approach towards redeployment. There are no other or new components to the remuneration package.

For Employed Directors pay is determined by the Nominations and Remunerations Committee in accordance with the Trust Policy and Procedure for Determining the Remuneration of Employed Directors. Other Trust employees are paid in accordance with NHS national terms and conditions, except where they have transferred into the Trust according to TUPE arrangements; retaining their former terms and conditions.

Wider Trust employees were not specifically consulted with in the development of the Policy and Procedure for Determining the Remuneration of Employed Directors. However, the policy was developed with full consideration of the terms and conditions of other staff groups in addition to national guidance.

The policy is aligned, in many ways, to the terms and conditions of other staff groups. In determining remuneration levels, benchmarking data from comparative organisations, was used to inform decisions taken by the Remuneration Committee. The policy is reviewed on a regular basis.

**Components of remuneration packages**

## COMPONENTS OF THE REMUNERATION PACKAGE FOR SENIOR MANAGERS

| | Salary | Pension | Expenses | Clinical Excellence Award |
|---|---|---|---|---|
| **Description** | Determined by Nominations and Remuneration Committee. Benchmarking data is used to inform the decision along with the skills requirements for the board. | Employer contribution 14.3% in accordance with the NHS pension scheme. | Paid in accordance with Agenda for Change terms and conditions. | Payment is only applicable to the Medical Director and is in accordance with the local and national scheme. |
| **How the Component Supports the Short and Long Term Strategic Objectives of the Trust-** | Ensuring recruitment and retention and board stability in the short and long term. Ability to attract and retain staff. | Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff. | Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff. | Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff. |
| **Review Mechanism and Timeframe** | Annually via annual appraisal and Nominations and Remuneration Committee. | Reviews are undertaken nationally as this is a nationally applicable scheme. | In line with any national change to terms and conditions. | In line with any national change to the clinical excellence award scheme. |
| **Maximum and Minimum that can be paid** | Reviewed annually according to performance of Trust, performance of individual, benchmarking data and skill requirements of the Board. The maximum and minimum amounts payable are reviewed annually.<br><br>In circumstances where poor performance is identified, this is managed in accordance with the Trust's policies for conduct and capability. In the case of the Medical Director it is the policy for Maintaining High Professional Standards. | N/A | N/A | Determined by local and national policy. |

## NON-EXECUTIVE DIRECTORS

The pay for Non-Executive Directors is determined by representatives of the Council of Governors who make up the Nominations and Remunerations Committee. The remuneration is made up of their pay for their duties, with an additional responsibility payment being made to the Senior Independent Director, Vice Chair and the Chair of Audit Committee. As Non-Executive Directors are not employees they do not pay contributions or receive pension payments. They are entitled to claim expenses payments in accordance with Agenda for Change Terms and Conditions or where applicable in accordance with the conditions set out previously by the Trust Development Authority. No other fees are paid to Non- Executive Directors for their duties with the Foundation Trust.

Consideration as to the skills requirements of the Board are also made as part of assessing the remuneration and terms of office, as it is important that there is sufficient capacity and capability in the short and long term to support the strategic objectives of the Trust. This is assessed along with the benchmarking data. The maximum that would be payable would be determined by the market factors and the needs of the business at that time. The current payments being made are consistent with those being paid to others in similar roles.

Normally Non-Executive Directors would fulfil their current term of office, if however this is not possible one month's notice is required.

### Non-Executive Directors' appointments and terms of office

The initial term of office of Non-Executive Directors is 3 years with an option for a further 3 year term providing for a maximum term of office of 6 years. At the conclusion of the 6 year period, a Non-Executive Director may be reappointed for an additional 1 year term subject to exceptional circumstances being deemed by the Council of Governors to apply.

The Council of Governors has approved the process by which terms of office will be reviewed and appropriately extended going forward. Factors to be taken into account are:

- the Non-Executive Director wishing to continue in their role
- a good/outstanding appraisal outcome
- guidance in force at the time of the consideration
- the reappointment being considered to be in the Trust`s best interests

All Chair and Non-Executive Director appointments including re-appointments require Council of Governor approval. Non-Executive Director terms of office may be terminated by the Council of Governors in accordance with the provisions of the Trust's Constitution.

### Non-Executive appointments

During 2018/19 the Council of Governors appointed two Non-Executive Directors to the Board of Directors in accordance with an agreed recruitment and appointments process established by the Council of Governors. These positions were the subject of open-advertising and a competitive recruitment process.

**Service contract obligations**
There is no obligation to pay any entitlements for loss of office under these contracts with the exception of statutory entitlements, (should they apply), for redundancy and notice periods.

Employed Directors of the Board are required to give and receive six months' notice of termination of employment. Redundancy payments are calculated in accordance with Agenda for Change Terms and Conditions, and those for Medical and Dental staff in the case of the Medical Director.

The notice period has been determined to allow for changes in senior managers to be managed and for vacant positions to be recruited to, ensuring the stability and continuity of the Board of Directors and the Trust.

**ANNUAL REPORT ON REMUNERATION**
This section of the remuneration report includes some elements that are subject to audit.

Information not subject to audit

Employed Directors are on permanent service contracts; the notice period, for termination, is 6 months.

| Director | Job Title | Start date & end date where applicable |
|---|---|---|
| Ruth Hawkins | Chief Executive | November 2014 – September 2018 |
| John Brewin | Chief Executive | January 2019 |
| Julie Attfield | Executive Director of Nursing | June 2016 |
| Simon Crowther | Executive Director of Finance | March 2015 |
| Julie Hankin | Executive Medical Director | November 2014 |
| Peter Wright | Executive Director Forensic Services | October 2016 |
| Paul Smeeton | Executive Director Local Partnerships | October 2016 – April 2019 |
| Angela Potter | Director of Business Development and Marketing – Non-voting | December 2011 |
| Clare Teeney | Director of Human Resources - Non-voting | November 2015 |

Service terms and conditions for Non-Executive Directors are shown above.
Notice period for Non-Executive Directors is 1 month.

| Name | Position | Comment | End Date of Current Term of Office |
|---|---|---|---|
| Dean Fathers | Chair | | 31 December 2019 |
| Sheila Wright | Non-Executive Director | | 28 February 2020 |
| Peter Parsons | Non-Executive Director | End: 28 February 2019 | 28 February 2019 |
| Steve Banks | Non-Executive Director | | 31 January 2022 |
| Stephen Jackson | Non-Executive Director | | 17 July 2019 |
| Christine Lovett | Non-Executive Director | End: 03 August 2018 | 28 February 2019 |
| Di Bailey | Non-Executive Director | | 31 October 2020 |
| Trevor Orman | Non-Executive Director | From: 24 January 2019 | 23 January 2022 |
| Carolyn White | Non-Executive Director | From: 04 March 2019 | 03 March 2022 |

**Nominations and Remuneration Committee**

The Nominations and Remuneration Committee met on 8 occasions in 2018/19. Its membership and attendance is listed below:

| Name | Position | Meetings attended in report period | % Attendance |
|---|---|---|---|
| Dean Fathers | Chair | 7 of 8 | 88% |
| Sheila Wright | Non-Executive Director | 5 of 8 | 63% |
| Peter Parsons | Non-Executive Director (Until 28 February 2019) | 6 of 8 | 75% |
| Steve Banks | Non-Executive Director | 7 of 8 | 88% |
| Christine Lovett | Non-Executive Director (Until 3 August 2018) | 3 of 4 | 75% |
| Di Bailey | Non-Executive Director | 1 of 8 | 13% |
| Stephen Jackson | Non-Executive Director | 5 of 8 | 63% |

JP Consulting Ltd working with and for the Korn Ferry Hay Group attended the meeting of the Nominations & Remuneration Committee on 30th August 2018 to present the outcome of the Trust Board Directors job evaluation exercise undertaken and answer any queries members of the committee had in relation to the outcome of the job evaluation exercise. The Korn Ferry Hay Group are nationally recognised as a leading organisation in the field of job evaluation and have previously undertaken

similar exercises for other NHS organisations, including similar NHS Trusts. The appointment of Korn Ferry Hay was made by the Chair of the Nominations & Remuneration Committee with the Chief Executive. The fee paid to JP Consulting and Korn Ferry Hay for the work undertaken was £13,070.

**Governors' Expenses 2018/19 and 2017/18**
Total number of Governors in office during 2018/19 was 43 of which 7 received expenses.

Total number of Governors in office during 2017/18 was 45 of which 6 received expenses.

| Name | Constituency | Total 2018/19 | Total 2017/18 |
|---|---|---|---|
| | | £00 | £00 |
| Jenny Britten | Public, Patient, Service User and Carer | 1 | 1 |
| Pam Beech | Public, Patient, Service User and Carer | 2 | - |
| John Collins | Public, Patient, Service User and Carer | 1 | 4 |
| Derek Brown | Public, Patient, Service User and Carer | 1 | 1 |
| George Ross | Public, Patient, Service User and Carer | 15 | 10 |
| Tony Bradstock | Staff | - | 1 |
| Gbenga Shadare | Public, Patient, Service User and Carer | 3 | - |
| Susan Kernahan | Public, Patient, Service User and Carer | 1 | - |
| Sheena Foster | Public, Patient, Service User and Carer | - | 7 |
| Grand Total | | 24 | 24 |

A register is maintained of the declared interest of Governors and can be found on the Trust website by visiting www.nottinghamshirehealthcare.nhs.uk/meet-your-governors

**Directors Expenses 2018/19 and 2017/18**
Total number of Directors in office during 2018/19 was 19 of which 14 received expenses.

Total number of Directors in office during 2017/18 was 16 of which 13 received expenses.

| Name | Total 2018/19 | Total 2017/18 |
|---|---|---|
| | £00 | £00 |
| Julie Attfield | 17 | 25 |
| Simon Crowther | 3 | 4 |
| Dean Fathers | 29 | 35 |
| Julie Hankin | 5 | 12 |
| Ruth Hawkins | 3 | 14 |
| Stephen Jackson | 10 | 7 |
| Christine Lovett | 0 | 6 |
| Peter Parsons | 16 | 27 |
| Angela Potter | 7 | 15 |
| Paul Smeeton | 3 | 10 |
| Clare Teeney | 4 | 3 |
| Peter Wright | 15 | 24 |
| Sheila Wright | 26 | 10 |
| John Brewin | 2 | - |
| Fiona Illingsworth | 1 | - |
| Grand Total | 141 | 192 |

Information subject to audit

Salary and pension entitlements of senior managers

A) Remuneration

| 2018/19<br>Name and Title | Salary (Bands of £5000) | Expense payments (taxable) Total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonus (Bands of £5000) | All Pension related benefits (bands of £2500) | Total (Bands of £5000) |
|---|---|---|---|---|---|---|
| RE HAWKINS - Chief Executive (left 30 Sep 18) | 90 - 95 | 0 | 0 | 0 | 0 | 90 - 95 |
| J BREWIN - Chief Executive (start 01 Jan 19) | 45 - 50 | 0 | 0 | 0 | 5 – 7.5 | 50 - 55 |
| P SMEETON - Executive Director Local Partnerships | 125 - 130 | 0 | 0 | 0 | 192.5-195 | 320 - 325 |
| J ATTFIELD - Executive Director of Nursing (Acting Chief Executive 01 Oct to 31 Dec 18) | 150 - 155 | 0 | 0 | 0 | 232.5 - 235 | 385 - 390 |
| J HANKIN - Executive Medical Director | 165 - 170 | 0 | 0 | 0 | 62.5 - 65 | 230 - 235 |
| S CROWTHER - Executive Director of Finance | 125 - 130 | 2,000 | 0 | 0 | 5 - 7.5 | 135 - 140 |
| A POTTER - Non Voting Director of Business Development & Marketing | 105 - 110 | 0 | 0 | 0 | 0 - 2.5 | 105 - 110 |
| C TEENEY - Non Voting Director of Human Resources | 105 - 110 | 4,400 | 0 | 0 | 67.5 - 70 | 175 - 180 |
| P WRIGHT - Executive Director Forensic Services | 125 - 130 | 0 | 0 | 0 | 30 – 32.5 | 155 - 160 |
| F ILLINGSWORTH -Acting Director of Nursing (01 Oct to 31 Dec 18) | 25 - 30 | 0 | 0 | 0 | 10 – 12.5 | 35 - 40 |
| DH FATHERS - Chair | 45 - 50 | 0 | 0 | 0 | 0 | 45 - 50 |
| S WRIGHT - Non Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 |
| P PARSONS - Non Executive Director ( Left 28 Feb 19) | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| CP LOVETT - Non Executive Director ( Left 03 Aug 18) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| S BANKS - Non Executive Director | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| JS JACKSON - Non Executive Director | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| T ORMAN - Non Executive Director (Started 24 Jan 19) | 0 - 5 | 0 | 0 | 0 | 0 | 0 - 5 |
| C WHITE - Non Executive Director (Started 04 Mar 19) | 0 - 5 | 0 | 0 | 0 | 0 | 0 - 5 |
| D BAILEY - Non Executive Director | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| Total | 1210 - 1215 | 6,400 | 0 | 0 | 612.5 – 615 | 1830 - 1835 |

Expenses payments - all payments are taken from P11'd information and are in respect of lease cars.

The Medical Director in accordance with the national terms and conditions for Doctors and Dentists can be awarded a payment via the clinical excellence award scheme. The Medical Director is in receipt of an annual award of £24,128 plus £9,200 back pay which is included in the figures above.

| 2017/18<br>Name and title | Salary (Bands of £5000) | Expense payments (taxable) Total to nearest £100 | Performance pay and bonuses (bands of £5000) | Long term performance pay and bonus (Bands of £5000) | All Pension related benefits (bands of £2500) | Total (Bands of £5000) |
|---|---|---|---|---|---|---|
| RE HAWKINS - Chief Executive | 180 - 185 | 0 | 0 | 0 | 25 - 27.5 | 205 - 210 |
| S CROWTHER - Executive Director of Finance | 125 - 130 | 600 | 0 | 0 | 85 - 87.5 | 210 - 215 |
| P SMEETON - Executive Director Local Partnerships | 125 - 130 | 0 | 0 | 0 | 122.5 - 125 | 245 - 250 |
| DH FATHERS - Chair | 45 - 50 | 0 | 0 | 0 | 0 | 45 - 50 |
| J ATTFIELD (formerly HALL) - Executive Director of Nursing | 110 - 115 | 0 | 0 | 0 | 0 | 110 - 115 |
| J HANKIN - Executive Medical Director | 150 - 155 | 0 | 0 | 0 | 32.5 - 35 | 185 - 190 |
| A POTTER - Non Voting Director of Business Development & Marketing | 100 - 105 | 0 | 0 | 0 | 92.5 - 95 | 195 - 200 |
| C TEENEY - Non Voting Director of Human Resources | 95 - 100 | 3,200 | 0 | 0 | 22.5 - 25 | 120 - 125 |
| P CALLAGHAN – Non-Executive Director (left 30 June 17) | 0 - 5 | 0 | 0 | 0 | 0 | 0 - 5 |
| S BANKS – Non-Executive Director | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| S WRIGHT – Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 |
| CP LOVETT – Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 |
| P PARSONS – Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 |
| JS JACKSON – Non-Executive Director | 10 - 15 | 0 | 0 | 0 | 0 | 10 - 15 |
| P WRIGHT - Executive Director Forensic Services | 110 - 115 | 0 | 0 | 0 | 25 - 27.5 | 135 - 140 |
| D BAILEY – Non-Executive Director (joined 1 November 17) | 5 - 10 | 0 | 0 | 0 | 0 | 5 - 10 |
| TOTAL | 1140 - 1145 | 3,800 | 0 | 0 | 412.5 – 415 | 1560-1565 |

Expenses payments - all payments are taken from P11'd information and are in respect of lease cars.

The Medical Director in accordance with National terms and conditions for Doctors and Dentists can be awarded a payment via the Clinical Excellence Awards Scheme. The Medical Director is in receipt of an annual award of £14,933 which is included in the figures above.

B) Pension benefits of senior managers

| 2018/19<br><br>Name and title | Real increase in pension at pension age<br><br>(Bands of £2500)<br>£000 | Real increase in pension lump sum at pension age<br><br>(Bands of £2500)<br>£000 | Total accrued pension at pension age at 31 March 2019<br><br>(Bands of £5000)<br>£000 | Lump sum at pension age related to accrued pension at 31 March 2019<br><br>(Bands of £5000)<br>£000 | Cash Equivalent Transfer Value at 1 Apr 2018<br><br>£000 | Real Increase in Cash Equivalent Transfer Value<br><br>£000 | Cash Equivalent Transfer Value at 31 March 2019<br><br>£000 | Employers Contribution to Stakeholder Pension<br><br>To nearest £100 |
|---|---|---|---|---|---|---|---|---|
| RE HAWKINS - Chief Executive (left 30 Sep 18) | (10 - 12.5) | 27.5 - 30 | 65 - 70 | 315 - 320 | 1,894 | 0 | 0 | 0 |
| J BREWIN - Chief Executive (start 01 Jan 19) | 0 - 2.5 | 0 – 2.5 | 75 - 80 | 225 - 230 | 1,451 | 43 | 1,697 | 0 |
| P SMEETON - Executive Director Local Partnerships [X] | 7.5 – 10 | 12.5 - 15 | 60 - 65 | 100 - 105 | 711 | 215 | 955 | 0 |
| J ATTFIELD - Executive Director of Nursing (Acting Chief Executive 01 Oct to 31 Dec 18) | 10 - 12.5. | 32.5 - 35 | 70 - 75 | 210 - 215 | 1,047 | 338 | 1,437 | 0 |
| J HANKIN - Executive Medical Director [X] | 2.5 - 5 | 2.5 - 5 | 50 - 55 | 110 - 115 | 678 | 129 | 852 | 0 |
| S CROWTHER - Executive Director of Finance [X] | 0 - 2.5 | (2.5 - 5) | 45 - 50 | 105 - 110 | 628 | 85 | 751 | 0 |
| A POTTER - Non Voting Director of Business Development & Marketing [X] | 0 - 2.5 | (2.5 - 5) | 45 - 50 | 110 - 115 | 780 | 83 | 901 | 0 |
| C TEENEY - Non Voting Director of Human Resources [X] | 2.5 - 5 | 0 | 45 - 50 | 0 | 466 | 113 | 608 | 0 |
| P WRIGHT - Executive Director Forensic Services [X] | 0 - 2.5 | 0 | 5 - 10 | 0 | 55 | 0 | 0 | 0 |
| F ILLINGSWORTH -Acting Director of Nursing (01 Oct to 31 Dec 18) (X) | 0 - 2.5 | 0 - 2.5 | 25 - 30 | 65 - 70 | 424 | 20 | 531 | 0 |

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2018/19 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.

Real Increase in CETV - This 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 pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The inflation rate used is 3%

Please be aware that last year there was a calculation error such that the CETV factors used and provided to us by NHS pensions for any individuals with benefits in the 2015 Scheme were incorrect. New figures have been provided this year and used into the 2018/19 table only. Accrued pension and lump sum figures for Paul Smeeton have also changed since the prior year following notification from NHS Pensions

R. Hawkins (Chief Executive) departed on retirement from the Trust on 30 September 2019, resulting in the negative increase in pension.

Members of the 2015 NHS Pension Scheme (X)

| 2017/18<br><br>Name and Title | Real increase in pension at pension age | Real increase in pension lump sum at pension age | Total accrued pension at pension age at 31 March 2018 | Lump sum at pension age related to accrued pension at 31 March 2018 | Cash Equivalent Transfer Value at 1 Apr 2017 | Real Increase in Cash Equivalent Transfer Value | Cash Equivalent Transfer Value at 31 March 2018 | Employers contribution to stakeholder pension |
|---|---|---|---|---|---|---|---|---|
| | (Bands of £2500) £000 | (Bands of £2500) £000 | (Bands of £5000) £000 | (Bands of £5000) £000 | £000 | £000 | £000 | To nearest £100 |
| RE HAWKINS - Chief Executive | 0 - 2.5 | 5 - 7.5 | 80 - 85 | 250 - 255 | 1,741 | 136 | 1,894 | 0 |
| P SMEETON - Executive Director Local Partnerships (X) | 5 - 7.5 | 7.5 - 10 | 55 - 60 | 100 - 105 | 684 | 131 | 821 | 0 |
| S CROWTHER - Executive Director of Finance (X) | 2.5 - 5 | 5 - 7.5 | 40 - 45 | 105 - 110 | 522 | 98 | 625 | 0 |
| J ATTFIELD (formerly HALL) - Executive Director of Nursing | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 170 - 175 | 973 | 64 | 1,047 | 0 |
| J HANKIN - Executive Medical Director (X) | 2.5 - 5 | (0 – 2.5) | 40 - 45 | 105 - 110 | 600 | 68 | 674 | 0 |
| A POTTER - Non Voting Director of Business Development & Marketing (X) | 5 - 7.5 | 7.5 - 10 | 40 - 45 | 110 - 115 | 654 | 117 | 777 | 0 |
| C TEENEY - Non Voting Director of Human Resources (X) | 0 - 2.5 | 0 - 2.5 | 40 - 45 | 0 - 5 | 414 | 48 | 466 | 0 |
| P WRIGHT - Executive Director Forensic Services (X) | 0 - 2.5 | 0 - 2.5 | 0 - 5 | 0 - 5 | 17 | 38 | 55 | 0 |

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2017/18 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.

Real increase in CETV – this 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 pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The inflation rate used is 1%.

Members of the 2015 section of the NHS Pension Scheme (X) have no lump sum entitlement.

**Fair pay multiple**
Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce.

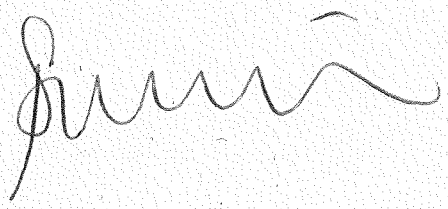
The banded remuneration of the highest paid Director in Nottinghamshire Healthcare NHS Foundation Trust in the financial year 2018/19 was £180,000 to £185,000 (2017/18: £180,000 to £185,000). This was 7.26 times (2017/18: 7.38) the median remuneration of the workforce, which was £25,485 (2017/18:£24,876).
In 2018/19 one (2017/18: one) employee received remuneration in excess of the highest paid Director. Remuneration ranged from £190,000 to £195,000 (2017/18: £190,000 to £195,000).

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

Changes to the ratio are a result of the revised Agenda for Change pay deal.

**Payments for loss of office**
There have been no payments to any senior manager for loss of office during this financial year or the previous financial year. During the year a package related to loss of office for Paul Smeeton the Executive Director of Local Partnerships was agreed. However this was paid in April 2019 when he left the Trust and therefore was excluded from the remuneration report table.

**Payments to past senior managers**
No payments have been made to individuals that are not currently senior managers but who were previously.



Dr John Brewin
Chief Executive
23 May 2019

# STAFF REPORT

## Our workforce developments and changes

During 2018/19 an average number of 8,452 whole time equivalent (WTE) staff worked for the Trust**.** These staff are geographically dispersed across 117 properties, spread across 110 sites.

In 2018/19 the average number of WTE was 8,452, this shows a decrease on the 2017/18 position (8,500 WTEs), made up of a decrease of 107 WTE permanent staff and an increase of 59 WTE other staff. The loss of the Mid Nottinghamshire IAPT services has resulted in a reduction in staff.

Workforce plans support clinical strategies, clinical direction and known commissioning intentions. Our plan takes account of known cost improvements and quality, innovation, productivity and prevention schemes, along with other transformation schemes and service developments reflected in the Trusts financial plan for 2019/20.

Average number of employees (WTE)

| **Average number of employees (WTEs) – subject to audit** | | | | |
|---|---|---|---|---|
| | **2018/19** | | | **For the Year ending 31 March 2018** |
| | **Permanent** | **Other** | **Total** | **Total** |
| | **Number** | **Number** | **Number** | **Number** |
| Medical and dental | 208 | 79 | 287 | 290 |
| Ambulance staff | 4 | 0 | 4 | 4 |
| Administration and estates | 2,066 | 159 | 2,225 | 2,237 |
| Healthcare assistants and other support staff | 2,025 | 288 | 2,313 | 2,243 |
| Nursing, midwifery and health visiting staff | 2,372 | 111 | 2,483 | 2,571 |
| Nursing, midwifery and health visiting learners | 0 | 0 | 0 | 0 |
| Scientific, therapeutic and technical staff | 1,062 | 49 | 1,111 | 1,119 |
| Healthcare science staff | 0 | 0 | 0 | 0 |
| Social care staff | 29 | 0 | 29 | 36 |
| Other | 0 | 0 | 0 | 0 |
| **Total average numbers** | **7,766** | **686** | **8,452** | **8,500** |
| Of which: | | | | |
| Number of employees (WTE) engaged on capital projects | 7 | 0 | 7 | 6 |

The Foundation Trust Annual Reporting Manual states the average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The “contracted hours” method of calculating whole time equivalent number should be used. That is, dividing the contracted hours of each employee by the standard working hours. However, there are no means of reporting available to us on weekly hours contracted, in our current financial or human

resource, solutions to facilitate this requirement. The method used is the monthly WTE, in total for each group of staff, divided by the number of months. This provides a sufficiently accurate approximation of this measure.

Analysis of staff costs – subject to audit

| | | | 2018/19 | 2017/18 |
|---|---|---|---|---|
| | Permanent | Other | Total | Total |
| | £000 | £000 | £000 | £000 |
| Salaries and wages | 245,309 | 22,702 | 268,011 | 262,688 |
| Social security costs | 25,119 | 0 | 25,119 | 24,742 |
| Apprenticeship levy | 1,286 | 0 | 1,286 | 1,263 |
| Employer's contributions to NHS pension | 32,169 | 0 | 32,169 | 31,947 |
| Pension cost - other | 59 | 0 | 59 | 25 |
| Other post-employment benefits | 0 | 0 | 0 | 0 |
| Other employment benefits | 0 | 0 | 0 | 0 |
| Termination benefits | 660 | 0 | 660 | 853 |
| Temporary staff | 0 | 8,432 | 8,432 | 7,702 |
| **Total gross staff costs** | 304,602 | 31,134 | 335,736 | 329,220 |
| Recoveries in respect of seconded staff | 0 | 0 | 0 | 0 |
| **Total staff costs** | 304,602 | 31,134 | 335,736 | 329,220 |
| **Of which** | | | | |
| Costs capitalised as part of assets | 361 | 0 | 361 | 354 |

**Exit packages**

During the period 1 April 2018 to 31 March 2019 the Trust had a total of 19 compulsory redundancies which resulted only after the Trust had explored all options of suitable alternative employment. The remaining 383 other departures agreed' represent members of staff who either chose to leave the employment of the Trust or whose employment was terminated and to whom a payment was due in accordance with their contract of employment eg an outstanding annual leave entitlement, a remaining period of contractual notice. Details are shown in the tables below.

Reporting of compensation schemes – subject to audit
Exit packages 2018/19

| Exit packages 2018/19 | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages |
|---|---|---|---|
| | | | |
| **Exit package cost band (including any special payment element)** | | | |
| <£10,000 | 6 | 383 | **389** |
| £10,001 - £25,000 | 11 | - | **11** |
| £25,001 - 50,000 | - | - | **-** |
| £50,001 - £100,000 | 1 | - | **1** |
| £100,001 - £150,000 | - | - | **-** |
| £150,001 - £200,000 | - | - | **-** |
| >£200,000 | 1 | - | **1** |
| **Total number of exit packages by type** | **19** | **383** | **402** |
| Total resource cost (£) | **£508,000** | **£152,000** | **£660,000** |

Negative values totalling £28,000 for 108 individuals (2017/18, £36,000 for 132 individuals) have been netted off total exit packages reported in the above table; on a gross basis exit packages arranged total £688,000 for 291 individuals (2017/18, £889,000 for 314 individuals).

During the year a package related to loss of office for Paul Smeeton the Executive Director of Local Partnerships was agreed and is included in the table above.

| Exit packages 2017/18 | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages |
|---|---|---|---|
| | | | |
| **Exit package cost band (including any special payment element)** | | | |
| <£10,000 | 3 | 432 | **435** |
| £10,001 - £25,000 | 2 | 2 | **4** |
| £25,001 - 50,000 | 3 | 1 | **4** |
| £50,001 - £100,000 | - | - | **-** |
| £100,001 - £150,000 | 1 | - | **1** |
| £150,001 - £200,000 | 2 | - | **2** |
| >£200,000 | - | - | **-** |
| **Total number of exit packages by type** | **11** | **435** | **446** |
| Total resource cost (£) | **£619,000** | **£234,000** | **£853,000** |

| **Exit Packages**<br>**Other (non-compulsory) Departure Payments** | | | | |
|---|---|---|---|---|
| | **2018/19** | | **2017/18** | |
| | **Agreements** | **Total value of agreements** | **Agreements** | **Total value of agreements** |
| | **Number** | **£000** | **Number** | **£000** |
| Voluntary redundancies including early retirement contractual costs | 2 | 1 | - | - |

| | | | | |
|---|---|---|---|---|
| Mutually agreed resignations (MARS) contractual costs | - | - | - | - |
| Early retirements in the efficiency of the service contractual costs | - | - | 7 | 5 |
| Contractual payments in lieu of notice | 381 | 151 | 427 | 217 |
| Exit payments following Employment Tribunals or court orders | - | - | 1 | 12 |
| Non-contractual payments requiring HMT approval | - | - | - | - |
| **Total** | **383** | **152** | **435** | **234** |
| **Of which:** Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary | | | | |

## Workforce composition

### Breakdown by gender

| Gender | Staff Grouping | Heads | Percent |
|---|---|---|---|
| Female | Directors | 4 | 0.1% |
| | Other Senior Managers | 26 | 0.4% |
| | Employees | 6503 | 99.5% |
| **Female Total** | | 6533 | 75.0% |
| Male | Directors | 4 | 0.2% |
| | Other Senior Managers | 13 | 0.6% |
| | Employees | 2162 | 99.2% |
| **Male Total** | | 2179 | 25.0% |
| **Grand Total** | | 8712 | |

Staff by Gender (Source ESR - March 2019)

### Breakdown by Ethnicity

| Ethnic Group | Staff Grouping | Heads | Percent |
|---|---|---|---|
| White British | Directors | 8 | 0.1% |
| | Senior Managers | 35 | 0.5% |
| | Employees | 7414 | 99.4% |
| **White British Total** | | 7457 | 87.2% |
| White EU | Senior Managers | 2 | 0.9% |
| | Employees | 222 | 99.1% |
| **White EU Total** | | 224 | 2.6% |
| BME | Senior Managers | 2 | 0.2% |

| | | | |
|---|---|---|---|
| | Employees | 866 | 99.8% |
| **BME Total** | | 868 | 10.2% |
| **Grand Total** | | 8549 | |

Staff by Ethnicity (Source ESR - March 2019) (*163 did not declare their ethnicity)

**Sickness absence**

The Trust's cumulative sickness absence rate during 2018/19 was 5.3% against a Trust target of 5%. During the winter months there was a peak of sickness with a rate of 6.1%.

For 2018/19 the total staff years available was 7,662. The total WTE days lost due to sickness absence was 92,073 with the average absence being 12.02 days per WTE.

**Workforce policies**

Recruiting and retaining a diverse workforce that is inclusive of, and reflects, the diverse communities it serves is one of the Trust's four key strategic priorities. Accordingly, the Trust is committed to meeting and exceeding the requirements of being a Disability Confident Employer and the Mindful Employer Charter. We guarantee to interview all disabled applicants who meet the minimum criteria for any post advertised, providing the applicant has indicated on the application that they have a disability in accordance with the Equality Act 2010. As with all staff we are passionate about ensuring that disabled staff are valued and supported within the organisation and receive appropriate training, which meets their ongoing professional needs. This is outlined in our Employing People with Disabilities section of our Employment Policy and sets out the responsibilities of both managers and disabled people themselves within the workplace.

This Policy is supported by internally developed documents such as the Reasonable Adjustments Guide, our Dyslexia and Asperger's guidance for staff. Supporting the policy framework is the Disability Equality Steering Group who, in addition to providing support for Disabled Staff, inform, champion and influence policy development within the organisation and beyond, in meeting the diverse needs of disabled staff. These policies apply to disabled people wanting to work for the Trust and staff who become disabled during the course of their employment. There are a number of initiatives in place to support managers to effectively manage diverse teams and support the needs of all staff including those with disabilities of both a physical and mental nature. Mentoring, coaching, work shadowing and additional support; such as: extended development opportunities, work rotation and enhanced supervision are available.

In order to ensure our managers are effective in identifying and supporting individual staff needs, we have integrated these competencies within our current management and leadership development programmes; middle management programme for bands 4-6 and Vision 21 for senior managers, bands 7-8b. At a senior leadership level, similar competencies have been embedded within the Trust Leadership Council programme and conferences. The trust appraisal system enables these

skills to be measured as part of management competencies and to highlight areas for further development.

In addition, the Trust actively promotes and supports the employment of people who use our services, and particularly encourages applications from people with disabilities in all job adverts. As a matter of good practice, we have service user and carer representation in our recruitment processes; which greatly benefits the organisation as framed within its values.

Staff are consulted on any formal employment changes in accordance with the organisational change policy and implementation manual; this involves engaging with our workforce at the earliest possible stage increasing staff engagement throughout the process. We utilise our staff-side constitution as well as strong working relations with our staff-side colleagues to ensure we work in a partnership approach. Employees are actively engaged in the review of services and the performance of the Trust. The performance of the Trust is reviewed by employees at all levels through the accountability structure and partnership forums as well as through individual appraisals. The Leadership Council is regularly engaged to review performance to determine how services can be improved.

For 2018/19, NHS Foundation Trusts continued to be required to comply with NHS Counter Fraud Authority guidance. These provisions include the requirement for a nominated Lead Counter Fraud Specialist (CFS) to be in place to undertake work across four generic areas of action. The Trust has a counter fraud, bribery and corruption policy in place which reinforces the commitment of the organisation to maintain an embedded counter fraud culture and to take robust action where allegations of fraud, bribery and corruption are proven.

The Trust has a range of communication channels in place to ensure that staff are aware of and share in the aims, values and objectives of the organisation and understand their contribution to making these real and achievable. Through these, staff are kept informed and engaged to help improve their experience and the delivery of services. This includes monthly email bulletins, face to face briefings and meetings, Positive newsletter, Intranet, Internet, corporate products and events, the use of social media, such as Facebook, Twitter and LinkedIn, ward visits from the Executive Team, equality & diversity networks, a system of ‘Champions’ across the Trust and the Leadership Council. We also work closely with staff side colleagues and staff directly to ensure that any issues or concerns are addressed. During 2018/19 the Trust continued to review and embed its approaches and methodologies to enabling ‘staff voice’ to ensure that we are maximising the opportunities and mechanisms staff have available to be listened to and to contribute to decision making.

During 2018/19 we continued to deploy initiatives such as Open Conversations, the Staff Voice Board report and have developed a Staff Voice Platform which collates both qualitative and quantitative data to give an overall picture of staff engagement/staff voice and staff morale in specific service areas. We have also launched our ‘Positive Stars’ awards each month whereby managers/staff can nominate a member of staff/team who have made a difference to the service they deliver and/or the team they work in and this is recognised by the Executive

Leadership team. Our BME staff network continues to grow and strengthen and we have developed bespoke opportunities for BME staff.

We have developed values based recruitment and trained expert recruiters in values based recruitment and we are continuing to develop and support new and extended roles and implement recruitment and retention initiatives.

The Trust is committed to ensuring the prevention of injury and ill health and to improve its safety performance and provides a comprehensive Occupational Health service to all staff. A full range of services can be accessed including pre-employment health assessments, immunisation programmes, health and safety advice, health surveillance and infection control. This commitment further extends to not only meeting but exceeding applicable legal and other requirements imposed upon it. The Trust has a robust, outcomes driven suite of Health and Safety Policies, which support the Trust Health and Safety Management System (HSMS).
The Trust also has in place a dedicated in-house MSK staff self-referral service, whereby staff can access physiotherapy for MSK problems either via self referral or management referral.

**Staff engagement**
Good staff engagement is a Board of Directors' priority. Through further enabling the staff voice and encouraging staff to speak up and the delivery of our Developing Our People and Cultural Together programme it is anticipated that the culture will become one of openness. The approach taken will include mechanisms by which the Trust can triangulate patients and service user views with those of staff, in order that these views can inform the decisions taken by the Trust.

**Staff survey**
The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2018 survey among trust staff was 40.4% (2017:46.6 %). Scores for each indicator together with that of the survey benchmarking group (Combined Mental Health / Learning Disability and Community Trusts) are presented below.

| | 2018/19 | | 2017/18 | | 2016/17 | |
|---|---|---|---|---|---|---|
| | Trust | B'marking Group | Trust | B'marking Group | Trust | B'marking Group |
| Equality, Diversity & Inclusion | 9.1 | 9.2 | 9.1 | 9.2 | 9.2 | 9.2 |
| Health & wellbeing | 5.9 | 6.1 | 6.0 | 6.1 | 6.2 | 6.2 |
| Immediate Managers | 7.1 | 7.2 | 7.0 | 7.1 | 7.1 | 7.1 |
| Morale | 6.0 | 6.2 | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Quality of Appraisals | 5.1 | 5.5 | 5.1 | 5.4 | 5.3 | 5.4 |
| Quality of Care | 7.1 | 7.4 | 7.3 | 7.4 | 7.4 | 7.5 |
| Safe environment – bullying and harassment | 8.1 | 8.2 | 8.1 | 8.3 | 8.1 | 8.2 |
| Safe environment – violence | 9.4 | 9.5 | 9.3 | 9.5 | 8.3 | 9.5 |
| Safety culture | 6.6 | 6.8 | 6.5 | 6.7 | 6.7 | 6.7 |
| Staff engagement | 6.7 | 7.0 | 6.8 | 7.0 | 7.0 | 7.0 |

Our year on year performance has slipped across many areas but through this survey and other staff voice mechanisms we do understand these issues and have developed robust plans to address them, however this is part of an evolving programme of work that we have committed to and do not want to rush into short term solutions, but want to develop a considered approach that includes involvement and engagement to address any cultural issues

The areas of concern highlighted by the survey are recognised within the table above, notably elements around staff engagement, morale and quality of care.

Evidence from the national staff opinion survey, our localised staff engagement and friends and family surveys and evidence from the discovery stage will be used within the design and delivery phase of our Developing Our People and Cultural Together programme. This is allowing us to identify areas of particular focus, including groups that are traditionally seldom heard; for example: equality and diversity strands and specific professions; such as: Medics and Allied Health Professionals. From this analysis we can test out themes within key focus groups and interviews, following the Developing Our People and Cultural Together programme methodology.

There are a number of elements in place to address the areas of concern, which support the working of the Developing out People and Culture Together Programme in the form of staff forums, working collaboratively with the Equality and Diversity strands steering groups. These in addition, to providing development opportunities for staff, are a valuable resource to the organisation in terms of policy development and practices particularly through the medium of giving staff a voice. These enable us to implement appropriate actions to address identified areas for improvement, with the support and buy-in of our workforce.

Progress against all of our action plans is monitored through the Workforce Equality and Diversity Committee of the Board of Directors. Workforce data is also monitored monthly by the Board of Directors as part of the integrated performance report.

**Future priorities**

During 2019/20 we will continue to embed our People and Culture Strategy throughout the Trust. We will be undertaking a wider staff engagement piece on refreshing and re-launching our values and behaviours. We will continue to highlight the importance of staff health and wellbeing and have invested in and supporting a number of initiatives promoting health and wellbeing for our staff such as our musculoskeletal staff self-referral service, Mindfulness Cognitive Based Therapy sessions and ongoing health and wellbeing events for staff to attend. We aim to build on our existing service provision and invest in psychological support for staff to address consistency of provision and maximise the offer to all staff across the organisation, including staff counselling services, trauma support, preventative support and the potential for a trust wide Employee Assistance Programme.
We have an active network of Health Wellbeing & Recovery Champions deployed across the Trust, who promote various health and wellbeing activities, events, and raise awareness of the Trust's health and wellbeing agenda, supporting work colleagues. As part of our commitment to health and wellbeing we will also continue our commitments to pledges placed under the Department of Health Responsibility Deal and comply with the Five Year Forward View on Staff Health and Wellbeing and NICE guidance. The Trust has adopted the NHS Health & Wellbeing Framework and undertaken a baseline assessment which highlights key areas of focus and our key commitments for the forthcoming year will be supporting mental health & wellbeing (including domestic violence & abuse) and healthy lifestyles (including smoking cessation, alcohol consumption and physical activity). During 2019/20 we will also develop plans to implement the recommendations from the Health Education England NHS Staff & Learners' Mental Wellbeing Report. We will use the findings from the national staff opinion survey to support cultural development within the Trust which focusses on; developing leadership capability and capacity, creating a shared sense of purpose and inspiring vision and values.

We will continue to measure staff engagement through regular surveys and focus groups and utilise this data to prioritise our workforce initiatives and improve retention levels across the Trust. We will continue to develop our staff voice platform where we can gather intelligence, comments and concerns of our staff, allowing us to act on these and feeding this into our cultural development programmes.

We aim to improve the employee voice across the Trust by investing in our staff to empower them to make changes in their own work areas through different initiatives

The Trusts Freedom to Speak Up Guardian has developed a network of Freedom to Speak Up Champions throughout the Trust to support the speak up agenda and will be deploying a revised Freedom to Speak Up Strategy for the Trust in the forthcoming year.

**Trade Union Facility Time disclosures**
Information on Trade Union Facility Time for 2018/19 is shown in the following tables.

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|---|---|
| 64 | 59.42* |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|---|---|
| 0% | 4* |
| 1-50% | 11* |
| 51%-99% | 1 |
| 100% | 3* |

Percentage of pay bill spent on facility time

| | £ |
|---|---|
| Total cost of facility time | 132,151* |
| Total pay bill | 335,736,000 |
| Percentage of the total pay bill spent on facility time | 0.04%* |

Paid trade union activities

| | |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 3.24%* |

*Based on data received as at 13/07/18. Note not all TU officials completed data returns so figures are based on those returns received.

**Expenditure on consultancy**

Expenditure of consultancy in 2018/19 was £614,000 (£642,000 in the period 1 April 2017 to 31 March 2018).

**Off payroll engagements**

Nottinghamshire Healthcare's approach to the use of off payroll engagements is set out in the Trust's Employment Policy. The policy includes a process to assist in determining a workers employment status. During the last financial year there have been no off payroll arrangements relating to senior manager positions.
Further information on off payroll engagements is shown in the following tables.

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months.

| | |
|---|---|
| Number of existing engagements as of 31 March 2019 | 10 |
| Of which... | |
| No. that have existed for less than one year at time of reporting. | 0 |
| No. that have existed for between one and two years at time of reporting. | 3 |
| No. that have existed for between two and three years at time of reporting. | 2 |
| No. that have existed for between three and four years at time of reporting. | 0 |
| No. that have existed for four or more years at time of reporting. | 5 |

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, 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 2018 and 31 March 2019 | 0 |
| Of which: | |
| Number assessed as within the scope of IR35 | 0 |
| Number assessed as not within the scope of IR35 | 0 |
| Number engaged directly (via PSC contracted to 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 2018 and 31 March 2019.

| | |
|---|---|
| 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 | 19 |

# NHS FOUNDATION TRUST CODE OF GOVERNANCE

## Statement of compliance with the Code of Governance Provisions

Nottinghamshire Healthcare NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust has reported compliance with the Code of Governance, the evidence base for which has been reviewed and supported by the Trust's Audit Committee at its meeting in February 2019, gaining assurance of there being no issues of significant non-compliance with the Code`s provisions. It is recognised that work is ongoing on a developmental basis in respect of a number of areas to further enhance the level of compliance.

The Audit Committee has been charged by the Board of Directors to maintain ongoing oversight of the NHS Foundation Trust`s compliance with the Code of Governance and to identify to the Board of Directors any emergent areas of significant non-compliance.

A specific set of disclosures is required to meet the Code of Governance. The following table lists the disclosures and references to where the relevant information can be found in the annual report.

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| **LEADERSHIP** | | | |
| **A 1** | **The role of the Board of Directors** | | |
| A 1.1 | The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors. | Compliant | o Monthly board meetings<br>o Constitution details roles and responsibilities of the Council of Governors and process for addressing disagreements between Board and Council<br>o Scheme of delegation reviewed and approved November 2017<br>o Information included in the Directors report in this annual report. |
| A 1.2 | The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.<br><br>Part of this requirement is also contained within paragraph 2.22 as part of the directors' report. | Compliant | o Annual report details all Board and relevant committee memberships and attendance in the Directors report and the remuneration report. |
| **A 5** | **Governors** | | |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| A 5.3 | The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. | Compliant | o Compliance with NHS Foundation Trust Annual Reporting Manual<br>o Record of attendance maintained |
| Additional | The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and directors. | Compliant | o This data is routinely recorded and reviewed and information is included in the council of governors section of this annual report. |
| **EFFECTIVENESS** | | | |
| B 1 | **The composition of the board** | | |
| B 1.1 | The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent with reasons where necessary. | Compliant | o This information is outlined in the Directors' report.<br>o Requirements set out within the Constitution<br>o Appointment processes<br>o Fit and Proper Persons |
| B 1.4 | The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust. | Compliant | o Annual report contains Director profiles in the Directors report.<br>o Annual review of Board composition by NED NomRem. Confirmed as remaining fit for purpose |
| Additional | The annual report should include a brief description of the length of appointments of the non-executive directors and how they may be terminated. | Compliant | o Annual report contains this information in the Remuneration report. |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| B 2 | **Appointments to the board** | | |
| B 2.2 | Directors on the Board of Directors and Governors on the Council of Governors should meet the "Fit and proper" persons test described in the provider licence. | Compliant | o "fit and proper" persons declarations made by each Director annually.<br>o Declaration by Governors when seeking election and ongoing reporting requirement<br>o DBS, Bankruptcy etc. checks re Board members |
| B 2.10 | A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments. | Compliant | o Compliance with NHS Foundation Trust Annual Reporting Manual<br>o Terms of reference available upon request.<br>o Information included in the Remuneration report. |
| Additional | The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director. | Compliant | o During 2018/19 open advertising was the method of NED recruitment. |
| B 3 | **Commitment** | | |
| B 3.1 | A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report. | Compliant | o Details of how to access declarations of Interest can be found in the Directors report<br>o Declarations of Interest identified as part of recruitment process<br>o Annual checks on Fit and Proper persons established. |
| **B 5** | **Information and support** | | |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| B 5.6 | Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied. | Compliant | o Forward plans shared with and consulted on with CoG<br>o Consultation processes<br>o Governors engaged with consultation processes<br>o Engagement strategy |
| Additional | If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.<br><br>This is required by paragraph 26(2) (aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.<br><br>*Power to require one or more of the Directors' to attend a Governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or Directors' performance).<br><br>**As inserted by section 151 (6) of the Health and Social Care Act 2012) | Compliant | o This power has not been formally exercised during 2018/19 as there has been open disclosure of the performance of the Trust reported at each Council of Governors meeting.<br>o There have been no concerns regarding the performance of directors.<br>o Executive Directors proactively attend the Council of Governors meetings to provide updates/reports on matters relating to their individual portfolios. |
| **B 6** | **Evaluation** | | |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| B 6.1 | The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the Chairperson, has been conducted. | Compliant | o Ongoing review of committee structure and effectiveness thereof<br>o Committee self-assessments<br>o Internal and external auditor perspectives<br>o Ongoing Board Development Programme<br>o Chair and Director appraisal processes<br>o Information included in the Directors report of this annual report. |
| B 6.2 | Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust. | Compliant | o Positive outcome of external well-led review by PwC. Reported to Board November 17. |
| **ACCOUNTABILITY** | | | |
| **C 1** | **Financial, quality and operational reporting** | | |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| C 1.1 | The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). | Compliant | o Accountability report of this annual report<br>o Report of external auditors<br>o Annual Governance Statement<br>o Letter of representation |
| **C 2** | **Risk management and internal control** | | |
| C 2.1 | The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls. | Compliant | o Annual Governance Statement.<br>o Head of Internal Audit Opinion<br>o Internal Audit reviews<br>o Committee structures and reporting<br>o Board development sessions on risk management |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| C 2.2 | A trust should disclose in the annual report:<br><br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br><br>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | Compliant | o Directors report<br>o 360 Assurance |
| C 3 | **Audit Committee and auditors** | | |
| C 3.5 | If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position. | Compliant | o Not applicable |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| C 3.9 | A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include:<br><br>a. the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;<br><br>b. an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and<br><br>c. if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. | Compliant | o Annual Report content – see section on the Audit Committee |
| **REMUNERATION** | | | |
| **D.1** | **The level and components of remuneration** | | |
| D 1.3 | Where an NHS Foundation Trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings. | Compliant | o Not applicable |
| **RELATIONS WITH STAKEHOLDERS** | | | |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| **E 1** | **Dialogue with members, patients and the local community** | | |
| E 1.4 | Contact procedures for members who wish to communicate with Governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report. | Compliant | o Membership office<br>o Log of all membership communications maintained<br>o Regular membership e-bulletin issued to members<br>o Membership Strategy<br>o Involvement, Experience and Volunteering Strategy<br>o Enhanced website<br>o Further details contained in the Council of Governors section of this annual report |
| E 1.5 | The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations. | Compliant | o Annual report content in section on Council of Governors<br>o Member feedback<br>o Involvement, Experience and Volunteering Strategy<br>o Ward visits programme<br>o NED attendance at CoG<br>o AGM /AMM |
| E 1.6 | The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report. | Compliant | o Membership data-base<br>o Membership Strategy<br>o Involvement, Experience and Volunteering Strategy<br>o Annual report<br>o Annual Involvement Report |

| Ref | Criteria | Compliance | Evidence |
|---|---|---|---|
| Additional | The annual report should include:<br><br>A brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;<br><br>Information on the number of members and the number of members in each constituency; and<br><br>A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership, including progress towards any recruitment targets for members. | Compliant | o See membership strategy in this annual report |
| Additional | The annual report should disclose details of company directorships or other material interests in companies held by Governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of Governors' and Directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. | Compliant | o See Directors report and remuneration report included in this annual report |

# NHS IMPROVEMENT'S SINGLE OVERSIGHT FRAMEWORK

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

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

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.

**Segmentation**
The Trust is currently in segment 2. This segmentation information is the trust's position as at 1 April 2019. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

**Finance and use of resources**
The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

| Area | Metric | 2018/19 scores | | | | 2017/18 scores | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Financial sustainability | Capital service capacity | 2 | 2 | 3 | 3 | 2 | 2 | 2 | 2 |
| | Liquidity | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Financial efficiency | I&E margin | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| Financial controls | Distance from financial plan | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Agency spend | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Overall scoring** | | **1** | **1** | **1** | **2** | **1** | **1** | **1** | **1** |

# STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITY AS THE ACCOUNTING OFFICER OF NOTTINGHAMSHIRE HEALTHCARE 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.

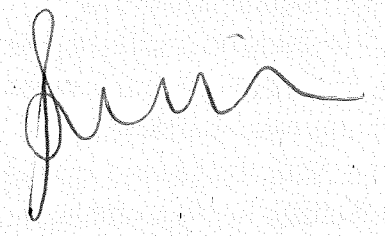
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Nottinghamshire Healthcare NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Nottinghamshire Healthcare 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 and Social Care's Group Accounting Manual and in particular to:

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

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.

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



Dr John Brewin
Chief Executive
23 May 2019

# ANNUAL GOVERNANCE STATEMENT

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Nottinghamshire Healthcare NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nottinghamshire Healthcare NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Under the Civil Contingencies Act 2004 (CCA), the NHS Act 2006 as amended by the Health and Social Care Act 2012 (NHS Act 2006 (as amended)) and the NHS England Emergency Preparedness Resilience and Response (EPRR) Framework, the Trust has a statutory duty to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an infectious disease outbreak, a major transport accident or a terrorist act. During the year there have been no major incidents or situations that have invoked business continuity arrangements that have exposed or highlighted weaknesses in the Trust internal control systems'

## Capacity to handle risk

Risk management is recognised by the Trust as an integral part of good management practice. Risk management involves understanding, analysing and addressing risk to make sure organisations achieve their objectives.

The Trust approved the updated Risk Management Strategy (RMS) 2016 – 2021 in June 2016 following the publication of its new 5 year strategy and new strategic objectives at the Board of Director's meeting in March 2016.

The RMS:

- sets out the Trust's objectives for the management of risk at a strategic and operational level
- describes the risk management framework that is in place by defining a

systematic approach to how risk will be managed across the Trust
- ensures that associated thinking and practice is embedded in everyday processes, policies and activity.

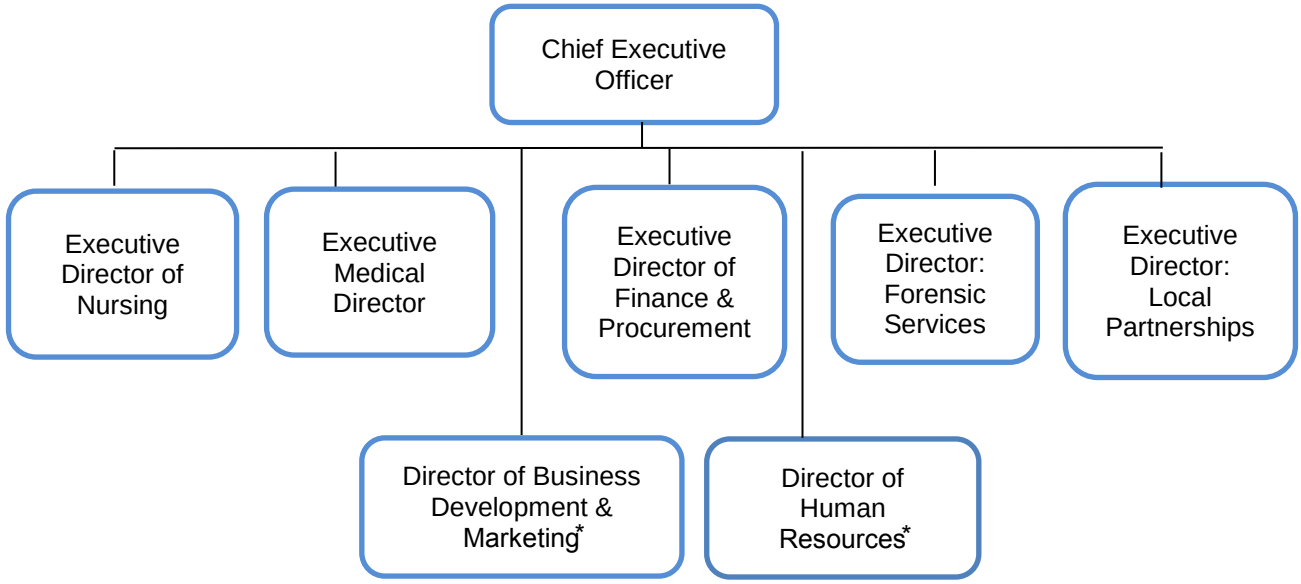
An Annual Implementation Plan is in place to deliver the six objectives set out in the RMS. The Plan is monitored at Divisional risk meetings and an update is provided to the Executive Leadership team (ELT) and the Audit Committee.

During 2018/19 the Trust has continued to develop and enhance its approach to governance and risk management, recognising the changing and challenging environment in which it operates. The identification and appropriate management of risk forms an integral part of the Trust's overall approach to integrated governance and one which is explicit in every activity the Trust and its employees are engaged.

Whilst recognising the essential requirement to identify, assess and appropriately manage risk, the Trust recognises the importance of proportionate risk mitigation and control acknowledging that not all risks can be wholly eliminated and to do so may indeed be detrimental to the provision of quality recovery based services.

The Trust's approach to risk is discharged through clearly focusing executive responsibility for clinical governance and risk management with the respective Executive Directors. These Directors have responsibility for all Trust care services and supporting corporate functions working closely with the Chief Executive Officer in this context. The principal management lead for risk management during 2018/19 was the Trust Secretary on behalf of the Chief Executive.

**Director Structure (Executive):**




* attends meetings of the Board of Directors in a non-voting capacity

The aim of risk management is to support the Trust's vision and values by promoting a consistent and integrated approach across all parts of the organisation to ensure we are aware of our risks and are responsive, but not risk averse. The Trust aims to do this through a robust governance structure, sound processes and systems of working, and an open and fair culture that is focused on patient and staff safety.

Capacity is developed across the Trust through training events commensurate with staff duties and responsibilities and includes risk management training for all new staff. Training opportunities are outlined in the Learning and Development Prospectus.

The Trust has an extensive range of organisation-wide policies and service/division specific procedures which support and align with the Trust's approach to risk management.

**The risk and control framework**

The RMS sets out the Trust's approach to risk and risk appetite/tolerance and sets out the leadership, responsibility, monitoring and accountability arrangements for risk management.

The Trust follows the 4 step risk management process below:

- Identify and recording risks: answering the question: what could stop you achieving your objectives/cause harm?
- Assess and score risks: assessing the risk and risk assessment (information about the risk/its effect)
- Control and manage risks: the process of selecting and implementing of measures/controls to manage the risk to the agreed level.
- Monitor and review risks: reviewing the risks, monitoring activity and measures put in place and evaluating the effectiveness of the controls.

The Trust Audit Committee has the primary responsibility to provide assurance to the Board with regard to the continued effectiveness of the Trust's system of integrated governance, risk management and internal control. Each of the Trust's four Committees (Finance and Performance, Quality, Mental Health Legislation and Workforce, Equality and Diversity) has responsibility for the oversight of specific risks associated to their respective remit.

**Board Assurance Framework**

The Board Assurance Framework (BAF) is the framework for identification and management of strategic risks that might compromise the achievement of the strategic objectives. The purpose of the BAF is to:

- Provide timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues
- Facilitate escalation of risk and control issues requiring visibility and attention by senior management, by providing a cohesive and comprehensive view of assurance across the risk environment

- Provide an opportunity to identify gaps in assurance needs that are vital to the organisation, and to address them
- Provide critical supporting evidence for the production of the Annual Governance Statement.

The BAF is reviewed by the Board, the Executive Leadership Team and Committees on a regular basis. The BAF is an extract from the Organisational Risk Register, driven by the Trust's agreed risk appetite.
Executive responsibility for the BAF process is held by the Trust Secretary. Principle Risk Owners are identified for each identified risk together with a responsible Board Committee. The respective committees review those risks for which they have defined responsibility at each meeting.

The BAF has continued to be developed and enhanced during 2018/19 with the four Committees adopting a robust approach to reviewing and monitoring risks associated with their respective remit. Each Committee considers any gaps in risks, the effectiveness of controls and the extent to which they are assured by the evidence presented for each risk.
The Audit Committee membership includes the Chairs of the four Committees and through this positioning, can effectively review updates from Committee Chairs in relation to their respective oversight of the BAF and the extent of their assurance.

In line with the Audit Committee's Forward Plan, the Committee has agreed to focus on one Committee's oversight of respective risk at each of its standard meetings. The Committee also carries out a 'deep dive' into specified risk theme areas, these have included: cyber risk, risk culture, cross organisation/partnership risk and an annual review of the RMS implementation plan. The Audit Committee and Board have also considered the Assurance Radar that shows the level of assurances given for each particular control of each of the Trust's top risks in order to identify where actions need to be agreed to strengthen the controls to provide further assurance to the Board.

The Trust has focussed on the following major projects in the last 12 months:

- Quality Improvement Strategy
- Dis-investment envelope approach
- Capital project - Hopewood

In particular the implementation of the Trust's Quality Improvement Strategy is a key action area for a number of risks on the BAF, with the aim of achieving the vision of 'an embedded culture of continuous quality improvement'. The Trust's Quality Improvement function has the potential to make significant impact on organisational performance, primarily in terms of quality, safety and effectiveness.

Work has been undertaken by the Trust in order to address the gaps highlighted in the Internal audit on risk assurance arrangements (Board Governance). The audit provided an overall 'significant' opinion however; efforts have been made to ensure that level of assurance received by the committees for each agenda item has been strengthened over the last year. In addition, there were challenges raised at the Quality Committee in January 2019 by Non-Executive Directors regarding the BAF

risks that related to the Committee's remit, particularly around the controls and actions and a discreet piece of work was undertaken to address these issues. The Trust asked Internal Audit to complete a supportive piece on work on the Policy Management Framework to help to inform the development of this important control mechanism. Work has commenced to strengthen the Trust's Policy Management Framework. As a result, the backlog of policies and procedures that were non-compliant due to review dates has been resolved and the number of policies and procedures that are compliant has improved significantly. The approval process via the ELT is now more robust and a project is in place to improve how policies can be more accessible across the organisation, ensure that the effective review process is maintained and improve communication about policy content with staff to ensure that they are understood and embedded in practice.

The ELT and Audit Committee have focused on the extent to which there has been 'risk movement' on the BAF at their respective meetings in August 2018 and October 2018. In the 2 year period March 2017 – March 2019 there has been 42 instances where there has been 'movement' on the BAF, including 6 newly identified risks for inclusion on the BAF, 7 instances where a risk was escalated to the BAF from a different risk register and 9 instances when a BAF risk has been mitigated to an acceptable level and has either been closed or removed from the BAF. As noted on the Audit Committee's Forward Plan, work will continue into 2019/20 to review the relevance and rigour of the assurance framework and the arrangements surrounding it, with a particular focus on the BAF movement and delivery of risk actions.

**Risk Registers**
Beneath the BAF sits a risk register structure detailing identified operational and corporate risks at trust-wide, divisional and directorate levels. The Trust has a risk escalation process in place which tracks operational risks and enables the organisation to escalate risks appropriately. This process has been scrutinised by the Audit Committee as part of their programme that focussed on risk management and also the subject of an internal audit.

Risks are monitored and reviewed according to their score and type. It is the responsibility of individual risk owners to ensure each risk is captured on the relevant Risk Register which is reviewed in an appropriate group or committee. Changes in risk scores are reported to the Board, Committees and divisional groups in line with monitoring levels set out in the RMS.

**Risk Appetite**
Risk appetite is determined through Board discussion, primarily through the Board of Director's Development Programme.

The RMS sets out the Trust's General Statement with regard to risk appetite and also states the risk appetite/tolerance levels for each strategic objective/sub objective – which is reflected in the framework for risk treatment and monitoring purposes.

All risk appetite levels were agreed (Nov 2017) however, the organisation's

objectives were refreshed in July 2018 and therefore new risk appetite levels for some revised objectives need to be agreed.

**Quality of Performance Information and Care Quality Commission (CQC) Assurance**

The Board of Directors receives a monthly Integrated Performance Report which details Trust performance against all relevant Single Oversight Framework targets and other relevant Trust indicators, as well as providing an overview of current Trust performance against the themes outlined in the Single Oversight Framework. The overview of these themes, particularly 'Quality of Care' and 'Leadership and Improvement Capability' enables CQC review of Trust activity to be reported and discussed.

Performance against Trust key performance indicators is provided at Trust and Division level. Exception reports are received providing an explanation of areas of underperformance identified as significantly at variance against target.

The Trust has a Performance Indicator Assessment Process to verify and ensure the quality of reported data. Each indicator is assessed against five data quality domains to provide an overall data quality assurance rating which is included in the Quality and Performance Report. Data quality has remained an on-going area of focus during 2018/19.

**Care Quality Commission (CQC) Registration**

Nottinghamshire Healthcare NHS Foundation Trust (The Trust) was first registered with the CQC on 1 April 2010. The Trust is currently registered to provide regulated activities from 34 active locations. During registration the CQC implement routine conditions which define the regulated activities the Trust can provide at agreed locations. The CQC has not applied any non-routine conditions of registration during.

The Trust has not been required to participate in any special reviews or investigations by the CQC in 2018/19 but has been inspected under the CQC's routine inspection programme.

**CQC Inspections during 2018/19:**

In England, all inspections of prisons are conducted jointly between HM Inspectorate of Prisons and the CQC. The CQC's rating principles do not apply to these services. This collaborative approach ensures expert knowledge is deployed in inspections and avoids multiple inspection visits by different regulators. The CQC undertook the following routine inspections of Trusts prison healthcare services during 2018/19:

- HMP Ranby was inspected during June 2018. The CQC found there were no breaches of the relevant regulations.

- HMP Lowdham Grange was inspected during August 2018. The CQC found two breaches of the relevant regulations as follows:
    - Regulation 17: Good Governance – in respect of how the Trust assess, monitor and improve quality and safety of the services provided
    - How risks are mitigated.

OFSTED is the lead inspectorate for the provision of early year's provision and they collaborate with the CQC sharing information on their findings. During October 2018 the OFSTED inspected The Summerhouse Children's Centre. They found there were no breaches of the relevant regulations and rated the service as Outstanding.

The CQC's annual core and well-led inspection of the Trust took place during January and March 2019. The CQC inspected the following six complete core services

- Child and adolescent mental health wards
- Acute wards for adults of working age and psychiatric intensive care units
- Forensic inpatient or secure wards
- Community-based mental health services for adults of working age
- Mental health crisis services and health-based places of safety
- Community mental health services for people with a learning disability or autism

The draft inspection reports have been received and the final report is due out in late May. The overall rating will be requires improvement.

**Other CQC Activity:**
The Government asked the CQC to undertake a national review of the use of restrictive interventions on those with mental health problems and learning disabilities and/or autism in hospitals and care homes across England. The CQC is taking this work forward and will report on its interim findings in May 2019, with a full report expected by March 2020. As part of the themed review, the CQC visited The Wells Road Centre during January 2019. The outcome of the review is not yet known however, the Trust will take any actions necessary to address the conclusions or requirements which are reported by the CQC.

CQC Mental Health Act (MHA) reviewers undertake visits to services where patients are detained to ensure their rights under the Mental Health Act 1983 are protected. During 2018/19, CQC MHA Reviewers made routine visits to 27 individual services operated by the Trust and made a total of 107 recommendations to improve practice. The key themes for improvement arising from the reviews were:

- The recording of mental capacity act assessments.
- Concerns about the impact staffing levels have on outcomes for patients.
- The availability of information on patients' rights to access advocacy provided by the local authority and on how to contact the CQC
- The recording of the involvement of patients in planning their care.

The Trust has responded to the CQC describing the actions to be taken to address these shortfalls in practice.

Public reports which detail the full findings of inspections made to Nottinghamshire Healthcare NHS Foundation Trust can be accessed via the CQC website.
https://www.cqc.org.uk/provider/RHA

Joint CQC and HMIP inspection reports can be found at:
https://www.justiceinspectorates.gov.uk/hmiprisons/inspections/

**Risks to Data Security**
Responsibility for Information Governance and information security within the Trust rests with the Executive Director of Finance and Procurement who undertakes the designated role of Senior Information Risk Owner. Policies are in place which are compliant with NHS guidelines, and incident reporting procedures are in place and utilised by staff.

The Trust policy is based on and designed to meet the ISO 27001:2013 standards and good practice where required across the organisation. This standard splits information security policies and procedures into two sets of documents:

- an Information Security management systems (ISMS) framework based on a continuous cycle of risk assessment; and
- separate "Codes of practice and procedures" based on the ISO 27002 standard.

The Trust's Information Security Policy consists of four layers:

Layer 1 - Information Security Management system (ISMS).
The ISMS is a documented model for establishing, implementing, operating, monitoring and improving the effectiveness of information security management within the organisation. For the NHS, the NHS Digital Data Security and Protection IG toolkit provides the basis of an ISMS that supports a basic but acceptable level of information security. For those organisations with special or advanced information security needs, the ISMS ensures a flexible approach that may be expanded in scope and content over time. The Trust's secure email system has been formally certified against the ISO 27001 standard.

Layer 2 - Information Governance Data Security and Protection Toolkit
This is the NHS annual audit standard based on the ISO 27001:2013 standard and the Security of Network and Information Systems (NIS) Regulations. The NHS Digital Data Security and Protection (DS&P) IG Toolkit will be used as the basis for evaluating the effectiveness of the ISMS. This provides the "Check" part of the Plan-Do-check-Act (PDCA model described within the ISO 27001:2013 standard)

- **Plan :** Establishing the ISMS
- **Do:** Implementing the ISMS
- **Check:** monitoring and reviewing the ISMS through the annual IG DS&P Toolkit audit
- **Act:** maintain and improve the ISMS based on outcomes from the annual IG DS&P toolkit audit

Layer 3 -Trust Information Security Codes of practice
Codes of practice based on ISO 27002 which set the principles to be followed by the operating guides and procedures, it covers the following areas:

| Code of Practice | Target Audience |
|---|---|
| Organisation of information security | All managers with responsibility for information assets |
| Human Resources | Human Resources and Service managers |
| Asset management | Health Informatics managers |
| Communications Security | Health Informatics managers |
| Cryptography | Health Informatics managers |
| Physical & Environmental security | All managers with responsibility for information assets |
| Operations Security | Health Informatics managers |
| Access Control | All managers with responsibility for information assets |
| Information Security Incident Management | Health Informatics managers |
| Business Continuity management | All managers with responsibility for information systems |
| Supplier Relationships | Health Informatics managers |

Layer 4 - Trust Information security operational guides, policies and standards
Operational guides based on the Codes of practice principles, targeted at specific groups as follows:

| Guide | Target Audience |
|---|---|
| Information Asset Owner guide | Information Asset Owners and Information Asset Administrators. |
| Networks Security Manual | I.T. Data communications staff |
| Systems Security manual | I.T. Systems staff |
| Desktop Security Manual | Service Desk and Technical Support |
| Policy on encryption of data and use of mobile media. | All staff |

The Trusts information security status is the subject of ongoing review by the Strategic Information Governance Group Information Security Forum and the Finance & Performance Committee.

Information security incidents are managed as part of the Trust's information governance processes and all incidents which have a data protection element are investigated with lessons learnt shared through the Strategic Information Governance Group Information Security Forum.

**Brexit**

The trust has considered the risks around leaving the European Union under a 'no deal' arrangement and made extensive preparations should this be the outcome. These preparations have been made in conjunction with local, regional and national emergency planning guidance and forums and have also considered specific trust wide issues. The risk to the Trust is part of our board assurance framework and our continuity plan including contingency arrangements and risks are owned by and reported to the Trust Board of Directors.

**Trust Risk Profile**

The Trust has a unique risk profile given the diversity of services provided ranging from community based physical health care services through to high secure forensic services and prison based offender health services.

During 2018/19 the Trust maintained a close and robust review of its key strategic risks and put in place robust mitigating actions to ensure the potential operational, financial and reputational impact was mitigated as far as possible.

The Trust's High Scoring (12+) organisational risks are summarised in the following table. There are no risks that are currently recorded on the BAF with a High Impact score of 5 (catastrophic).

**Organisational Risks – Scoring 12+**

| Risk Reference Number | Risk Description | Monitoring Committee /Risk Owner | Current Risk score | Current Controls (to manage/mitigate the risk) | New Risk identified in 2018/19? Current or emerging risk? |
|---|---|---|---|---|---|
| ORG091 | If recruitment issues are not resolved at High Secure services, then wards might not be appropriately staffed, leading to a) lone working at night and/or the cancellation of patient day time activities, b) compromise of the integrity and safety of the hospital and c) adverse regulatory assessment. | Quality<br><br>Risk Owner EDFS | 20 | • Establishment levels reviewed<br>• Staff levels at night<br>• Site manager flexibility to move resources<br>• Policies and procedures<br>• Night procedures in event of emergency<br>• Recruitment to ward establishment<br>• NHSI Cultural and Leadership Diagnostic Tool<br>• E-rostering<br>• QIP – lone working and cancellation of activities<br>• Monitoring via dashboard<br>• Activity reports (Cancellations)<br>• RH Workforce strategy<br>• Rampton Nursing Council<br>• Senior manager exit interviews<br>• Daily operational oversight/daily demand meeting | Yes (revised description) Emerging |
| ORG0100 | Inability to manage admissions into Adult Mental Health inpatient beds leading to an increasing reliance on Out Of Area private beds. This has an impact on the quality of care and service we provide to our patients and also significant financial risk for the division. | Quality<br><br>Risk Owner EDLP | 20 | • Red – Green system in operation<br>• Bed management protocol<br>• 21 beds at Priory secured<br>• Escalation to Clinical Directors for discussion/resolution<br>• Communications (ward level)<br>• Liaison with other local Trusts in area for bed availability<br>• Secondment to Bed management post (incs out of area care | Yes Emerging |

| Risk Reference Number | Risk Description | Monitoring Committee /Risk Owner | Current Risk score | Current Controls (to manage/mitigate the risk) | New Risk identified in 2018/19? Current or emerging risk? |
|---|---|---|---|---|---|
| ORG0020 | System wide pressures, regulation regimes and the business rules around the newly formed Integrated Care System impact adversely on the financial strategy and sustainability and lead to a lack of financial sustainability, short term and long term. | F&P<br><br>Risk Owner EDF | 16 | • Contract negotiations/ELT sign off/due diligence<br>• FIP assurance process<br>• New forms of contracting<br>• Contract Executive Board in place<br>• Clearer costing information for each service line.<br>• High secure capacity review<br>• Due diligence and risk assessment on new contract structure proposals<br>• Formal governance structure for STP<br>• Initial ICS plan including financial plan in place<br>• Business cases for disinvestment scrutinized and approved through Board<br>• ICS governance and reporting. | No Current |
| ORG0071 | Inability to recruit and retain an engaged and appropriately skilled and motivated workforce, with the right behaviours and leadership capacity while addressing unacceptable variance across the Trust. | WED<br><br>Risk Owner DHR | 16 | • Workforce metrics<br>• Workforce plans<br>• Monitoring safe staffing levels<br>• Annual staff survey, staff voice surveys, open conversations, FTSU guardian<br>• Vision 21 management programme<br>• Recruitment and retention package/focussed campaigns<br>• Workforce metrics reviewed<br>• Implications of Brexit review, Cavendish Coalition<br>• Agency spend monitored | No Current |
| ORG0079 | If the health, wellbeing and resilience of the workforce is not effectively supported and managed, then there will be adverse impacts on patient care and patient and staff experience. | WED<br><br>Risk Owner DHR | 16 | • Well being at work scheme/champions<br>• Signed up to Public Health 'Responsibility Deal' (pledges to support workforce wellbeing)/policies<br>• Review approach to staff health and well-being<br>• Review psychological support<br>• ONS wellbeing questions in place | No Current |
| ORG0103 | If the Forensic Services Division fails to have effective collaboration with commissioners and other providers in the East Midlands and S Yorkshire/Bassetlaw for the development of a New Model of Care, then patients may be held in secure settings unnecessarily or may be in settings far from home and FS beds may be closed leading to financial uncertainty for the Trust. | Quality<br><br>Risk Owner EDFS | 15 | • East Midlands – Trust is lead provider, CEO engagement with other providers, Project lead for NM of C and clinical lead in place, establishment of medically led transformation team, Performance management reports.<br>• South Yorkshire /Bassetlaw – Provider collaborative, CEO engagement with other providers, Project lead in place, establishment of medically led transformation team, Performance management reports. | Yes Emerging |
| ORG0014 | Trust systems and processes fail to support personalised care and fail to protect vulnerable people (Children, Adults, Carers and Families) | Quality<br><br>Risk Owner EDN | 12 | • Training, induction, CPD<br>• Involvement systems (patient feedback, service user involvement, Involvement and experience group, Patient opinion, advocacy, involvement strategy)<br>• CPA Policy<br>• Safeguarding policies, forum, strategy, training, lessons learned<br>• Quality priority – reducing violence/restrictive practice workstream<br>• LSCB, LSAB<br>• Integrated leadership network | No Current |
| ORG0025 | Failure to deliver and transform services to be highly efficient and provide best value may lead to an inability to meet financial control totals. | F&P<br><br>Risk Owner EDF | 12 | • Routine finance reporting<br>• 360 assurance<br>• Cross Trust transformation approach established to identify medium-term CIPs and | No Current |

| Risk Reference Number | Risk Description | Monitoring Committee /Risk Owner | Current Risk score | Current Controls (to manage/mitigate the risk) | New Risk identified in 2018/19? Current or emerging risk? |
|---|---|---|---|---|---|
| | | | | monthly review of progress against CIP by ELT and Trust Board;<br>• Divisional Finance & Performance Review;<br>• Strategic Programme Executive - Best Value workstream<br>• Development and review of a range of productivity and efficiency metrics in including Carter, Meridian and QI to understand opportunities for further savings | |
| ORG0042 | If violent or aggressive incidents take place then patients/staff/visitors could be subject to physical and psychological harm (including serious injury and fatality) leading to: patient recovery being undermined, increased staff sickness, litigation claims, low staff morale and negative impact on staff retention. | Quality<br><br>Risk Owner EDFS | 12 | • Policies and procedures<br>• Incident reporting, awareness raising, complaints and claims management<br>• Risk assessment<br>• Staff training, induction<br>• Clinical environment<br>• Quality priority – reducing violence/restrictive practice workstream<br>• Staffing, professional standards<br>• Clinical supervision/debriefing<br>• Post incident support | No Current |
| ORG0064 | Failure to develop and deliver an effective Health Informatics Service Strategy could affect the delivery of current services and future new business | F&P<br><br>Risk Owner EDF | 12 | • Policies and procedures in place<br>• Reporting to F&P Committee and Digital Health Strategy Group<br>• Refresh planning process<br>• Head of HIS on SPE<br>• Capital Planning process | No Current |
| ORG0080 | Inability to recruit, retain and motivate a diverse workforce that is reflective of the diverse communities we serve. | WED<br><br>Risk Owner DHR | 12 | • Strategic Equality and Diversity Action Plan;<br>• Workforce Race Equality Action Plan;<br>• Stonewall Action Plan (2015 - 2018);<br>• BSL Action Plan;<br>• Director champions for each diversity strand;<br>• Trust BME Staff Network (established June 2017)<br>• Improve and increase the use of patient data to analyse outcomes and assess and measure improvements.<br>• Monitored via WED, E&D Sub Committee<br>• Collecting and monitoring patient demographic data, taking action as required | No Current |
| ORG0090 | If RIO progress notes and accompanying paper documentation are not viewed contemporaneously then high quality and safe patient care could be compromised. | F&P<br><br>Risk Owner EDF | 12 | • Paper records follow the patient<br>• Primary record is RIO<br>• Record keeping policies<br>• Clinical Records Group oversight<br>• Contractual requirement<br>• Statistics<br>• Revised EPR Business case<br>• Development of portal system | No Current |
| ORG0096 | Failure to have robust arrangements in place regarding compliance with the Mental Capacity Act 2005 may result in patients' rights under the Act not being upheld which in turn may result in legal or regulatory enforcement and reputational damage | MHL<br><br>Risk Owner EMD | 12 | • MCA Audits<br>• Staffing – Associate Medical Director responsibility<br>• Terms of reference<br>• Compliance with best practice related to recording of capacity | No Current |
| ORG0097 | Poor care arising from failing to deliver against expected regulatory standards | Quality<br><br>Risk Owner EDN | 12 | • Trust policies and procedures & process to ensure ongoing review;<br>• Processes to ensure compliance with Licence Conditions;<br>• Processes to ensure actions following internal audits are implemented;<br>• IA Programme - links to BAF and supports the Head of IA Opinion;<br>• Risk Management Strategy 2016 - 21 and framework in place.<br>• Incident reporting and Serious Incident reporting processes;<br>• Learning lessons and preventing recurrence | Yes (revised description) Emerging |

| Risk Reference Number | Risk Description | Monitoring Committee /Risk Owner | Current Risk score | Current Controls (to manage/mitigate the risk) | New Risk identified in 2018/19? Current or emerging risk? |
|---|---|---|---|---|---|
| | | | | (via CIRCLE);<br>• Claims management policy;<br>• Clinical Audit Strategy and policy;<br>• Implementation of revised Quality Governance structure.<br>• Quality Improvement Strategy<br>• Nursing Strategy and Quality First<br>• Quality Strategy<br>• Performance management framework<br>• Never events framework | |
| ORG0098 | Failure to be able to determine statutory estates compliance in buildings not owned by the Trust in which Trust staff operate and services are delivered | Quality<br><br>Risk Owner DBDM | 12 | • Desk top and site audits of NHS PS properties including unannounced visits | No Current |
| ORG0102 | There is concern within the Trust is that the numbers of patients allocated to the Care Programme Approach do not reflect the level of complexity and risk of the patient population | Quality<br><br>Risk Owner EDLP | 12 | • Machine learning algorithm pilot<br>• Regular reporting to Quality Committee. | Yes Emerging |

Current and future (new and emerging) risks are considered in line with the Trust's RMS and the current governance structure. The Board of Directors reviews the risks captured on the BAF on a quarterly basis. An Executive Summary report details the actions taken to mitigate each risk and also indicates the extent to which assurance is provided. Each of the Board's Committees has a duty to monitor the risks relevant to their remit, undertaking 'deep dives' when required. The Executive Leadership Team monitors and reviews BAF risks on a monthly basis and takes action as required. The ELT considers new and future risks to the organisation and Executive Directors/Directors escalate/progress as required.

This Annual Governance Statement provides an outline of the various structures and mechanisms that the Trust has in place to maintain a sound system of governance and internal control, amongst other things, to meet the requirement of the Foundation Trust License Condition 4 (FT Governance). It takes assurance from these structures and its various committees as well as feedback from internal and external audit and other internal and external stakeholders regarding the robustness of these governance structures. The Trust monitors compliance with the Provider License through a range of mechanisms, including:

- The external PwC review of the Trust against the well-led framework rated the organisation as 'Good'.
- The consistent review of the Board Assurance Framework and consideration of organisational risks at the Board of Directors, its committees and deep dives in Board development sessions and the audit committee.
- Internal audit reports to the audit committee on matters relating to governance, financial control and risk management.
- Continuous reporting in accordance with the Single Oversight Framework to the Board of Directors – Integrated Performance Report – and the Trust's regulators eg NHSI, CQC.

Embedding risk management as a core activity within the organisation is achieved

through multiple systems and processes. During 2018/19, an assessment of the Trust's position against the components of embedding risk management was undertaken and reviewed by the Audit Committee. Examples of how the Trust has sought to embed risk management within the culture of the organisation can be found in the table below:

| **3 Stages of Continuous Improvement of an Organisation's Risk Culture - Assessment** | |
|---|---|
| **Stage 1: Building Cultural Awareness** | **Trust Evidence** |
| • Delivering communications from leadership using a common risk management vocabulary.<br>• Clarifying risk management responsibilities and accountabilities.<br>• Conducting risk management general education and customized training programs based on employees' roles.<br>• Embedding risk management into induction or on boarding programs.<br>• Refining recruitment methods to include risk management capabilities. | • Common vocabulary used, consistent throughout Risk Management Strategy (RMS), training and induction. Role models, example set by leaders.<br>• Included in RMS, Divisional Risk meetings terms of reference.<br>• Risk training and induction in place. Specific training (e.g. clinical risk management) provided for certain roles.<br>• Risk management training in induction for all new staff.<br>• Risk management capabilities included in job descriptions as required. |
| **Stage 2: Changing an Organisation's Culture** | |
| • Creating a culture of constructive challenge.<br>• Embedding risk performance metrics into motivational systems.<br>• Establishing risk management considerations in talent management processes.<br>• Position individuals with the desired risk orientation in roles where effective risk management is critical.<br>• Reinforcing behavioural, ethical and compliance standards. | • Links to Trust's 'Developing Our People and Culture' strategy.<br>• Links to Trust's 'Developing Our People and Culture' strategy (includes Key Performance Indicator (KPI) development).<br>• Implemented as required.<br>• Implemented as required.<br>• See Risk ORG097 (Failure to maintain quality and compliance standards) on BAF – controls and actions in place to address and improve this area. |
| **Stage 3: Refining the Organisational Culture** | |
| • Integrating risk management lessons learned into communications, education and training.<br>• Holding people accountable for their actions.<br>• Refining risk performance metrics to reflect | • Promotional work and awareness raising activity is a key part of RMS.<br>• Through appropriate management meetings across the Trust.<br>• Links to Trust's 'Developing Our People |

| | |
|---|---|
| changes in business strategy, risk appetite and tolerance.<br><br>• Redeploying individuals to reflect changes to business strategy and priorities. | and Culture' strategy, includes KPI development)<br>• In place when required. |

At the point of writing this report, there were no risks reported that related to the Trust's ability to comply with Foundation Trust Licence Condition 4 (FT Governance).

**Board of Directors and Supporting Committees**

The Board of Directors comprises of a Chair plus six Non-Executive Directors (NEDs), a Chief Executive Officer and five voting Executive Directors. Two non-voting Directors also attend meetings of the Board together with the Trust Secretary. There have been a number of changes to Non-Executive personnel during 2018/19:

Departures

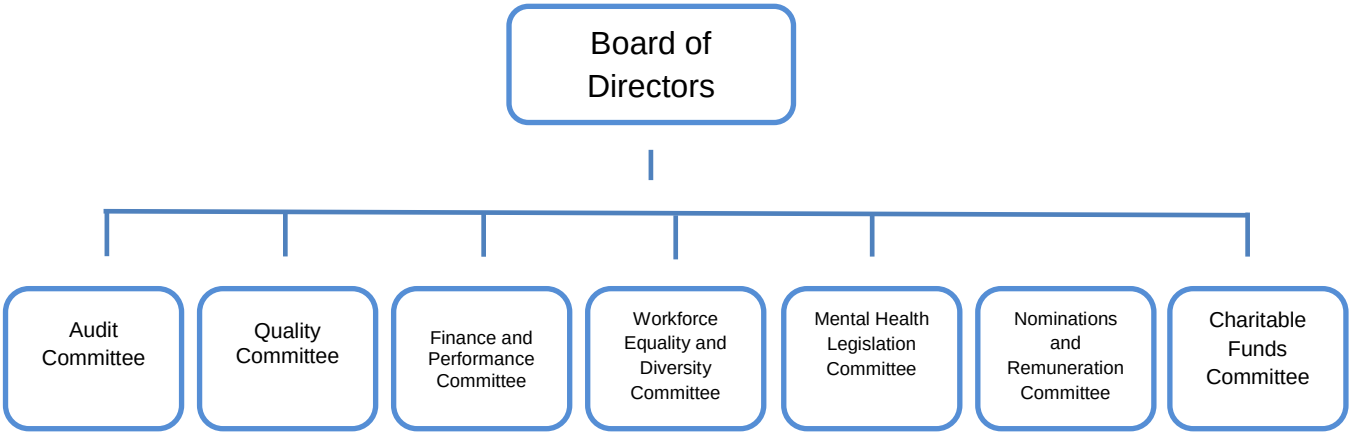
- Christine Lovett, Non-Executive Director and Audit Committee Chair left August 2018.
- Peter Parsons, Non-Executive Director and Senior Independent Director left February 2019.

Appointments

- Trevor Orman, Non-Executive Director commenced in post January 2019
- Carolyn White, Non-Executive Director commenced in post March 2019.

The Board meets monthly and as such held 12 meetings during 2018/19.
The Board continues to focus both strategically and in assuring itself of the performance of the whole of the organisation. Standing items on the meeting agenda are an external and internal environmental scan, patient voice and service user feedback, staff voice, integrated performance reports and summary reports of meetings of the Board committees. The Board Assurance Framework and high level risk registers are reported on a quarterly basis. Detailed reports have been received on a broad range of strategic and governance issues.

To support the Board of Directors in fulfilling its duties effectively, committees are formally established with Board approved terms of reference. The remit and terms of reference of these Committees were reviewed during 2018/19 to ensure continued robust governance and assurance. The importance of the triangulation of understanding, challenge and assurance between committee's is recognised and reflected through cross-membership and reporting between committees and through the receipt of summary reports to the Board of Directors.




The following provides a brief overview of the remit of each of the prime scrutiny and assurance committees:

- **Audit Committee**: the prime purpose of the Committee is to provide assurance to the Board of Directors with regard to the continued effectiveness of the Trust's system of integrated governance, risk management, financial reporting and internal control. The committee receives reports from the Trust's internal and external auditors and from the counter fraud service. The Board of Directors delegates responsibility to the committee for the review and approval of the Trust's annual report and accounts. The committee reviews the Trust's compliance with the Code of Governance and has confirmed for 2018/19 there to be no significant breaches thereof.

  The committee met 5 times in 2018/19.

- **Quality Committee:** the Committee's prime purpose is, through a strategic approach, to maintain oversight and undertake scrutiny in order to inform the Board of the level of assurance identified that robust quality governance arrangements are in place throughout the Trust and that these are working effectively.

  The committee met 6 times in 2018/19.

- **Finance and Performance Committee**: the Committee's prime purpose is to oversee and give detailed consideration to all aspects of the financial arrangements of the Trust, providing the Board with assurance that the financial issues of the organisation including capital expenditure are being appropriately addressed. The Committee also has oversight of the Trust's performance management framework, including the incorporation of quality metrics, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.

  The committee met 7 times in 2018/19.

- **Workforce, Equality & Diversity Committee:** the purpose of the Committee is, through a strategic approach, to gain and provide assurance to the Board that robust Workforce and Equality & Diversity arrangements are in place throughout

the Trust and that these are working effectively.

The committee met 5 times in 2018/19.

- **Mental Health Legislation Committee:** the Committee's purpose is to consider policy, practice and procedures in relation to the Trust's management and administration of its responsibilities under the Mental Health Act 1983 and associated legislation, providing assurance that responsibilities, functions and duties are appropriately undertaken in accordance with legislation.

  The committee met 4 times in 2018/19.

  As well as the above key committees for scrutiny and assurance, the Board of Directors is also supported by the:

- **Nominations & Remuneration Committee:** the Committee has responsibility for the review and evaluation of the structure, size and composition of the Board; to oversee talent management and succession planning arrangements and to consider and determine on matters of executive remuneration.

- **Charitable Funds Committee:** the Committee has delegated responsibility for ensuring the control and management of the Trust's charitable funds in accordance with statutory requirements.

In addition, the **Executive Leadership Team**, the most senior executive decision making body in the Trust, is responsible for ensuring that strategies approved by the Board of Directors are implemented with collective accountability for delivery, shaping and placing tactical and strategic responses, oversight of risk management, oversight of the Board Assurance Framework, oversight of the implementation of internal audit recommendations and serve a route of escalation.
During 2018/19, the Trust has continued to develop its **Council of Governors**, an integral element of the overall governance structure of the organisation, to enable the Council to fulfil its prime statutory duties:

- to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors; and
- to represent the interests of the members of the Trust as a whole and the interests of the public.

**Corporate Governance Statement**
The Board of Directors, through the established governance assurance processes of the organisation, maintains on-going oversight of compliance with those principles, systems and standards of good corporate governance which would be reasonably be regarded as appropriate for a supplier of health care services to the NHS.

To maintain ongoing compliance the Board of Directors has continued to review the effectiveness of its internal control systems including compliance with the Code of Governance. Audit Committee has a key role to play in this process, receiving detailed reports to support positive declarations of compliance which are triangulated against internal performance and assurance reporting, internal audit reports and the

Board Assurance Framework, with any deviations of risks escalated to the Board of Directors.

**Single Oversight Framework**
Compliance with NHSI's Single Oversight Framework is subject to on-going monitoring and reporting and is reported and scrutinised through the organisations governance structures on a monthly basis.

Through the above arrangements the Trust reports each month to the Board of Directors the compliance risk against the Single Oversight Framework and ultimately its score for 'segmentation'; defined categories identified by NHSI depending on performance against key metrics. The Trust ends the year in segment.

**Management of Incidents**
Robust systems are in place to manage and learn from patient safety incidents. The Board of Directors recognises the importance of ensuring an organisational culture which encourages and supports the reporting of incidents and near misses, the thorough and proportionate investigation thereof and the identification and dissemination of learning across the organisation.

The Board of Director's Integrated Performance Report continues to incorporate information on harm caused by incidents and detailed information on high risk incidents such as violence, using Statistical Process Control (SPC) which is based on plotting data over time. These are referred to as the 'Quality of Care' information.

The Trust reports and manages serious incidents in accordance with the NHS England Serious Incident Framework. The Trust has reported no Never Events during 2018/19 however other serious incidents have been reported and investigated and no significant control issues have been identified. The Trust responds quickly to incidents ensuring that lessons learned from them are implemented swiftly across the organisation. The processes for these continue to be reviewed and developed to ensure they are embedded in the culture of the organisation. The Trust implemented a new Quality Reporting Framework in 201/19 however this is now being reviewed following a restructure of the groups which support the Quality Committee. The framework ensures the right information is received in the right sub-committees and groups and where issues are identified, ensures appropriate, sustainable improvements are made.

Sharing the learning through risk related issues, incidents, complaints and claims is an essential component to maintaining the risk management culture within the Trust. Learning is shared through divisional governance structures and Trust wide forums including the Quality Committee, the Health, Safety, Security and Emergency Preparedness Sub Committee Trust and the new Quality Operational Group and which replaced Trust CIRCLE (Critical Incident Reporting Creating a Learning Environment) in February 2019. Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External Inspections.

- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

The Quality Operational Group maintains oversight of the Trust-wide reporting, investigation and monitoring of serious incidents, ensuring that appropriate learning is gained and reflected into practice. This is supported by a trust-wide Serious Incident/Significant Issues group which reviews serious incidents received in the preceding week; raises any queries and receives assurance that immediate risks are being managed. It ensures that the Duty of Candour is applied appropriately and staff are supported, agrees what level of investigation is required and identifies incidents which could result in a difficult inquest or claim. The Executive Medical Director chairs this group on a weekly basis.

In addition, in line with NHS England Learning from Deaths guidance, the Trust has an established it Mortality Surveillance Group to provide corporate oversight of Trust systems to report, review, analyse and learn from deaths of service users. It also provides a framework for determining what level of review/investigation should be conducted following deaths of service users that meets national reporting requirements. As a result the Trust is improving its learning from deaths of service users by introducing the Initial Management Review (IMR) process which determines the level of investigation required.

The Trust continues to work through a review of all policies including understanding how robustly these are embedded in the culture and working practices.

**Public Stakeholders**
The Trust proactively seeks and welcomes feedback from and involvement of stakeholders in relation to the provision of services and the management of risk. Key ways by which public stakeholders are involved in managing risks which have potential to impact on them include:

- Well established processes for patient, service user and carer feedback
- Through the Council of Governors
- The Trust's engagement with commissioners, the Joint Health Scrutiny Committee and Healthwatch
- Consultation on the Quality Account
- Consultation on transformational plans.

**Compliance Statements**
Control measures are in place to ensure that all the organisation`s obligations under equality, diversity and human rights legislation are complied with. Training in equality and diversity is mandatory for all staff and a key component of our new staff induction process. This aims to ensure that all employees are equipped with the appropriate knowledge and awareness to provide consistently fair treatment towards both colleagues and patients/service users alike.

Attendance at any of the equality and diversity conferences that the Trust has hosted is also counted as mandatory training. In addition to this, team sessions are being offered by the equality and diversity lead for any teams who would like further

information and training around equality and diversity.

In accordance with the Modern Slavery Act 2015, the Trust ensures that Modern Slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only or tendered through robust procurement processes.

**Workforce resourcing, retention and wellbeing issues remain within the top five organisational risks.**

A Strategic Workforce Plan has been developed to mitigate vacancy risk and the resourcing plan will be reviewed and implemented going forward. Within the workforce plan, we have reviewed the shape of our workforce and introduced new types of roles and employment models to enable us to meet future demands. The Trust has been efficient in the drawdown of the Apprenticeship Levy as well as attracting staff, internally and externally, to new roles; for example Nurse Associates. The Trust is taking part in Cohort 3 of NHSIs Staff Retention Programme, supported by a focussed action plan around staff retention in our High Secure services. Internal Audit is currently assessing the effectiveness of the programme prior to wider roll-out of the initiatives.

In terms of wellbeing, the Trust has invested in a number of Trust-wide and local initiatives and in 2019 will be consulting directly with staff and colleagues to further enhance the support available; ensuring consistency and straight forward access. This year Mental Health First Aid has commenced roll-out across the Trust.

It continues to be a significant priority to ensure that all of our staff have regular training in areas that support them in delivering high quality care. Our current management and leadership development offer includes middle management programmes for bands 4-6 and Vision 21 for senior managers, bands 7-8b. At a senior leadership level, key competencies have been embedded within the leadership programme and related conferences. We have clear oversight of training cost and the impact of training and will build on this to ensure that a sustainable model for training, organisational development and education is embedded.

We have been particularly focussed on reducing the reliance on agency workers as the lack of continuity of staff affects the quality of the service we are able to provide as well as having a significant financial impact on the resourcing of services. We have made our internal bank proposition appealing and have seen a wholesale reduction in agency use.

The Trust is committed to meeting and exceeding the requirements of being a Disability Confident Employer and the Mindful Employer. We guarantee to interview all disabled applicants who meet the minimum criteria for any post advertised, providing the applicant has indicated on the application that they have a disability in accordance with the Equality Act 2010. We have a thriving BME staff network, have

published and have oversight of Gender Pay Gap data for the second year and will publish WDES data later in 2019.

The Trust Board receives a bi-annual report in accordance with the National Quality Board requirements on safe staffing. Work has commenced to ensure compliance with the Developing Workforce Safeguards recommendations, which include a recommendation to undertake safe staffing reviews across all services, not just in-patient areas. E Rostering has been rolled out across all clinical areas to support with this and the roll out of safe care will continue. The Strategic Workforce Plan which has been developed is also part of the recommendations this will go to the Trust Board in May 2019.

Colleagues are highly active within the Integrated Care System and are working collaboratively on the workforce agenda.

Workforce issues are overseen by the HR Director and monitored through the Trust's Workforce, Equality and Diversity Board Committee and the two supporting sub-committees; Equality and Diversity and Organisational Effectiveness. The Board receives a monthly report from Staff Voice which is closely aligned to Patient Experience data for the same area.

We will continue to focus on improving staff engagement and experience during 2019, by paying particular attention to creating supportive workplace environment.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The foundation trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.

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

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

Our Sustainable Development Management Plan (SDMP) was presented to and approved by the Board in June 2018. A total of 32 sustainability objectives across 10

different categories were established and as part of the approval process, it was agreed that the Board would receive 6 monthly progress reports against the plan.

The Trust's SDMP aims to reduce its carbon footprint in tonnes of carbon dioxide equivalent ($tCO_2e$) per whole time equivalent (WTE) against a 2007/08 baseline by 34% by 2020, and 51% by 2025. Our carbon footprint in 2007/08 was 10.61 $tCO_2e$/WTE. In 2018/19 it was 9.58 $tCO_2e$/WTE and the target for 2020/21 is 7.00 $tCO_2e$/WTE. Work continues to take place in relation to Travel and Transport as this is seen as a growing area of importance, particularly given the known link between ill health and air pollution and the focus on this issue in the recently published NHS Long Term Plan.

**Review of economy, efficiency and effectiveness of the use of resources**
The Board takes responsibility for oversight and risk management assurance throughout the trust and receives the Board assurance framework at its formal meetings.

The trust's strategic objectives form the basis of the Board assurance framework. The strategic objectives are linked to key risks, internal controls and assurance sources. Mitigating controls and assurances are recorded and monitored to deliver reasonable assurance for prevention of risks, deterrent to risks arising and management of current risks. The control mechanisms in place are designed to minimise or eliminate the risk of failure to deliver objectives, including robust corporate and performance management frameworks, service level agreements and contract monitoring, policies and procedures.

The Board delegated detailed oversight of the Board assurance framework to the Audit Committee. This Committee assesses the effectiveness of risk management by: managing and monitoring the implementation of the Risk Management Strategy; considering findings from internal and external audit reviews; calling Executive Directors to account for their risk portfolios and monitoring the Board Assurance Framework at each of its meetings. The end of year review of the Board Assurance Framework by the Head of Internal Audit has resulted in an opinion of reasonable assurance that the Board Assurance Framework is effective.

**O**verall performance is monitored at meetings of the Board of Directors and the Finance and Performance Committee. Performance reports provide data in respect of financial, clinical and workforce together with national targets and objectives. Any areas of concern are highlighted and mitigating actions taken where deemed necessary. The Finance and Performance Committee is also responsible for the consideration of investment risk.

Achievement of efficiency, effectiveness and value for money is central to the Trust's organisational strategy and is one of four key objectives that underpin the Trusts approach to governance. The Trust has a number of workstreams focused around this objective and has an overarching programme executive to maintain focus and pace on delivery of key objectives.

Clinical risk and patient safety are overseen by the Quality Committee, the director of nursing, the medical director and the operational directors. The Board receives monthly reports encompassing the quality and patient safety aspects for the trust. The Quality Committee has focused on assurance that the trust is embedding the lessons learned from inspections. This assurance is reported to the Board.

The Audit Committee received regular reports from the local counter fraud specialists which identified specific fraud risks and investigated whether there was evidence of those being exploited. No significant risks, classes of transactions or account balances were identified. The committee has focused some attention on the relationship between committees, ensuring triangulation of risk and performance data to ensure assurances are considered and robustly tested.

The Trust remains a key partner in the local health economy and is central to the Integrated Care Systems (ICS) both Nottinghamshire and South Yorkshire. Reducing inefficiencies, mitigating financial risks and joint financial ownership are core to both ICSs.

All of the above arrangements are subject to and supported by Internal Audit reviews. Any findings and recommended actions are implemented, monitored and reported through to the Audit Committee. External Auditors are also required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in how its uses its resources.

**Information governance**

Responsibility for Information Governance in the Trust rests with the Executive Director of Finance and Procurement who undertakes the designated role of Senior Information Risk Owner. Policies are in place and are compliant with NHS guidelines, and incident reporting procedures are in place and utilised by staff.

During 2018 new data protection legislation was introduced (General Data Protection Regulation and Data Protection Act 2018). An implementation action plan was developed and monitored throughout the year by the Information Security Forum. A GDPR Implementation Working Group was created, meeting on a regular basis with the Data Protection Officer to monitor the progress of implementation and to update the action plan. This phase of implementation and the action plan are now closed as approved by the Information Security Forum.

The actions throughout the year included contract and policy review and amendment. Documentation including leaflets and posters were developed and distributed throughout the Trust. Regular updates were published on Connect, the Trust intranet pages. Privacy notices for service users, children and employees have been developed and published.

Members of the Information Assurance (previously known as IG) and IT Security & Compliance Teams held meetings with representatives of services including Human

Resources, Local Security Management Services, Patient and Public Involvement, Communications. These meetings were to establish the documentation and processes that required review in accordance with the legislative changes.

Bespoke training/workshops were developed by the Trust with in excess of 1300 staff receiving face to face training throughout the year. GDPR training was also delivered to the Executive Leadership Council during 2018.

A Record of Processing has been developed to capture the required information on how we process data, our information assets, and other key elements as required by the supervisory authority (the Information Commissioner's Office).

The Trust has appointed a Data Protection Officer and a contact email address has been created ( DPOEnquiries@nottshc.nhs.uk ) where queries can be centrally captured and processed.

There were thirteen reported incidents classified as Level 2 in the Information Governance Incident Reporting Tool. The details of those incidents are outlined in the table below:

| No | Date of Incident | Summary of Incident | Reported to ICO | ICO Action |
|---|---|---|---|---|
| 1 | May 18 | Whilst leaving a Trust site a member of staff found a folded up piece of paper in the car park directly in front of the hospital. The paper contained patient names, information about their diagnoses and treatment. The list was handed to the appropriate management at the site. | Not required to report | Not applicable |
| 2 | June 18 | Reported that two members of staff have accessed electronic patient records without a legal basis to do so. | Reported to ICO | Investigation ongoing |
| 3 | August 18 | Report from another NHS healthcare provider that emails had been mistakenly sent via NHS Mail to one of their employees containing patient data. | Not required to report | Not applicable |
| 4 | August 18 | Staff member left locked work bag in car overnight. Bag was in boot of car, covered with a blanket. Car broken in to and laptop stolen along with 2 patient healthcare records and a work note pad. Personal items including degree certification and passport were also stolen. Matter reported to Police. | Reported to ICO | ICO investigation ongoing |

| No | Date of Incident | Summary of Incident | Reported to ICO | ICO Action |
|---|---|---|---|---|
| 5 | September 18 | Staff member reported that forced entry to home had occurred, car keys taken and lease car had been stolen overnight and the car contained a Trust issued laptop and work diary. Advised that diary has assortment of entries eg demographic details. Police contacted. | Reported to ICO | ICO investigation ongoing |
| 6 | September 18 | Trust employee inappropriately accessed the electronic medical record of a colleague. | Not required to report | Not applicable |
| 7 | October 18 | Trust employee left their laptop, mifi device and some non-person identifiable paper documents in the boot of their car overnight. Vehicle was broken into overnight and the laptop bag and its contents were stolen. | Not required to report | Not applicable |
| 8 | October 18 | An A4 sized notebook was found in a patient's house by Trust employee visiting the patient. The notebook contained patient information and book had not been reported as lost. | Reported to ICO | ICO investigation ongoing |
| 9 | October 18 | Staff member reported their work laptop and dongle had been stolen from the boot of their car. No person identifiable information taken. | Not required to report | Not applicable |
| 10 | December 18 | Trust employee reported their work laptop had been stolen from the boot of their vehicle which was locked and located on their drive. No person identifiable information taken. | Not required to report | Not applicable |
| 11 | January 19 | Trust employee unable to locate items of electronic equipment including laptop, dongle, smartphone. No person identifiable information reported as missing. | Not required to report | Not applicable |
| 12 | January 19 | A4 sized book containing details of patients received in 136 Suite missing. Book believed to be still on site. | Not required to report | Not applicable |
| 13 | February 19 | Trust employee undertaking work away from Trust sites shared patient information with family member. | Incident reported to ICO | ICO investigation ongoing |

**Annual Quality Report**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*. The Annual Quality Report is published as part of the Trust's Annual Report. The Annual Quality Report for 2018/19 has been developed in accordance with national guidance with its development being led by the Executive Director of Nursing.

Stakeholders receive a draft version of the report for comment, with feedback received reflected within the final version. The Council of Governors and lead commissioner are also consulted on the report's content.

Data included within the report is based on the descriptors set out in national guidance and is subject to data quality checks as part of the Trust's Performance Indicator Assurance Process.

The Quality Committee has a key role in monitoring the report's content, the determination of Quality Priorities, the ongoing monitoring thereof and for providing assurance to the Board of Directors. The completed Quality Report, including two mandatory indicators and one local indicator and comments received from our stakeholders is subject to review by the Trust's external auditors.

**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 the content of the Quality Report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The internal audit reports which received limited assurance were:

- Ligatures
- Cyber Security Governance
- Ward Rostering
- Food and Nutrition
- Mental Capacity Act
- Performance Standards – Single Oversight Framework: Cardio Metabolic

Assessment
- Freedom to Speak up (FtSU)

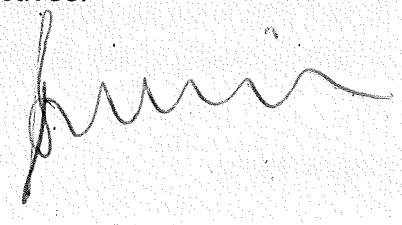
There is a clear, dynamic process for monitoring progress against audit recommendations with oversight by the Audit Committee. Recommendations from any reports providing limited assurance are prioritised.

Director statements from executive directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board assurance framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed and addressed.

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, supported by the Audit and Quality committees' regular reports to the Board.
Processes are in place to maintain and review the effectiveness of the system of internal control by:

- the Board providing overall leadership for the management of risk against the achievement of organisational objectives
- the Board's receipt of the Board assurance framework at its meetings
- the Audit Committee assurance on the effective operation of the risk management system
- the Quality Committee has oversight of clinical audit as reported in the 2018/19 Quality Report
- each level of management being responsible for the risks in their areas, regularly reviewing them and the controls in place to mitigate them
- the internal assurance process used to monitor compliance with the Care Quality Commission essential standards.

**Conclusion**
There have been no significant internal control issues in the Trust in 2018/19. The Trust continues to develop and improve its internal governance systems, processes and structures to ensure our approach is systematic and rigorous. The Head of Internal Audit believes that the Trust generally operates within a sound system of internal control which supports the achievement of policies, aims and objectives.



Dr John Brewin, Chief Executive
23 May 2019

## VOLUNTARY DISCLOSURES
## Equality, Diversity and Inclusion (EDI)

As a Trust we are passionate about championing a culture of Equality, Diversity and Inclusion where people are able to be themselves in the workplace and in our services should they choose to do so. Consequently we strive to not only meet but surpass our legal duties and do this through working in partnership with our staff and those members of our diverse communities who use our services. Together we determine our priorities, which the Trust then action and report to our stakeholders so that we are held accountable.

The Trust's Strategy for EDI is contained in our Single Equality Scheme for 2016-2021 (the Scheme). The Scheme is published on the Trust's Equality and Diversity webpage at: https://www.nottinghamshirehealthcare.nhs.uk/equality-and-diversity-reports accompanied by its Action Plan. This strategic Equality and Diversity Action Plan is the Trust's delivery mechanism for the Scheme, which has embedded within it our Equality Delivery System 2 (EDS2).

Over the last year we have continued to strengthen our Equality and Diversity governance within the Trust and the work of our Equality and Diversity Subcommittee has progressed well, with clear evidence demonstrated of strong partnership working to meet strategic and operational aims. This Subcommittee provides assurance to the Workforce, Equality and Diversity Committee, a committee of the Trust Board, that we are meeting our statutory and public responsibilities. This is also assured via a 360 Assurance audit of our equality and diversity practices and processes, which we commissioned in 2016, to ensure that our robust governance objectives were being met. Board Champions, that support each of the Equality and Diversity strands, are also in place, providing valuable support and resource for the strand steering groups and the wider Equality and Diversity agenda.

Closely aligned to the Trust's Vision, Values and Five Year Strategy (2016-2021) we actively champion three overarching objectives, enabling us to measure our performance and identify how good we are at achieving our goals. The three objectives are:

- services which meet the diverse needs of our communities;
- recruiting and retaining a diverse workforce which is inclusive of and reflects the diverse communities it serves;
- understanding and engaging with our communities.

Progress on EDI has been swift over the last few years and our accomplishments many. We do however acknowledge that there is still work to be done and are committed to ensuring this continues with the same passion and determination as before. It is therefore important that we acknowledge and celebrate the accomplishments we have made, which are not only those of Trust staff, but its service users, carers, partner organisations, governors and community members.

Noteworthy progress:

**Our Patients/Carers**

- This year's Deaf Awareness Week was from the 14-20 May 2018, the theme of which was raising awareness and challenging perceptions of hearing loss and deafness across the UK. In addition to BSL (British Sign Language) and deaf awareness taster sessions, facilitated by patients from Deaf Services at Rampton Hospital, we held a drop in café in the Involvement Centre at Duncan Macmillan House on the 16th, which was attended by service users, staff, carers and volunteers. Activities included taster sessions on fingerspelling and BSL, the chance to look at equipment which helps individuals experiencing hearing loss, information/advice and a scavenger hunt.
- The Trust's Intellectual and Developmental Disability Service and the End of Life Care Lead undertook a local evaluation study across two geographical localities, which highlighted inequalities in identifying needs and delivering high quality end of life are for people with an Intellectual or Developmental Disability (IDD). The results of the programme are enabling:-
    - Better care and co-ordination;
    - Early identification of people who have an IDD and require palliative/end of life care;
    - Maximisation of patients' comfort and wellbeing;
    - Improved communication and coordination of care thereby reducing duplication of care and improved utilisation of resources;
    - Development of a toolkit to support all staff.

  The next step, which is underway, is to cascade this learning out across both Nottingham and Nottinghamshire. A programme launch is being planned in conjunction with the Learning and Organisational Development Team.
- CAMHS (Child and Adolescent Mental Health Service) volunteer training has been developed to enable the recruitment of young volunteers (aged 16+) to work in CAMHS. The first training took place on the 13th December 2018.
- Following feedback from young people and mothers with babies who have been cared for by CAMHS, the need for the Trust to develop an offer of recovery focused learning/education courses for young people, who are accessing either inpatient or community services, has been identified. The CAMHS Recovery College commenced in November 2018.
- The Trust's Children's Centres, as part of Nottinghamshire Children and Families Partnership (NCFP), have rolled out an internally developed Equality, Diversity and Inclusion (EDI) Standard, based on the Stephen Lawrence standards for education. The inspections within the Standard have enabled the review of our new core offer and to ensure EDI is consistent within this offer. The inspections include a deep dive into the evidence file and an environmental scan of the whole of each children's centre.
- The Local Partnerships Division's Healthy Families Team has developed a draft quality standard for EDI. This was developed from the 'You're Welcome Quality Criteria for Young People Friendly Health Services'. The focus is on making our services accessible and welcoming to all.
- A service evaluation that aimed to understand and improve the patient experience of LGB service users within CAMHS was undertaken and a report was presented at the Equality and Diversity Subcommittee and the Sexual Orientation Equality Steering Group. Work has now been taken forward within the directorate to address the gaps identified, with the support of the wider division. This includes the establishment of a task and finish group, in

conjunction with Bilborough College's LGB group. The group is made up of Trust staff and younger people who have been patients and who have volunteered to be part of this programme of work. To ensure programmes of work for young people are aligned Local Partnerships is working in collaboration with the National MH:2K programme. This is a national initiative being run across the country including Nottingham and Nottinghamshire which programme enables young people to explore mental health issues and influence decision-making in their local area.

- The Adult Mental Health (AMH) Deaf Services Team has developed an easy read version of their team leaflet in plain English and is exploring having a BSL option. Information about health and well- being topics is sourced, wherever possible, in BSL and plain English formats.
- The Nottingham Centre for Transgender Health is working to further improve consultation and engagement with Trans communities in Nottingham and Nottinghamshire; this involves actively seeking invites to attend local Trans community groups to listen to experiences, provide information and consult on service provision. This builds upon engagement activities at Nottinghamshire Pride in July 2018. A meeting is planned with Nottingham Chameleons in May 2019. In addition the Centre has for over a year commissioned the Trans community interest company 'Gendered Intelligence', to provide a confidential and independent support line for Trans and Gender Questioning People. Individuals, who are patients of the Nottingham Centre for Transgender Health, can access the service via telephone, text message or e-mail.
- An e-learning package for staff and practical resource guide for services have been developed and rolled out to help meet the requirements of the Accessible Information Standard; these will help ensure that the communication needs of patients and carers are met.
- Training for staff in Mental Health Services for Older People (MHSOP) on progressive hearing loss continues to be delivered in partnership with The Nottingham University Hospitals (NUH).
- Trans Awareness Training continues to be delivered across the Trust via standard and bespoke courses. We continue to share good practice and support other organisations to develop Trans equality and freely share our Trans Awareness Training package to other employers and providers to help inform and achieve their goals.
- Within the Forensics Division the Patients' Council has membership derived from the four care streams within the hospital and also includes members of the Blue Jay, Back2Roots (BME) and LGBT+ groups, as well as representatives from Women's Services and Deaf Services. Membership spans a range of disabilities including hearing impaired and those with intellectual difficulties. Arrangements are made to enable members to participate and contribute via a range of methods including use of interpreters and advocates. Careful attention is paid to accessibility of documents.
- Examples of engaging internal communities in the developments of services can be evidenced in the Hopewood £21m Child and Adolescent Mental Health Service's (CAMHS) Unit. Young people, perinatal mums and their carers were consulted throughout the design process with the support of one of the Trust's Involvement Leads and the Patient Experience Facilitator for CAMHS. The young people and mums took part in an extensive art engagement strategy whereby they chose the colour themes for the site and also were involved fully

in the naming of the site, units and wards. As part of this Steel Signing Ceremonies were held on the 6th December 2016 and the 3rd of February 2017, giving our service users and staff the chance to mark this special point in the construction and write a message of hope and recovery in the building footprint. They were also involved fully in the opening ceremony with Professor Green who attended all wards and met with both inpatient and outpatient young people and perinatal mums.

- The Trust's Transcultural Cognitive Stimulation Therapy Project within Mental Health Services for Older People continues to be recognised nationally for its ingenuity and innovation and for improving patient outcomes.
- Key divisional and corporate staff are involved in supporting Nottingham City Council's Joint Strategic Analysis (JSNA) BME Communities of Practice Group. Additionally staff are actively involved in the New and Emerging Communities work programme also hosted by Nottingham City Council. Such partnership work not only improves outcomes for those to whom we provide services, but through partnership and networking opportunities enables learning to be shared around improved workplace practices and welcoming/inclusive environments.
- Equality, Diversity and Inclusion training is a mandatory requirement for all Trust staff. Current compliance is 94% across the organisation. A broad training offer is provided to meet staff needs, where possible, from generic Equality, Diversity and Inclusion training to strand specific. All new starters to the Trust currently receive 90 minutes training on the first day of their induction. We also, where at all possible, try to ensure we commission training for staff using 'authentic' trainers from our diverse communities.
- Ongoing work in Equality, Diversity and Inclusion includes working with/ sharing good practice with other organisations across the UK and beyond.

**Our Staff**

- We have continued to develop and implement our Developing Our People and Culture Strategy, the purpose of which is to develop and encourage real and meaningful cultural change within the organisation, thereby helping make Nottinghamshire Healthcare a Great Place to Work and a service provider of choice.
- Equality, Diversity and Inclusion was embedded within each of the Leadership Conferences taking place between March and June 2018. Attendees at the May 2018 Conference, for example, were inspired and motivated by two keynote speakers- D.I. Dave (Lakhbir Singh) Bola from Nottinghamshire Police and Haseeb Ahmad from University Hospitals of Leicester NHS Trust. In addition to Leadership Council members and 'new power' invitees, there was targeted representation from across all of the Equality and Diversity strands, including members of the BME Staff Network.
- The Trust published its second Gender Pay Gap report by the statutory deadline of 30 March 2019. The findings in this report have been discussed by the Trust's Executive Leadership Team and will inform our Strategic Equality and Diversity Action Plan. This is monitored by the Workforce, Equality and Diversity Committee of the Trust Board. The Trust's report can be viewed on the GOV.UK website or the Trust site at: https://www.nottinghamshirehealthcare.nhs.uk/equality-and-diversity-reports

- The BME Staff Network launched in June 2017 already has over 170 members and meets 5 times per year at various Trust sites. The Network has an established leadership group with roles such as: Co-Chairs; Deputy Chair; Secretary; Performance, Quality and Governance Manager and Communications/Membership Manager. These roles were filled following democratic, open and transparent nominations and elections process. The Network is supported by Dr Itai Matumbike, the identified Senior BME Staff Champion, the Associate Directors of Learning and Development and Equality and Diversity and provides an opportunity for BME staff to have their voices heard. The Network provides support, coaching and mentorship for BME staff and works to address issues that have been identified through the Trust's Workforce Race Equality Standard (WRES) data and those experienced by staff. Leadership development opportunities are high on the agenda and staff are taking the advantage of internal, regional and national opportunities. The Trust is exploring opportunities for parallel and reverse mentoring and is actively engaging BME staff in supporting recruitment and retention practices, including the tackling of bullying and harassment. The Network continues to review the WRES, its actions and outcomes and offer advice/support to the Trust as key stakeholders and as critical friends.
- Work on the Workforce Race Equality Standard (WRES) is progressing well. Following consultation with our key stakeholders, including members of our Race Religion and Belief Equality Steering Group and BME Staff Network we continue to focus on two main objectives namely the bullying and harassment of BME staff, and BME recruitment and retention. Key successes over the last year in this respect include:
    - Ongoing partnership work with NHSI (NHS Improvement), the National Leadership Academy and the East Midlands Leadership Academy to promote and support development opportunities for BME Staff at all levels, including Bands 8a and above.
    - The Trust's Respect at Work (Bullying and Harassment) Policy has been reviewed, accompanying guidance developed and launched. In addition the Trust's anonymous dialogue system was launched enabling staff to report issues in confidence via a two-way dialogue process.
    - A very successful Black History Month celebration event was held in October 2018 in Duncan Macmillan House. Open to staff, volunteers and communities the theme was 'Celebrating BME Contributions to Health and Social Care', with the underlying message 'Black History is OUR History. The 90+ attendees heard from inspiration internal and external speakers and performers, some of whom were members of the BME Staff Network.
    - In May 2018 21 staff, including members of the Recruitment Team, were trained as 'Expert Recruiters'. The training, delivered in partnership with South London and Maudsley Partners, provided this diverse group of staff with skills in the design and delivery of assessment centres. Application of this learning within recruitment practice has already commenced, particularly within the Forensic Division, and 3 of the 'expert recruiters' were involved in the CEO selection process in June/July 2018, one of whom is a member of the BME Staff Network. A number of other BME Staff Network members were involved in the internal stakeholder recruitment panel for the CEO selection process. The Forensic Division, who are engaged in block recruitment, are utilising the skills of the 'Expert

Recruiters' in Corporate Services and Local Partnership to give these staff practice but also harness their valuable input.

- Both Local Partnerships and Forensic Services have established a divisional recruitment working group, each with a bespoke action plan to address key areas and gaps in their respective workforces. Within Forensic Services this is led by a Deputy Matron whose role it is to provide pastoral support and advice for all new staff.
- The Trust has been part of NHS Improvement's NeXT Director Scheme for Non- Executive Directors (NEDs), providing opportunities for people from BME communities to gain insight and experience into becoming a NED within the NHS.
- The Learning and Organisational Development (L&OD) Team have a plan in place to ensure that participation in staff development opportunities are representative of BME colleagues. With 'Vision 21', which is the Trust's middle management development programme (Bands 7-8b), L&OD are working with executives to ensure this happens i.e. to identify staff to participate in this and wider development opportunities. This is approached has been signed up to by the Trust's Strategic Programme Executive (SPE).
- A number of members of the BME Staff Network participated in the Trust's film celebrating 70 years of the NHS. This is being used in marketing activities, including recruitment, to showcase the Trust as an inclusive employer that actively seeks to recruit a diverse workforce which reflects the diverse communities it serves.
- Simon Crowther, Executive Director for Finance and Board Champion for Race, Religion and Belief continues to support and develop the Race, Religion and Belief Equality Steering Group and the BME Staff Network.
- In June 2018 a very successful BME nursing conference, co-hosted by the Trust and Nottingham University Hospitals, was held.
- As part of the Trust's Developing Our People and Culture Together Programme a number of BME staff engaged in generic and BME staff only focus groups. Facilitated by highly experienced facilitators (one of whom was a member of the BME staff Network) they were able to engage, enthuse and promote open and candid discussion and debate, breaking down barriers and helping identify solutions with and for BME staff.
- Communication to all staff, service users, carers, volunteers etc. on good news associated with BME events continues via the Positive newsletter, the Trust intranet and the web site. As part of NHS 70 celebrations the July 2018 edition of Positive featured the portrayal by a staff member of her family's contribution and commitment to the NHS, which began with HMS Windrush in 1948. Since December 2017 seven staff members have featured in the Q&A section of Positive, to raise staff profiles and promote BME role models. This will continue in 2019/20. More generally, work has been undertaken to ensure that images that promote a positive image of BME staff, service users, carers, volunteers etc. are utilised in all of our communications. The latter was a key theme for discussion at the February 2019 meeting of the BME Staff Network, where attendees offered their support to help make this a reality.

- The Trust has been re-assessed for 2019 as a Disability Confident Employer following a detailed self-assessment process.
- A new 'Staff Voice' portal has been developed which provides oversight of staff opinion via the Monthly Directorate Staff Survey. The portal allows staff, patient and carer opinion to be viewed simultaneously on a single page/screen, enabling comparisons to be made. This platform will also be used to encourage speaking up and notification of issues surrounding employment experience at all levels; this will be launched in April 2019.
- Three Trust staff have been trained as panel members to participate in the NHS England/ NHS Improvement Whistle-blowers' Support Scheme. In addition the Trust had offered other support to the Scheme in the form of work placements and access to our library facilities. Engagement of Trust staff in this Scheme enables us to share good practice and learn from other organisations.
- The Trust's Health and Wellbeing Support offer is embedded in the organisation and is supported by approximately 200 Health and Wellbeing (H&W) Champions within services. A wide variety of activities, training courses, tips for healthy living etc. are easily accessible on the Staff Health and Wellbeing intranet pages (Connect). A monthly newsletter is produced to raise awareness and signpost colleagues to support interventions available e.g. staff health checks. There is a dedicated H&W theme for each month and advice is offered from experts within the Trust. H&W pledge cards are cascaded across the organisation at the start of each month, encouraging staff and managers to complete and update them.

**Our Communities**

- Community consultation and engagement with 'seldom heard' communities e.g. Gypsies and Travellers, Asylum Seekers and Refugees, LGBT+ people, faith communities, the Deaf community etc. continues to grow from strength to strength; this includes attending community events to raise awareness of mental and physical healthcare, commissioning training for staff using 'authentic' trainers from our diverse communities and partnership work. Support is provided by our 'Working With and Involving Our Communities Group' which leads on this work.
- In July 2018 the Trust, in partnership with Nottingham City Council, was proud to lead the parade at Nottinghamshire Pride in honour of 70 years of the NHS. It was estimated that over 7000 people joined the parade through Nottingham City Centre to celebrate and support LGBT+ diversity. One the day there were 3 Trust stalls: Trustwide, CAMHS and the Nottingham Centre for Transgender Health. 718 Trust health and wellbeing questionnaires were completed by community members at the event. These have now been analysed and will shortly be shared with Trust Leadership Council, commissioners and partnership organisations to help inform and improve services.
- An inspirational Disability History Month Partnership Conference entitled 'Celebrating Ability within Disability' was held in November 2018 at the Nottingham City Council House. This was delivered in partnership with Nottingham City Council, Nottinghamshire County Council, Nottingham University Hospitals NHS Trust, Nottinghamshire Police, Nottingham City Homes, Nottingham CityCare Partnership and NHS Greater Nottingham Clinical Commissioning Partnership. In line with this year's national theme

‘disability and music’ the event focussed on celebrating disability within the arts and sports. It was opened by the Lord Mayor of Nottingham, chaired by Professor Mike Slade from the Institute of Mental Health and featured presentations from a number of individuals and organisations including Paralympian Mark Briggs, Dr Julie Gosling, Nottingham People’s Choir and My Sight.

- The Trust’s CEO, in the presence of staff, volunteers and community members raised the rainbow flag above Trust HQ on 1 February to launch LGBT+ History Month 2019.
- The Trust has worked hard to raise the profile of hate incidents and hate crimes over the last year. A Hate Crime page has been added to the Trust intranet to provide staff with information on what hate incidents and crimes are, what action staff can take and where support can be accessed. The Trust is also part of the Serving Nottinghamshire Better Hate Crime Steering Group, which ensures a partnership approach to tackling hate in all its forms. As part of Hate Crime Awareness Week 2018 (13-20 October) Trust staff and Involvement Volunteers took part in a Twitter campaign, highlighting ‘Our message is true and clear: Nottinghamshire Healthcare is #NoPlaceForHate’. The messages of those participants who featured on the social media platform have now been collated and printed onto canvases; these are on display at key Trust sites.
- Our work as a Stonewall Diversity Champions continues and during the last year we continued to work with other organisations and share good practice. In May 2019 we are planning an LGBT+ Partnership Conference with our partner organisations i.e. Police, Fire, Councils, Housing etc. on the theme of LGBT+ mental health and wellbeing. The Partnership continues to work collectively to share expertise, resources and training to further advance equality and diversity within our respective workplaces.
- Engagement and partnership working with Nottinghamshire’s Deaf Communities has continued to develop through collaboration with other public sector organisations in the City and County. Our comprehensive action plan, developed in consultation with the Nottinghamshire Deaf Wellbeing Action Group, continues to progress well and is embedded within the Strategic Equality and Diversity Action Plan. We continue to engage in community listening events and ensure the involvement of Deaf community members in our work e.g. our Annual General Meeting and Annual Members’ Meeting. We continue to update a comprehensive BSL Community Web Resource Library, initially developed in 2016, to enable Trust staff and partners to signpost Deaf people to signed and subtitled health information videos.

**Conclusion**

Activities during 2018/19 have supported this agenda, developing it further and preparing it for the next steps, as outlined in our Strategic Equality and Diversity Action Plan: https://www.nottinghamshirehealthcare.nhs.uk/equality-and-diversity-reports

# QUALITY REPORT 2018/19

# PART ONE: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE OF THE FOUNDATION TRUST

On behalf of the Board of Directors of Nottinghamshire Healthcare, I am pleased to be able to present our Quality Report which covers the year April 2018 to March 2019. It focuses on the quality of the services we deliver and is a restatement of our wish to be publically accountable for the quality of the services we deliver.

The Trust is committed to delivering high quality care and the safety and wellbeing of all its patients, service users, carers, volunteers and staff. The Trust has a Quality Strategy which sets out our ambitions for quality, how we will achieve these and how and where we will measure progress. Our specific quality priorities for 2018/19 were developed to provide a focus for the areas in which we wanted to make the greatest improvement identified through listening to what patients, staff and our regulators such as the Care Quality Commission say about us by reviewing their feedback and also considering information such as the outcome of investigations and audits.

The Trust's Quality Improvement (QI) strategy was launched in 2017. Our vision is that we will have an embedded culture of continuous quality improvement by 2022 through engaging with patients, carers, staff and stakeholders, building QI capability throughout the workforce, supporting teams to deliver quality improvement projects, and embed QI methodology.

During 2018/19, the QI Hub has continued to develop, train and support staff in QI tools and techniques, whilst also driving key Trust quality priorities particularly, reducing restrictive practice and violence reduction. QI features in Trust induction, leadership development and preceptorship programmes and the Introduction to QI Bronze Award has been completed by approximately 1000 staff. There is a growing portfolio of QI Projects and a significant amount of effort has gone into establishing a QI framework including extensive use of social media which has all contributed to a substantial QI narrative around the organisation.

In October 2018 the Trust launched Quality First as an internal quality framework, supporting teams to take ownership of quality compliance and includes the introduction of a clinical accreditation scheme for clinical services. This supports compliance with CQC Fundamental Standards and is currently being rolled out across in-patient areas. Part of Quality First includes a network of 'quality champions' who will support teams identify their quality priorities and support quality improvement. In this regard, the QI coaching model is being developed alongside the quality champion model; this will ensure a synergy of effort in supporting local teams to drive their own quality improvements.

Our People and Culture Strategy (2017-2022) describes our strategic workforce priorities for our staff as we recognise that ensuring we have good staff engagement

and staff experience is integral to good patient experience and outcomes. Our overall workforce objective is to ensure the Trust is a Great place to work. We are however aware that we do not always get this right which is reflected in the publication of the results of the National NHS Staff Survey where our scores are below average in all categories and in the worst performing in relation to staff morale and engagement. We are committed to listening to and working with staff to understand what is wrong and how we can make it better however it will take time to address these concerns and change the culture to make the Trust a place where people want to work and make a contribution. We already know that some of the issues include pressure to make cost savings, time taken to make changes and bureaucracy and staffing levels. We therefore want to remove these barriers and empower everyone to do their job the best way they can.

CQC is the independent regulator of health and adult social care in England which ensures that health and social care services provide people with safe, effective, compassionate, high-quality care. During 2018/19 the Trust has been responding to the previous CQC's annual core service and well-led inspection for which the report was published in March 2018 which rated the Trust overall as 'Good'. The outcome with the individual domains of Effective, Caring, Responsive, and Well-Led were Good' and 'Safe' was rated as 'Requires Improvement'. The CQC completed their most recent annual core services and well led inspection in March 2019. This included a number of unannounced visits across different services and a series of staff focus groups, followed by the well led inspection to assess leadership and governance in the Trust.

The report has not yet been received however we have received some initial feedback which was very positive about the strength of our patient engagement and experience, how we communicate effectively with patients, carers and external partners, and our work with volunteers. They highlighted how focused our clinical staff are and that we have some very good services. Our leadership in equality and diversity and estates and facilities was impressive. They were also encouraged by the early progress of our quality improvement initiatives and positive about our work in safeguarding and infection prevention and control. However, the feedback also included areas where we could do better. This focused strongly on our culture, values, clinical and staff engagement and experience. This is consistent with the results of our Staff Survey, further highlighting the work we need to do to address these issues.

In support of our drive for continuous quality improvement the Trust launched two new strategies during the year; the Clinical Strategy and the Nursing Strategy and has also started the development of a new Suicide Prevention Strategy.

The Clinical Strategy sets our organisational direction and informs the way we deliver clinical services for the future. It outlines our ambition, our innovation and our clinical vision on how we will meet the needs of the communities we serve. At the

core of the strategy are 3 defined clinical networks, which are supported by 6 clinical guiding principles that form a golden thread across each network. The clinical networks are: Children Young People and Families, Adults and Older People. Across all 3 clinical networks there are a number of clinical interdependencies and crossover themes which have been embedded within each clinical network. This includes taking a whole family approach to our services, supporting families and service user networks and working with system partners to ensure that families have access to the right support at the right time.

The Nursing Strategy has been developed to ensure we respond to the environment of changing and complex health care needs and increasing public expectation. This will involve taking leadership roles across the system and embracing technological advances that help deliver the best clinical outcomes for our patients. Nurses at the Trust are united in the view that nursing care will be delivered with kindness and compassion, upholding our Trust values and the NMC Code for Registered Nurses. The Strategy has five key areas of focus: Delivering the highest possible quality of care, providing a positive and inclusive experience of care, maximising our excellence and our professional contribution, valuing and developing nurses, and practice that supports financial sustainability. There is an emphasis on engagement and wellbeing, ensuring that all nurses have opportunities to steer service change and are supported to maintain their own health, wellbeing and resilience in the same way as they do for the people they care for.

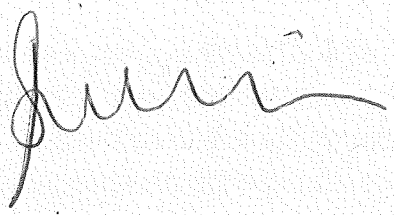
As a Trust we are committed to preventing suicide to improve the care we provide our patients who are experiencing suicidal thoughts and feelings and caring for individuals at risk of suicide is challenging. The Trust want's to ensure that our staff have the skills, support and confidence to help individuals who may be struggling with suicidality and we have adopted a 'Towards Zero Suicide' approach to suicide prevention. To support this we have established clinical leads for suicide prevention who are leading on our Towards Zero Suicide approach and strategy.

Engagement with people who use our services and carers is a strength of the Trust and this has been further recognised when we recently won two awards and runner up in another at the Patient Experience Network National Awards. We won in the Support for Caregivers, Friends and Family category for our work to build a carer friendly organisation and ensure we involve, support and communicate with carers across the Trust. In addition, we were runners up for our involvement work in Forensic Services. Furthermore, the Trust has been using Care Opinion for 10 years and was an early adopter of working closely with the organisation to develop the service offered to other NHS trusts. We are often cited as an example of best practice, with by far the highest number of staff using Care Opinion and this has changed our culture on responding to feedback.

Cost Improvements are important for every NHS organisation, making sure that public money is being invested in cost efficient and quality services. The impact of

those improvements on the quality of services we deliver is closely monitored by both our Medical Director and our Director of Nursing. We are determined to ensure financial challenges do not impact on patient safety and this continues to be an area of close scrutiny for our Quality Committee.

To the best of my knowledge the information contained in the Quality Report is accurate.



Dr John Brewin

Chief Executive

Date: 23 May 2019

# PART TWO: PRIORITIES FOR IMPROVEMENT AND STATEMENTS OF ASSURANCE FROM THE BOARD

## Performance against Priorities for Quality Improvement 2018/19

This section reviews progress made against the Trust's 2018/19 quality priorities. These priorities were identified and developed in consultation with staff, clinical divisions, Council of Governors and shared with commissioners, Healthwatch and the Health Scrutiny Committee. Page 8 to 17 provides an update and progress against each of the 2018/19 quality priorities' performance.

### Monitoring Progress with Quality Priorities

The Board Committee with overall responsibility for monitoring the quality priorities is the Quality Committee. This committee, which meets six times per year, received during 2018/19 regular reports on progress with our ambition for each priority. These monitoring arrangements will continue in 2019/20.

The reports identify actual and potential underperformance to act as a trigger to ensure action is taken to improve performance against agreed trajectories. The Board of Directors also regularly monitors key performance indicators through the monthly Integrated Performance Report. This includes quality priority-related information such as incidents, CQC inspection outcomes, quality impact of cost improvement programmes (CIPs) and workforce indicators such as safe staffing levels, sickness, vacancy rates and turnover. The Board also receives regular service user and carer experience (SUCE) reports and staff voice reports which provide further insight towards progress.

### Implementing the National Learning from Deaths Framework

The Trust continues to implement its Learning from Deaths Policy, however it should be noted that this continues to evolve as processes are reviewed, tested and improved. The policy implementation plan is led by the Mortality Surveillance Group which reports to the Quality Committee through the new Quality Operational Group (previously Clinical Incident Review Creating a Learning Environment (CIRCLE) Group).

The plan has five key areas:

- Triage of Deaths /Serious Incidents and Initial Management Review
- Case Note Review and Serious Incident Investigation Process
- Learning from Deaths
- Support for Bereaved Families and Patients Harmed
- Quality Reporting Framework

The Trust continues to participate in the regional mortality group to share learning with other providers of mental health, learning disability and community services. This was established following the completion of the workshops facilitated by Mazar's which the Trust had participated in following the publication of their report into deaths at Southern Healthcare NHS Trust.

The Trust continues to refer relevant deaths to the national Learning Disability Review Programme (LeDeR). Specific outcomes from these death reviews have not yet been received.

Death Reviews have three formats:

**Initial Management Review (IMR)** – This is the first stage of the death review process and is completed for all deaths that meet the threshold for reporting as a serious incident (SI) and deaths identified by Patient Safety Managers following a review of the incident report and electronic clinical record where there may be the potential to learn. IMRs are reviewed at the Trusts weekly Serious Incident Review Group.

**Case Note Review/ Structured Judgement Review** – Will be completed for deaths that the IMR has identified potential further learning but a serious incident investigation is not required. This process has been piloted and new documentation is in development.

**Serious Incident Investigation** – for all deaths which meet the threshold (all deaths in Forensic Services, some in Local Partnerships)

There is a requirement within the national guidance to make a judgement for each death reviewed regarding whether **'the death was more likely than not to be due to problems in care'**. This judgement forms part of the Case Note Review process and will also specifically be asked following consideration of each investigation report by divisions CIRCLE groups. Forensic Services commenced this process in May 2018 and Local Partnerships are introducing this. It should be noted that investigations often identify problems in care and therefore some learning, however these may not have contributed to the death.

**Freedom to Speak Up (FTSU)**

The Trust employs a full-time FTSU Guardian who works as a confidential and impartial source of support to help people raise concerns safely and without fear of reprisal. In addition, the Guardian is supported by a cohort of champions who have received training relevant to the role.

The Trust's Speaking up Policy has been reviewed and was published alongside the FTSU Strategy at the end of March 2019 as part of a re-launch of the FTSU

campaign. Staff receive training via various forms on the routes to speak up via Trust Induction, E-Learning and bespoke training to many forums.

All cases of speaking up are monitored by the FTSU Guardian to ensure that staff do not face any reprisal and have their concerns responded to and feedback given in a timely manner. The Guardian meets with the Director of Human Resource, the Chief Executive Officer and the Senior Independent Director monthly in order that any cases where optimum experience appears to be lacking can be escalated.

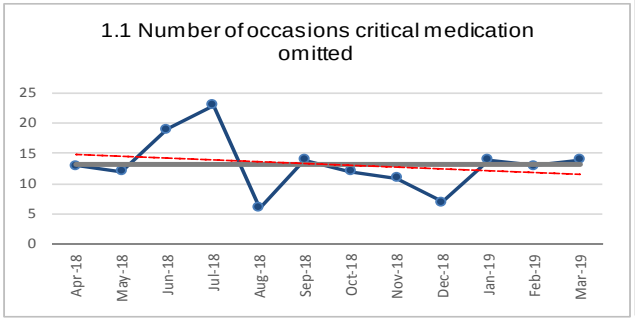
All response rates and time frames of concerns sent to FTSU guardians and managers are presented to the Workforce Equality and Diversity Subcommittee for oversight and to ensure broader sharing of learning to improve the experiences of those speaking up.

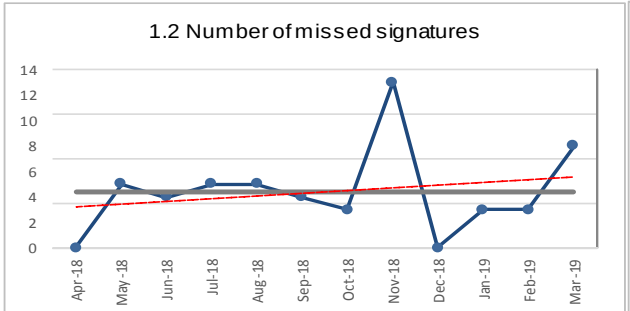
Staff within the organisation have access to the FTSU Guardian and champions to speak up, but line managers also receive training in how to support staff to do so. In addition communications are updated regularly to ensure the workforce is aware of any routes outside of the organisation should they wish to access these.

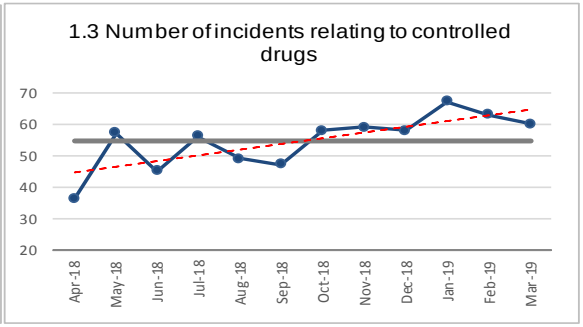
## 1. Improve medicines optimisation

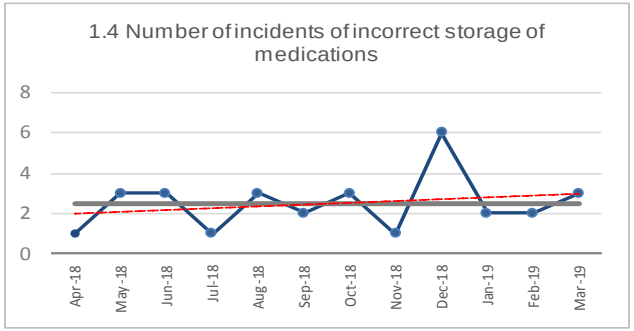
**Our ambition is to:**

- **Reduce medicines related harm**
- **Increase the reporting of these incidents and reduce the overall level of harm**
- **To have no medication related incidents causing moderate or severe harm or death**




**Improve medicines optimisation** – Quality priority metrics were identified by the Trust Medicines Safety Officer following risks and issues identified via local audits, CQC reviews and medication errors reported. Metrics are reported to the Trust Medicines Optimisation Group as part of the Quality Reporting Framework for discussion, awareness and oversight. Where necessary recommendations are made and actions taken forward. These include the monitoring of all medicines error incidents, the harm levels and reporting over time. The data shows that there has been a relatively constant reporting over the past 12 months with **no** incidents resulting in a severe or catastrophic outcome.

There is more robust monitoring of critical medication omitted, number of missed signatures, incidents related to control medication and the incorrect storage of medications from previous years. This is overseen by the Medicines Safety Officer and any areas of concern are followed up.

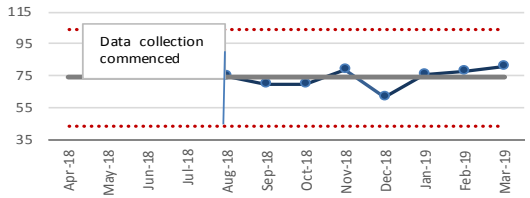
2018/19 has also seen more robust monitoring and quality of medication management training and any areas of low training are highlighted to general managers. There are no clear problems for missed doses of critical meds, and no trends with regards to ward.

There has been month on month an improvement in missed signatures, which reiterates that the previous anomaly of the high of 13 missed signatures was an anomaly. No harm was caused and issue rectified.

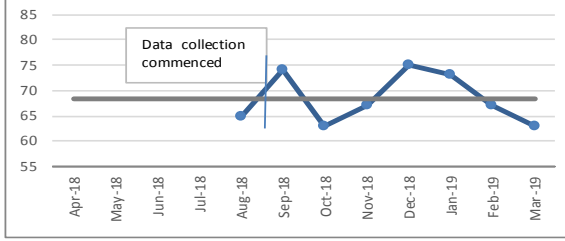
## 2. Improve the physical healthcare of patients with a focus on the use of NEWS

**Our ambition is to:□Reduce harm caused by failure to recognise and act on physical health deterioration□**

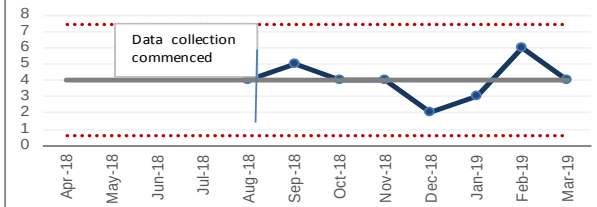
2.1 % in-patients who have had a NEWS recorded on admission as a baseline assessment (**LP Mental Health**)



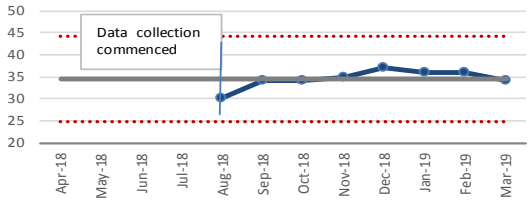

2.2 % in-patients who have had a repeat NEWS recorded (**LP Mental Health**)



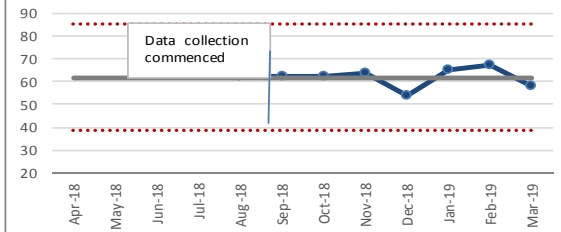

2.3 % in-patient NEWS with evidence action has been taken when the score meets the threshold for further action (**LP Mental Health**)



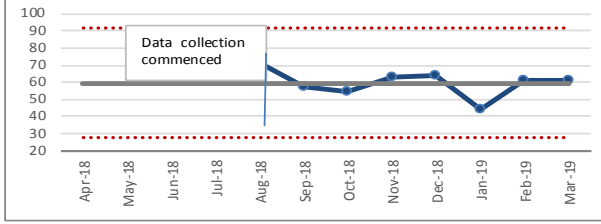

2.4 % in-patients who have had a NEWS recorded on admission as a baseline assessment (**LP General Health**)



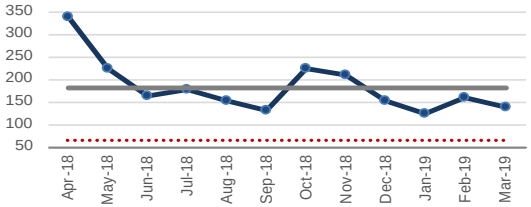

2.5 % in-patients who have had a repeat NEWS recorded (**LP General Health**)




2.6 % in-patient NEWS with evidence action has been taken when the score meets the threshold for further action (**LP General Health**)




2.7 Numbers compliance with Infection Prevention and Control (including sepsis) e-training (**Trust**)



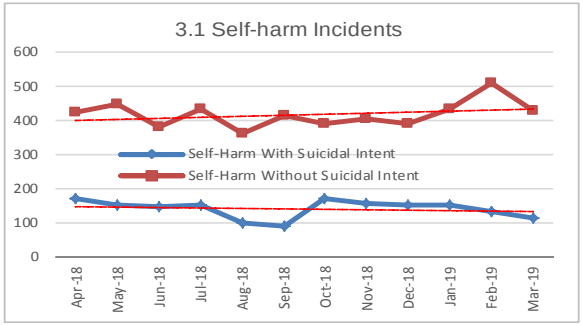

**Improve the physical healthcare of patients with a focus on the use of NEWS** – NEWS is a tool developed by the Royal College of Physicians which improves the detection and response to clinical deterioration in adult patients and is a key element of patient safety and improving patient outcomes. The Trust has scoped the use of early warning scores across all services in both divisions. The priority is for an electronic NEWS2 (the revised NEWS) tool to be used in inpatient areas. The NEWS tool on RiO (patient clinical system) has been changed to NEWS2. The following improvements have been made:

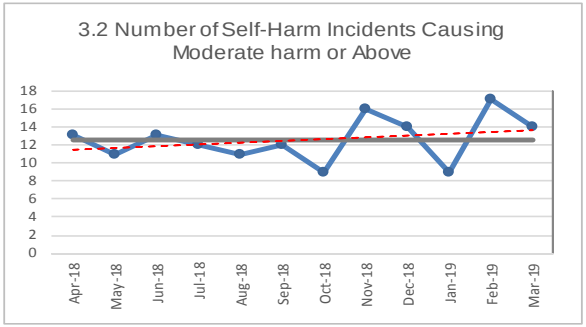
**Local Partnerships (LP) General Health** – NEWS2 is used by the Call for Care team (Call for Care is a dedicated health and social care professional only phone line which arranges urgent, same day interventions to prevent patient attendance or admission to hospital) and was initially implemented in the hospices and then rolled out to other services. NEWS2 and the escalation advice template are now on SystmOne (patient clinical system) and are fully operational. Documentation has been placed on the relevant clinical trees within SystmOne and it has been assured that the data collection will comply with the reporting requirements. As Lings Bar Hospital does not have an electronic system at ward level, hard copies and an audit tool have been given to the ward areas.

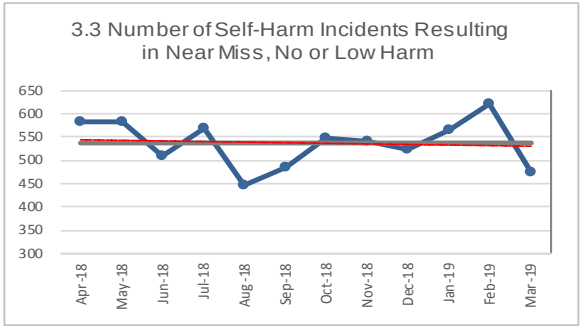
**Local Partnerships (LP) Mental Health** – The division were using the first version of NEWS that was built on RiO, however, NEWS2 has now been embedded onto RiO for use across mental health services. CAMHS and paediatric teams will all use PEWS (Paediatric Early Warning Score).

**Forensic Services** – Within Offender Health (OH) roll out is running well and the first audit has recently been completed which highlighted only a few minor issues and the Offender Health data analyst is to link with Applied Information to ensure consistency of data collection. The remainder of the Forensic Division will be included with the relevant roll outs. These improvements support the Trust's ambition to reduce harm caused by failure to recognise and act on physical health deterioration

**Our ambition is to:**
- **Have zero suicides**
- **Have no incidents of self-harm causing severe harm**
- **Reduce avoidable self-harm by 50%**
- **Increase the reporting of these incidents**



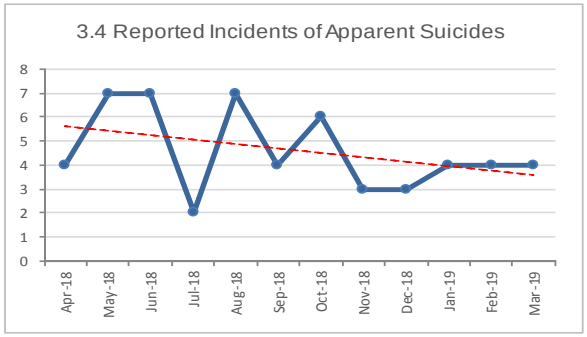




**Reduce the number of our patients who die from apparent suicide and reduce self-harm** – Incident data of self-harm shows constant level of reporting over the past 12 months with no incident resulting in a severe or catastrophic outcome. The majority of incidents result in low or no harm. The NHS improvement (NHSI) set a focus on zero suicide ambition. Zero suicide is: A commitment to a culture that focuses on learning, improvement, personalisation and safety, rather than blame and "defensive" practice;

A recognition that suicides in mental health inpatients are preventable; and The parameter of "inpatient" as the entire mental health sector including specialist units e.g. medium secure etc. which has patients from more than the local area, complex needs etc. Zero suicide is not: A performance management target; An avoidance of positive risk taking; and An opportunity to place blame.

During 2018/19 the Trust has been committed to working 'Towards Zero Suicide'. The approach aimed to improve the care provided and outcomes for people at risk of suicide under the care of Nottinghamshire Healthcare. This includes implementing Zero Suicide as both a concept and a set of practices through:
- Learning Strategy - Care Pathways - Risk Formulation and Safety Planning - Post incident reviews



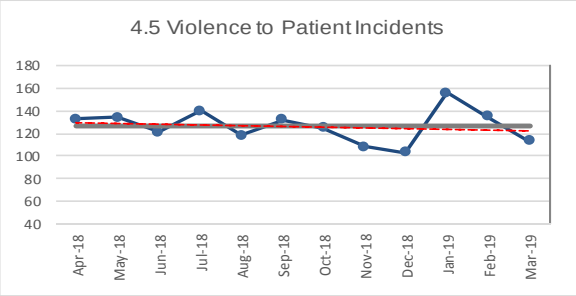

Nottinghamshire Healthcare has identified two named suicide prevention clinical leads who sit on both the local suicide prevention committees and the wider Nottinghamshire and Nottingham City Suicide Prevention Steering Group. This ensures strong links between the Trust and the wider area. A draft strategy has been designed through collaboration with a number of staff teams. The Trust is in the process of developing a service user steering group for suicide prevention and they will be asked to contribute their feedback and to support further developments of this plan.

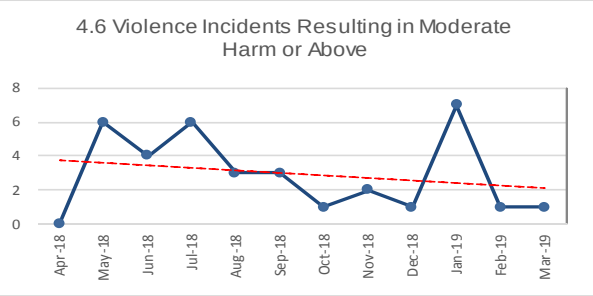
**Next steps/future plans** - The Trust are currently reviewing their current Suicide Prevention training provision to ensure that all staff employed by the Trust receives some level of Suicide Prevention training depending on job role and need. The training will be based on the University College London (UCL) Self-harm and Suicide Prevention Competence Framework. The Trust has developed a suicide prevention communication strategy to highlight the importance of suicide prevention and that suicide prevention is everyone's business which includes monthly themes. The communication strategy also includes a specific suicide prevention resource area which will include copies of written safety plan documents, links to suicide prevention websites and apps as well as the 'Consensus statement on information sharing and suicide prevention'. This will be fully implemented in 2019/20.

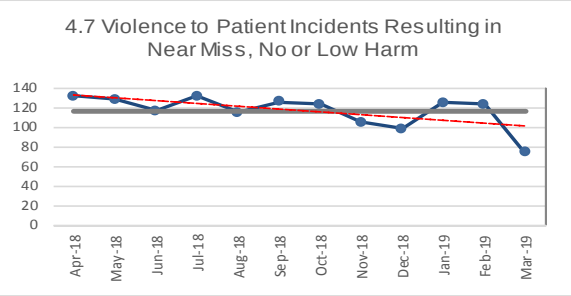
## 4. Reduce restrictive practice to ensure the 'least restrictive' principle is applied for all patients

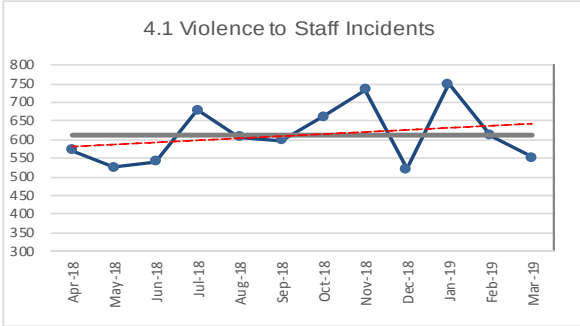
**Our ambition is to:**

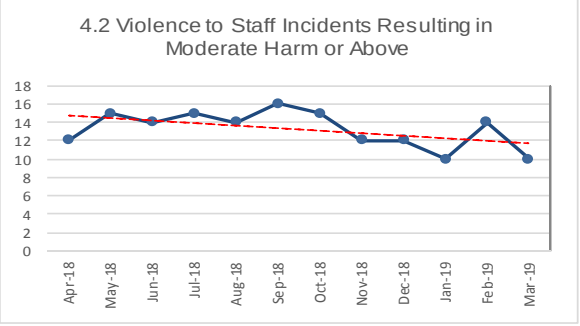
- **Reduce the number of restrictive interventions by 25% over 2 years**
- **Ensure seclusion and restraint is proportionate to risk**
- **Reduce blanket restrictions**

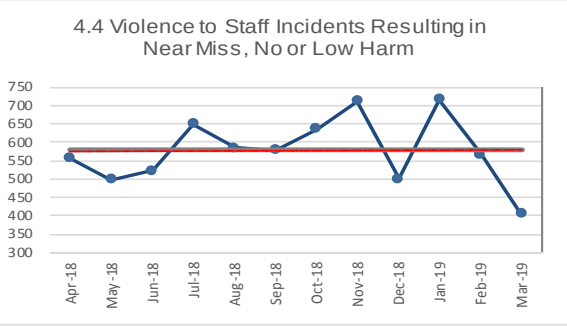


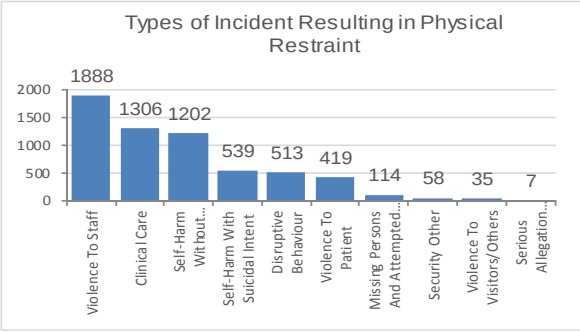



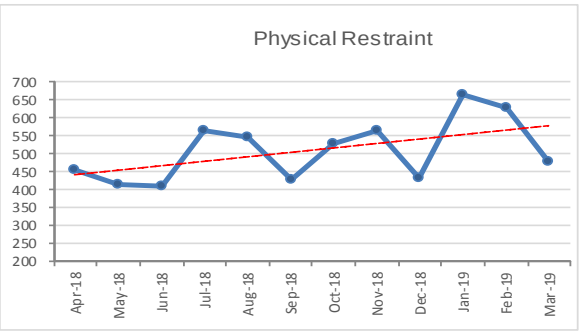



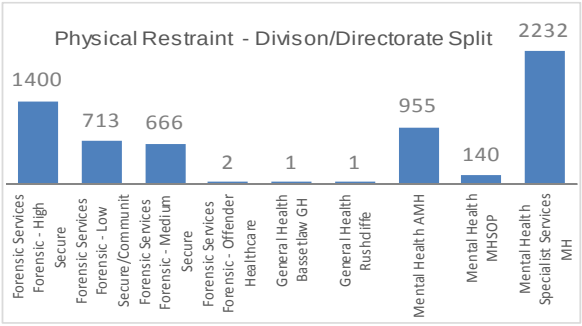



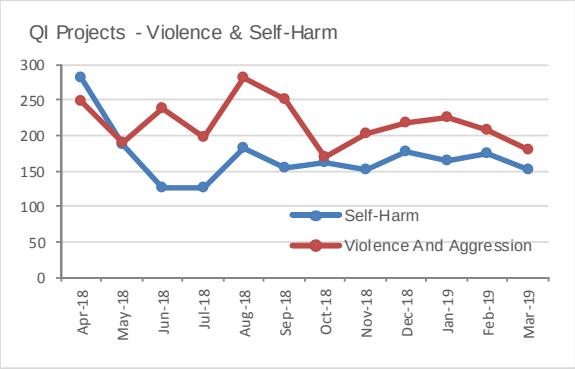



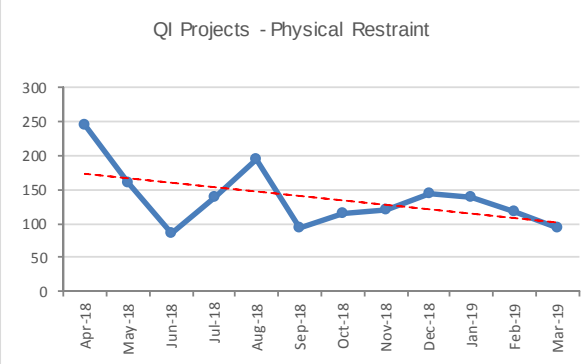



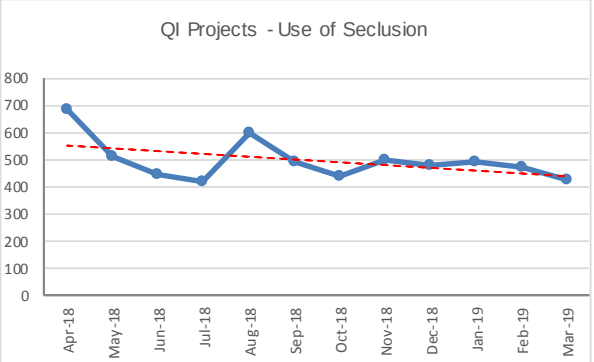
## 4. Reduce restrictive practice to ensure the 'least restrictive' principle is applied for all patients (continued)

**Our ambition is to:**

- **Reduce the number of restrictive interventions by 25% over 2 years**
- **Ensure seclusion and restraint is proportionate to risk**
- **Reduce blanket restrictions**




**Reduce restrictive practice to ensure the 'least restrictive' principle is applied for all patients** – Incidents associated with restrictive interventions such as self-harm (refer to quality priority 3 graphs 3.1 - 3.3) and violence (graphs 4.1 - 4.6) - continues to be monitored and system changes are being finalised within Ulysses and RiO to ensure that restrictive practice incidents can be captured and monitored more robustly. This work is overseen by the Restrictive Practice Project Group.

There are also 7 pilot sites across the Trust focusing on least restrictive practice. Each pilot site has an allocated Quality Improvement (QI) Facilitator. All pilot site leads come together with the oversight group on a monthly basis and are now scheduling their Plan , Do, Study, Act (PDSA) testing cycles and looking at how to manage their data to evidence change. These meetings will now see the overarching data, measuring the incidents of violence, aggression and self-harm for each pilot site. The success of the PDSA cycles will be traced in relation to reductions in incidents and reductions in overall restraints, per pilot site, and together as a QI project.

Although the Trust overall restraints data shows an upwards trend in the use of restraints, the 7 pilots have shown a reduction in the use of restrictive practice. Furthermore the use of seclusion has also reduced.

## 5. Improve the quality of and access to clinical records

**The Trust ambition is to:**

**- Ensure high quality, contemporaneous clinical records are available to our clinicians at the right time**

**- Reduce the risks relating to multiple records.**

A Records Management Stragey has been introduced to the Trust which provides a system of accountability and responsibility for records management and use and outlines a programme of work required to achieve this. This is accompanied by an implementation plan.

The Electronic Patient Records (EPR) Leads carry out regular quality audits and these are reported to the Clinical Systems & Records Management Group (CSRMG), this includes compliance and quality checks. 3 staff are employed to scan records into the EPR system which has improved the quality of scanning. Contracts for offsite records storage are in the process of being reviewed to ensure effectiveness.

There are plans to recruit a Trust Records Manager and Compliance Officer to improve the quality of records management and reduce risks.

**6. Improve compliance with the Mental Health Act, Mental Capacity Act and Deprivation of Liberties**

**The Trust ambition is to:**

**- Ensure legislation is only used when appropriate**

**- Ensure when used there is evidence we are fully compliant with the legislation.**

The Trust currently measures a series of metrics and provides an assurance report to the Mental Health Legislation Operational Group (MHLOG). At every meeting the group reviews Mental Capacity Act/Mental Health Act audits, divisional restrictive practice, CQC inspection reports and CQC MHA monitoring visits. Overall performance reports are reviewed every quarter.

A review of the structures and governance relating to Mental Health Legislation administration is currently underway. The outcome of this will be consistent systems and processes across the Trust and an improved governance framework.

**7. Improve involvement in care planning and treatment decisions and ensure they are recovery focussed:**

**Our ambition is to:**

- **Ensure all care plans support recovery**
- **Evidence that patients and families where appropriate have been involved in developing and evaluating them**

The Trust ambition is to ensure all care plans support recovery and there is evidence that patients and families where appropriate have been involved in developing and evaluating them. This is important because our patients tell us that they want to be actively involved and make informed choices about their care.

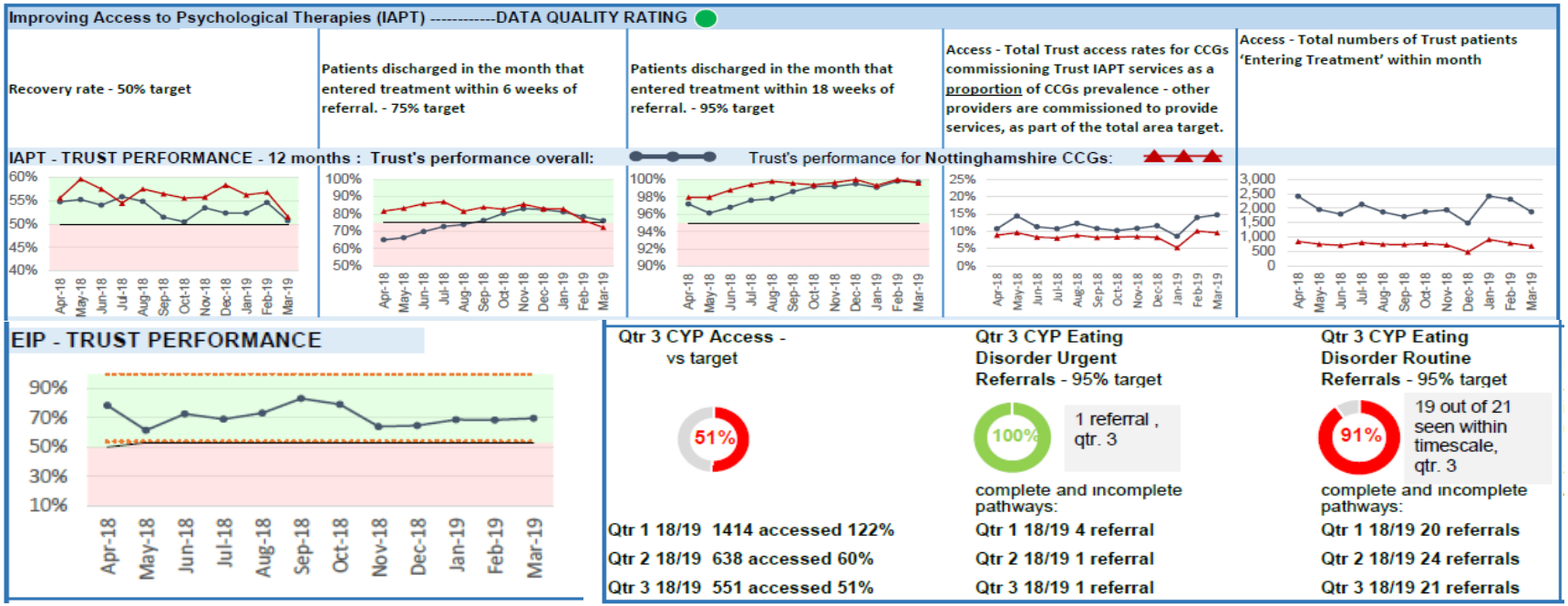
The Trust has introduced a care planning collaborative with the aim to establish a trust wide approach to care planning that embraces the values, priorities and care philosophies of our organisation. We know that we already have some excellent examples of co-production and recovery based care planning, however, we have as yet been unable to demonstrate that we are able to consistently apply these across our diverse services. There is a need for us to do this in a way that clearly defines and then meets our expectations of quality, with full collaboration and co-production with the people who use and deliver care.

Therefore the Trust embarked on a Quality Improvement project to improve the quality and involvement of the planning of care. This work gives the Trust an opportunity to consider how we can embed our compassionate and collaborative values into a meaningful care planning approach for all and we have a focussed ambition to maximise quality and involvement in the planning of care. We aim to be able to demonstrate meaningful collaboration, but also that we give people choice and take a person centred approach to care. This is an exciting programme of work that will bring people together from across our diverse Trust to focus on, develop and test a new collaborative approach to the planning of care.

**8.To reduce waiting times in services where delays in access could potentially cause harm and improve the experience whilst waiting. The Trust ambition is to:**
**- Improve access to services where feedback has told us there may be problems**
**- Ensure appropriate support is available whilst waiting Ensure no patient is harmed whilst waiting to access services.**

Work has progressed to understand and improve performance in access across the Mental Health Five Year Forward View priority standards. These are as follows:
- Improving Access to Psychological Therapies - several new ways of working have been implemented to reduce waits for patients including an interim pathway and an improved Step 2 pathway.
- Child & Adolescent Eating Disorder Services - recent investment has ensured teams are fully established and will meet waiting times from April 2019 onwards.
- Children and Young People - the access rate target is a system target and current work is underway to benchmark Trust activity against a range of operational areas to inform capacity and demand work.
- Early Intervention for Psychosis - following a visit to Nottinghamshire from the Intensive Support Team in autumn 2018, a Recovery Action Plan is now in place which is jointly owned by the Trust and the CCGs.

Linked to this is the development of metrics to review access to the Department of Psychological Medicine (DPM) which may have resulted in patient harm. Feedback from various patient involvement mechanisms is used alongside regluar internal and system reporting to identify and improve access to out services.



## 9. Making the Trust a great place to work by improving the well-being our staff.

**The Trust ambition is to improve the well-being of our staff and keep them at work by:**
**- Reducing physical and psychological harm caused by work**
**- Ensuring appropriate support is provided to staff**
**- Ensure staff have access to education and awareness raising to support them in being as well as they can.**

As an NHS Trust we have a duty of care to support our staff. This national NHS view is outlined in the recently published report from Health Education England the 'NHS Staff and Learners' Mental Wellbeing Commission' (Feb 2019), in which 33 recommendations are made on how NHS Trusts should support staff and learners Mental Wellbeing.

The Trust's current wellbeing offer is good in some areas but is inconsistent across the Trust with no 'one' easy route in for staff and managers. There are a range of initiatives: Staff Self-Referral Muscoskeletal (MSK) Physiotherapy; peer support debrief and diffusion; counselling support; Health, Wellbeing and Recovery Champions; Health and Wellbeing (H&W) Days; Occupational Health Access; Mindfulness courses; prevention support and signposting to expert colleagues within the Trust.

It is proposed that a semi –autonomous Staff Wellbeing Service set up which includes:
- A staff Mental Wellbeing support service - via an expanded staff 'counselling and Trauma Support Team'
- A Single Point of Access for staff H&W advice and appointments for both staff and managers
- Links into other services who offer expert support, e.g. safeguarding
- An expansion of Staff Wellbeing initiatives

This will be achieved by aligning and promoting some existing service provision, integrating and enabling some staff to work better together and by investing in some additional services. The feedback we have had from staff and from those Trusts who have made better progress elsewhere, has suggested that a single point of access and semi-autonomous wellbeing service for staff, that is well coordinated has had a significant positive impact on staff wellbeing and engagement.

By investing in staff Health and Wellbeing not only will financial costs likely reduce but also the reputational and productivity costs of current, very poor, levels of staff engagement and morale will be expected to increase. Significantly, by increasing staff support and engagement, patient outcomes have been shown to also improve.

NHS Staff Health and Wellbeing is a key priority nationally that is expected to be prioritised locally. Staff Absence cost the Trust almost £20 million from 1 Feb 18 – 31 Jan 19, £7.1 million in Stress and Anxiety alone. This is unsustainable both financially and for staff and by investing a small fraction of this amount sickness absence would significantly reduce.

The agenda for NHS staff support is constantly moving, developing and growing, it should be noted that the approach to staff wellbeing needs to remain flexible and adaptable in its approach.

## 9. Making the Trust a great place to work by improving the well-being our staff (continued).

**The Trust ambition is to improve the well-being of our staff and keep them at work by:**

**- Reducing physical and psychological harm caused by work**

**- Ensuring appropriate support is provided to staff**

**- Ensure staff have access to education and awareness raising to support them in being as well as they can.**

As highlighted within the table below our results from the 2018 National Staff survey show that we are currently below average on Health and Wellbeing and worst in comparison Trusts on Morale and Staff Engagement. These results demonstrate that Trust Culture is not as supportive and compassionate as it needs to be for staff to feel engaged. Overall the results from the staff Survey show significant changes are required by the Trust to halt the decline in staff engagement and morale and to improve the working lives of staff.

The staff survey responses have shown that the need for belonging, competence and autonomy are not consistently present across the Trust. In summary staff have identified that; there isn't a sense of shared collective purpose, the vision and values of the organisation are ambiguous, goals and performance lack clarity, learning and innovation is stifled and that there is too much bureaucracy. In addition there are other repeated themes, including; inequality, too many management layers, confused structures, a blame culture, silo working and initiatives that have focussed on costs and have removed clinical decision making.

It is proposed that the recommendations from the National Staff Survey are implemented within the Trust.


| | Equality, diversity & inclusion | Health & wellbeing | Immediate managers | Morale | Quality of appraisals | Quality of care | Safe environment - Bullying & harassment | Safe environment - Violence | Safety culture | Staff engagement |
|---|---|---|---|---|---|---|---|---|---|---|
| Best | 9.4 | 6.6 | 7.4 | 6.7 | 6.0 | 7.7 | 8.6 | 9.7 | 7.4 | 7.5 |
| Your org | 9.1 | 5.9 | 7.1 | 6.0 | 5.1 | 7.1 | 8.1 | 9.4 | 6.6 | 6.7 |
| Average | 9.2 | 6.1 | 7.2 | 6.2 | 5.5 | 7.4 | 8.2 | 9.5 | 6.8 | 7.0 |
| Worst | 8.5 | 5.6 | 6.9 | 6.0 | 4.8 | 7.0 | 7.6 | 9.2 | 6.4 | 6.7 |
| No. responses | 3,208 | 3,226 | 3,244 | 3,199 | 2,775 | 2,687 | 3,198 | 3,192 | 3,208 | 3,262 |

## Priorities for Quality Improvement 2019/20

Our ambition is that every person who uses our services receives the best health care possible every time they have contact with us. Listening to patients, their carer's and families enables us to understand their experience to help us to achieve this ambition. Our staff are recognised for delivering outstanding care and compassion for patients. We continue to build upon this achievement and strive to deliver integrated care that is safe and effective every time. Our quality priorities for 2019/20 will continue to help us to achieve this ambition.

As part of the planning process for 2018/19, the quality priorities which had been relatively consistent for the previous three years were refreshed. The process to do this included a Board of Director's development session and discussion at the Leadership Council and Council of Governors. There was also consultation with external stakeholders at Nottingham City Clinical Commissioning Group, the Health Scrutiny Committee's and Healthwatch. The outcome of CQC well-led and core service inspections and Mental Health Act reviews, the number and type of incidents and the outcome of subsequent investigations. Patient and carer views were considered from analysis of the outcome of patient and staff surveys, complaints and other forms of service user and carer experience (SUCE) feedback. Some of these priorities were continued from the previous year but with more focus and others were new. Improvement work to meet our ambitions commenced during the 2018/19, but evidence tells us that our desired outcomes have not yet been achieved. Therefore, the Trust has agreed to continue with these priorities for 2019/20.

In 2019/20, the Trust's implementation and monitoring progress of the quality priorities will be strengthened by using our Quality Improvement (QI) methodology. Each quality priority will be governed by a single aim statement that will include a defined metric around increase/reduction by a specified timeframe. The priority theme will be structured into a driver diagram that will illustrate the clear relationship between project aim, and change ideas to be tested. These tests will involve the collaboration of those closest to the care, and will be measured against the QI project aim, forming the substance of the improvement activity. Each priority will have an Executive Sponsor and a QI Project Lead. Improvements against each priority will be monitored at Quality Committee.

### Quality Priorities 2019/20

The table below sets out our priorities and how, in addition to monitoring progress at the Quality Committee, they will be monitored and measured. Specific ambitions and trajectories for improvement will continue to be developed and each priority area will have a Quality Improvement Plan defining what action will be taken to work towards achieving our ambitions, underpinned by quality improvement methodologies. The Trusts Quality Strategy will be updated to reflect the new priorities.

| 2018/19 Priorities | Our Ambition and Desired Outcome | How we will Measure Progress |
|---|---|---|
| **SAFE** | | |
| 1. Improve medicines optimisation with a focus on:<br><br>1.1. Missed doses of critical medication<br>1.2. Accurate recording of medicines administered<br>1.3. Management of controlled drugs<br>1.4. Safe storage | Our ambition is to:<br><br>• Reduce medicines related harm<br><br>• Increase the reporting of these incidents and reduce the overall level of harm<br><br>• To have no medication related incidents causing moderate or severe harm or death | • Effective implementation of the Quality Improvement Plan<br>• Number of occasions critical* medication missed<br>• Number of occasions medication administration records not completed<br>• Outcome of quarterly checks of controlled drugs<br>• Number of and analysis of incidents relating to controlled drugs<br>• % medication related incidents by harm category<br>• Number of and analysis of incidents of incorrect storage of medications (including fridge temperatures)<br>**as specified on the Trusts Critical Medication List*<br><br>*Monitored by the Quality Operational Group* |
| 2. Improve the physical healthcare of patients with a focus on the use of NEWS* to recognise and act on physical health deterioration<br><br>(*National Early Warning Score) | Our ambition is to:<br><br>• Reduce harm caused by failure to recognise and act on physical health deterioration | • Effective implementation of the Quality Improvement Plan to use NEWS2<br>• % in-patients who have had a NEWS recorded on admission as a baseline assessment<br>• % in-patients who have had a repeat NEWS recorded<br>• % in-patient NEWS with evidence action has been taken when the score meets the threshold for further action<br>• Analysis of outcomes of incident investigation or case note reviews relating to physical deterioration to determine appropriate use of and acting on NEWS (including following resuscitation and use of oxygen)<br>*Monitored by the Quality Operational Group* |

| 2018/19 Priorities | Our Ambition and Desired Outcome | How we will Measure Progress |
|---|---|---|
| 3. Reduce the number of our patients who die from apparent suicide and reduce self-harm | Our ambition is to:<br>• Have zero suicides<br>• Have no incidents of self-harm causing severe harm<br>• Reduce avoidable self-harm by 50%<br>• Increase the reporting of these incidents | • Effective implementation of the Quality Improvement Plan<br>• % self-harm incidents causing moderate harm or above<br>• Number of suicides regarded as potentially preventable following investigation<br>• Number of repeated issues identified following investigations<br><br>*Monitored by the Quality Operational Group* |
| 4. Reduce restrictive practice to ensure the 'least restrictive' principle is applied for all patients | Our ambition is to:<br>• Reduce the number of restrictive interventions by 25% over 2 years<br>• Ensure seclusion and restraint is proportionate to risk<br>• Reduce blanket restrictions | • Effective implementation of the Quality Improvement Plan in priority areas (includes actions to reduce assaults which are often a precursor to seclusion and restraint)<br>• Episodes and length of seclusion, use of prone and mechanical restraint, use of medication, long-term segregation and use of blanket restrictions<br>• % appropriate nursing and medical staff who have received rapid tranquilisation training<br>• Number of incidents of violence to patients and staff<br><br>*Monitored by Mental Health Legislation Oversight Group* |
| **EFFECTIVE** | | |
| 5. Improve the quality of and access to clinical records | Our ambition is to:<br>• Ensure high quality, contemporaneous clinical records are available to our clinicians at the right time<br>• Reduce the risks relating to multiple records | • Effective implementation of the Quality Improvement Plan<br>• New measures currently in development<br><br>*Monitored by the Quality Operational Group* |

| 2018/19 Priorities | Our Ambition and Desired Outcome | How we will Measure Progress |
|---|---|---|
| 6. Improve compliance with the Mental Health Act, Mental Capacity Act and Deprivation of Liberties | Our ambition is to:<br>• Ensure legislation is only used when appropriate<br>• Ensure when used there is evidence we are fully compliant with the legislation | • Effective implementation of the Quality Improvement Plan<br>• New measures currently in development<br>• Analysis of the outcome of CQC Mental Health Act monitoring visits<br><br>*Monitored by the Mental Health Legislation Oversight Group* |
| **CARING** | | |
| 7. Improve involvement in care planning and treatment decisions and ensure they are recovery focussed | Our ambition is to:<br>• Ensure all care plans support recovery<br>• Evidence that patients and families where appropriate have been involved in developing and evaluating them | • Effective implementation of the Quality Improvement Plan<br>• % of care plans on clinical information systems that demonstrate involvement<br>• Outcome of clinical record audits of care plans to demonstrate recovery focussed<br>• Outcome of patient surveys<br>• Outcome of monthly in-patient surveys on involvement in decision making and provision of information relating to the use of medication in their care<br><br>*Monitored by the Quality Operational Group* |
| **RESPONSIVE** | | |
| 8. To reducing waiting times in services where delays in access could potentially cause harm and improve the experience whilst waiting | Our ambition is to:<br>• Improve access to services where feedback has told us there may be problems<br>• Ensure appropriate support is available whilst waiting Ensure no patient is harmed whilst waiting to access services | • Effective implementation of the Quality Improvement Plan<br>• Monitoring access to services/waiting times in services:<br>• Analysis of relevant feedback – complaints & patient surveys<br>• Analysis of incidents relating to people waiting to access services<br><br>*Monitored by the Quality Operational Group and Finance and Performance Committee* |

| 2018/19 Priorities | Our Ambition and Desired Outcome | How we will Measure Progress |
|---|---|---|
| **WELL-LED** | | |
| 9. Making the Trust a great place to work by improving the well-being our staff | Our ambition is to improve the well-being of our staff and keep them at work by:<br>• Reducing physical and psychological harm caused by work<br>• Ensuring appropriate support is provided to staff<br>• Ensuring staff have access to education and awareness raising to support them in being as well as they can | • Effective implementation of the Quality Improvement Plan<br>• Outcome of:<br>➢ ONS Stress Questionnaire<br>➢ National staff survey well-being questions<br>➢ Evaluation of impact of education programmes and provision of support<br>• Sickness relating to stress, muscular-skeletal injuries and assaults<br>• Staff engagement with Occupational Health<br><br>*Monitored by the Workforce, Equality and Diversity Committee* |

## Statements of Assurance from the Board

This section has a pre-determined content to allow comparison between Quality Reports from different organisations. The content and wording within the light blue boxes are requirements taken from The NHS Improvement's Detailed Requirements for Quality Reports 2018/19. This incorporates the requirements for all trusts to produce a Quality Account as set out in The National Health Service (Quality Account) Regulations 2010 and additional requirements set by NHS Improvements for Foundation Trusts.

### Review of Services

**1.0** During 2018/19 the Nottinghamshire Healthcare NHS Foundation Trust provided and/or subcontracted 263 relevant health services.

**1.1** The Nottinghamshire Healthcare NHS Foundation Trust has reviewed all the data available to them on the quality of care in 263 of these relevant health services.

**1.2** The income generated by the relevant services reviewed in 2018/19 represents 89% of the total income generated from the provision of relevant health services by the Nottinghamshire Healthcare NHS Foundation Trust for 2018/19.

### Participation in Clinical Audit

**2.0** During 2018/19 20 national clinical audits and 30 national confidential enquiry covered the relevant health services that Nottinghamshire Healthcare NHS Foundation Trust provides.

**2.1** During that period Nottinghamshire Healthcare NHS Foundation Trust participated in 95% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

**2.2** The national clinical audits and national confidential enquiries that Nottinghamshire Healthcare NHS Foundation Trust was eligible to participate in during 2018/19 are as follows:

- Child Health Clinical Outcome Review Programme NCEPOD - Long Term Ventilation in Children, Young People and Young adults
- The National Prescribing Observatory for Mental Health (POMH) – 4 audits
- Sentinel Stroke National Audit Programme (SSNAP)
- PLACE (Patient Led Assessments of the Care Environment)
- National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Young People's Mental Health (YPMH)
- Learning Disability Mortality Review Programme (LeDer)
- CQUIN - Collaboration with Primary Care Clinicians
- CQUIN - Cardio metabolic risk assessment in patients with psychosis
- CQUIN 10 - Improving the assessment of wounds
- Mental Health Clinical Outcome Review programme - National Confidential Inquiry into Suicide and Homicide
- National Audit of Intermediate Care
- National Audit of Psychosis – EIP Spotlight Audit
- National Audit of Anxiety and Depression (Core Audit)
- National Audit of Anxiety and Depression (Psychological Therapies Audit)
- National Diabetes Foot Care Audit
- National Asthma and COPD Audit Programme (NACAP) - Pulmonary Rehab Work stream
- Never Events – 13 - Misplaced naso or oro-gastric tubes
- National Audit for Care at the End of Life

**2.3** The national clinical audits and national confidential enquiries that Nottinghamshire Healthcare NHS Foundation Trust participated in during 2018/19 are as follows:

- The National Prescribing Observatory for Mental Health (POMH) – 4 audits
- Sentinel Stroke National Audit Programme (SSNAP)
- PLACE (Patient Led Assessments of the Care Environment)
- National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Young People's Mental Health (YPMH)
- Learning Disability Mortality Review Programme (LeDer)
- CQUIN - Collaboration with Primary Care Clinicians

- CQUIN - Cardio metabolic risk assessment in patients with psychosis
- CQUIN 10 - Improving the assessment of wounds
- Mental Health Clinical Outcome Review programme - National Confidential Inquiry into Suicide and Homicide
- National Audit of Intermediate Care
- National Audit of Psychosis – EIP Spotlight Audit
- National Audit of Anxiety and Depression (Core Audit)
- National Audit of Anxiety and Depression (Psychological Therapies Audit)
- National Diabetes Foot Care Audit
- National Asthma and COPD Audit Programme (NACAP) - Pulmonary Rehab Work stream
- Never Events – 13 - Misplaced naso or oro-gastric tubes
- National Audit for Care at the End of Life

**2.4** The national clinical audits and national confidential enquiries that Nottinghamshire Healthcare NHS Foundation Trust participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

| Audit Title | Cases Submitted | % of the number of registered cases required |
|---|---|---|
| **Prescribing Observatory for Mental Health (POMH-UK) - Topic 18 Prescribing Clozapine** | **173** | **100%** |
| **Prescribing Observatory for Mental Health (POMH-UK) - Topic 16a Rapid Tranquilisation** | **36** | **100%** |
| **Prescribing Observatory for Mental Health (POMH-UK) - Topic 7 Monitoring Patients Prescribed Lithium** | **17** | **100%** |
| **Prescribing Observatory for Mental Health (POMH-UK) - Topic 6d Assessment of side effects of depot antipsychotics** | **94** | **100%** |
| **Sentinel Stroke National Audit Programme (SSNAP)** | **on-going audit** | **100%** |
| **PLACE (Patient Led Assessments of the Care Environment)** | **12** | **100%** |

| | | |
|---|---|---|
| National Diabetes Foot Care Audit | on-going audit | 100% |
| National Audit of Anxiety and Depression (Core Audit) | 86 | 100% |
| Child Health Clinical Outcome Review Programme NCEPOD - Young Peoples Mental Health | 7 | 100% |
| Learning Disability Mortality Review Programme (LeDer) | on-going audit | 100% |
| National Audit of Anxiety and Depression (Psychological Therapies Audit) | 105 | 100% |
| CQUIN - Cardio metabolic risk assessment in patients with psychosis | 150 | 100% |
| CQUIN 10 - Improving the assessment of wounds | 144 | 100% |
| Mental Health Clinical Outcome Review programme - National Confidential Inquiry into Suicide and Homicide | 30 | 100% |
| **Audit Title** | **Cases Submitted** | **% of the number of registered cases required** |
| National Audit of Intermediate Care | N/A | 100% |
| National Audit of Psychosis - EIP Spotlight Audit | 137 | 100% |
| National Asthma and COPD Audit Programme (NACAP) - Pulmonary Rehab Work stream | N/A | 100% |
| CQUIN - Collaboration with Primary Care Clinicians | N/A | 100% |
| Never Events – 13 - Misplaced naso or oro-gastric tubes | N/A | 100% |
| National Audit for Care at the End of Life | N/A | 100% |

**2.5** The reports of **9** national clinical audits were reviewed by the provider in 2018/19 and Nottinghamshire Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided: See 2.6 below.

**2.6 Prescribing Observatory for Mental Health (POMH) Audit:**

As a result of participating in Prescribing Observatory for Mental Health (POMH) Audit programmes (and other programmes of work) the following actions have been taken:

- The outcomes of the POMH were discussed at Trust Medicines Optimisation Group and the following actions were agreed:
- It was agreed that Adult Mental Health (AMH) Services should look at the findings as a priority and discuss with senior staff/AMH consultants forum and AMH Clinical Governance meeting and ensure increased awareness regarding using the term 'high dose' and 'combination'.
- Pharmacy staff are developing an overarching document that covers the use of high dose and combination antipsychotic treatment, as there isn't one at present.

The Trust is still waiting for the specific POMH-UK audit results/reports.

**National Confidential Inquiry into Suicides & Homicides (NCISH):**
The NCISH published an annual report but this does not provide a local breakdown. During 2018/19 the Trust submitted 27 out of 30 questionnaires sent to the Trust. Questionnaires are sent directly to clinicians for completion and in some cases clinicians rotate their post or move to other Trusts and this may cause delays in the questionnaires being completed. The Trust has now established a process to ensure that questionnaires can be completed by the service or a nominated individual.

All homicides and apparent suicides involving patients of the Trust are regarded as serious incidents and managed in accordance with national guidance and with agreed policies within the Trust and NHS England. In addition, in line with NHS England Learning from Deaths guidance, the Trust has established a Mortality Surveillance Group to provide corporate oversight of Trust systems to report, review, analyse and learn from deaths of service users. The Trust therefore participates in this research and reports its investigations to the National Confidential Inquiry.

The distinctive feature of each inquiry's contribution is the critical examination by senior and appropriately chosen specialists, into each incident. There are established arrangements for communicating lessons learned (both within the Trust and externally where appropriate), carrying out of gap analysis for any areas of concern, developing any additional action plans where applicable to meet the

recommendations of the study and to ensure that there is a robust and expedient system for the dissemination of information.

The Trust is awaiting the results of the other national audits and will ensure that key recommendations are shared with services for areas of improvements. Individual audits will be monitored by the Trust Quality Operational Group.

The Trust tracks mortality and produces a quarterly report to the Board of Directors on mortality surveillance and learning from incidents. The Trust Quality Operational Group now monitors mortality through the Mortality Surveillance Group, and has agreed revised categories for reporting deaths which are applied after the death has been reviewed or investigated by Patient Safety Managers to improve consistency. The Managing Serious Incidents and Reporting and Learning from Deaths policy has been revised and implemented and incorporates the Trusts approach to reporting and investigating deaths.

**2.7** The reports of 126 local clinical audits were reviewed by the provider in 2018/19 and Nottinghamshire Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided: See 2.8 below.

**2.8 Within our Forensic Services Division:**

The reports of **42** local clinical audits were reviewed within Forensic Services during 2018/19.

The following are examples of actions taken to improve the quality of healthcare provided:

- The Clinical Governance Team produces a Forensic Services Learning Bulletin on a monthly basis which includes lessons from clinical audit. This is widely disseminated to staff across the Division as is the regular 'Learning the Lessons' flyer.
- Some areas of concern were identified during auditing of medical reviews during periods of seclusion and segregation at Rampton whereby reviews were not always being undertaken in line with the hospital's procedure. This resulted in a meeting between members of the audit project team and medical colleagues and the development of a prompt sheet to assist in clarifying the expectations, roles and responsibilities of medical staff and others in the process. This was disseminated widely and a subsequent re-audit showed that there had been improvements in nearly all standards measured. Further discussions as to how greater improvement can be achieved are ongoing along with a review of the procedure.

- The most recent re-audit of Physical Health Monitoring prior to CPA Reviews at Arnold Lodge showed a clear improvement compared with the audit undertaken in 2016. Through augmenting the Physical Health Screening forms and generating a standard set of bloods to be taken prior to each CPA there was an average improvement of 32% in the documentation of each PHS form as well as an overall visible increase in thorough blood tests being taken. Following the re-audit, action to ensure that the health check-up clinic contains the required tools to conduct a thorough physical examination, especially height measures, tape measures and BMI charts for documentation of BMI and waist circumference has been taken.
- An audit at Wathwood identified improvements in completing assessments prior to the start and during the first 4-6 weeks on clozapine. Improvements were also noted in completing physical observations, daily stool charts, completing ECG and weekly CRP and Troponin. This resulted in tackling issues early and also managed to control the symptoms by adjusting the medication; a couple of patient's clozapine stopped and avoided complications. A clozapine leaflet has been added in the health education pack and nursing staff are being educated on the layout of all physical health monitoring sheets, stool chart and the completion of the recently introduced physical observation charts.
- Discussions around improving accessibility to HCR20 risk assessments for AMH colleagues out of hours took place following an audit of HCR20 risk assessments in the Community Forensic Team.
- The Antimicrobial Audit has prompted the consideration of standardised read codes for infection diagnosed/indications within Offender Health. Other recommendations related to aligning prescriptions (in terms of duration, quantity and dose prescribed) with the Trust's Antimicrobial Policy.

**Within our Local Partnerships Division:**

There were a total of **84** different audit topics registered on the audit programme during 2107/18.

The following are examples of actions taken to improve the quality of healthcare provided:

**Compliance of the inpatient admission process regarding the physical assessment for children and adolescent** - This re-audit found a significant improvement was noted in adherence to the Quality Network for Inpatient CAMHS **(**QNIC) standards being delivered. However a degree of failure to comply with the standards and recommendations set in the previous cycle was also noted. It was felt that this was partly due to the transfer from the old CAMHS unit to the new CAMHS setting and new staff coming into post. An admission check list has been created for the admitting doctors and is available on shared drive. This has been disseminated to ward doctors as well as the on-call doctors. A further re-audit is planned for 6 months.

**Adherence to NICE Guidelines for Initiation and Monitoring of**

**Antipsychotics in Adolescents** - In terms of current practice in comparison to NICE recommendation, none of the audit results showed 100% adherence to current gold standard.

The audit found good recording of baseline ECG on initiation of antipsychotic. Moreover most of the patients had an ECG irrespective of the time of initiation. However the following standards were not achieved to the expected standard and actions have been identified to improve adherence to NICE guidance: Weekly weight monitoring; height, hip and waist circumference measurement; plotting on growth and percentile charts; the assessment and monitoring of extrapyramidal side effects; blood monitoring for prolactin and HbA1c. In order to help see improvements the audit team has devised an Antipsychotic prescribing checklist (laminated) for inpatient use, this is available on all the wards along with a paper based checklist which can be uploaded at the time of discharge. Additionally copies of the Simpson-Angus Extrapyramidal side effect scale have been laminated and available in all clinic rooms across wards. All clinics are equipped with measuring tapes for hip and waist circumference. Growth charts and percentile charts have been made more easily available. A re-audit after 6 months is planned on all the three wards to complete the audit cycle.

**Audit on DNA rates within Bassetlaw LMHT** - The audit found that adherence to policy recommendations was good but despite the text messages and letters being sent prior to the appointments, there is a persistently high DNA rate. The reason for this could relate to the demographics of our patients; mental health patients who have chaotic lives, and sometimes may not have permanent addresses or phones. As mentioned previously social isolation, social anxiety, transport issues and communication problems also contribute to the high DNA rates. Actions identified:

- Contact all the new patients in the day prior to their appointments via telephone and remind them of their appointment.
- Complete a re-audit and include the demographics of the patients who DNA, which may identify specific groups who are more likely to DNA their appointments.
- This information may help us to consider specific recommendations for these patient groups.

**Participation in Clinical Research**

**3.0** The number of patients receiving relevant health services provided or sub-contracted by Nottinghamshire Healthcare NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee 1605.

The Trust's Research and Evaluation department continues to strive to achieve the strategic aim of developing the Trust through world class research, development, innovation and excellence in education.

The new Head of Research and Evaluation, joined the Trust in February and is working hard to pull together the elements needed to continue the good work done to date. Mark will work with partners and collaborators to further increase participation by Trust staff and patients and service users in research.

On 15 March 2019 data shows we have recruited 1605 participants into 36 NIHR portfolio studies.

Our commitment to ensuring the Trust meets its obligation to research, as defined by the NHS Constitution remains a driving force.

**Commissioning for Quality and Innovation (CQUIN)**

**4.0** A proportion of Nottinghamshire Healthcare NHS Foundation Trust income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between Nottinghamshire Healthcare NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2019/20 and for the following 12 month period are available online at:

https://www.england.nhs.uk/nhs-standard-contract/cquin/

Headline CQUIN and Outcome measures for 2018/19 remained the same as 2017/18 with the demand to achieve performance improvements on the previous year to attain payment. However there have been improvements across all of the measures for 2018/19 in some areas significant improvements including achieving maximum payment threshold for staff flu vaccination, and also the provision of healthy food and snacks for staff and visitors.

Improvements were also achieved in the provision of physical healthcare of patients with serious mental illness and transitions of care of Children and Young people into Adult Services delivery of alcohol and Tobacco screening and brief intervention within physical healthcare services was fully achieved unfortunately consistently high performance in mental health services for several indicators meant that receiving payment for improved achievement was not possible.

Formal reporting of CQUIN's for 2018/19 is not due for completion until April 30, 2019 indications are that the Local Partnerships Division will achieve approximately 85% payment.

**4.1** The monetary total for income in 2018/19 conditional upon achieving quality improvement and innovation goals was **£8.4m (actual £7.8m)**. The monetary total for the associated payment in 2017/18 was **£8.4m (actual £7,8m)**.

**Care Quality Commission (CQC)**

The Care Quality Commission (CQC) is the independent regulator of health and adult social care in England. The CQC monitor, inspect and regulate services to make sure that health and social care providers meet fundamental standards of quality and safety, with the power to take action if care services fail to meet those standards. The CQC also has a role in protecting the rights of vulnerable people whose rights are restricted under the Mental Health Act 1983, monitoring the use of the Mental Capacity Act and the Deprivation of Liberty Safeguards.

**5.0** Nottinghamshire Healthcare NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is **Good**.

Nottinghamshire Healthcare NHS Foundation Trust has the following conditions on registration (**None**).

The Care Quality Commission **has not** taken enforcement action against Nottinghamshire Healthcare NHS Foundation Trust during 2018/2019.

As of 31 March 2019, Nottinghamshire Healthcare NHS Foundation Trust was registered to provide regulated activities from 34 active locations. During registration the CQC implement routine conditions to all providers which define the regulated activities to be provided at agreed locations. The CQC has not found it necessary to apply any non-routine conditions to the Trusts registration.

At inspection, the CQC assess all registered health and social care services against the following five key questions:

| | |
|---|---|
| **Are they SAFE?** | By safe, they mean that people are protected from abuse and avoidable harm. |
| **Are they EFFECTIVE?** | By effective, they mean that people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence. |
| **Are they CARING?** | By caring, they mean that staff involve and treat people with compassion, kindness, dignity and respect. |
| **Are they RESPONSIVE?** | By responsive, they mean that services are organised so that they meet people's needs. |
| **Are they WELL-LED?** | By well-led, they mean that the leadership, management and governance of the organisation assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture. |

The CQC has not taken enforcement action against the Trust during 2018/19. Nor has the regulator conducted any special reviews or investigations in respect of the Trusts practice during this reporting period.

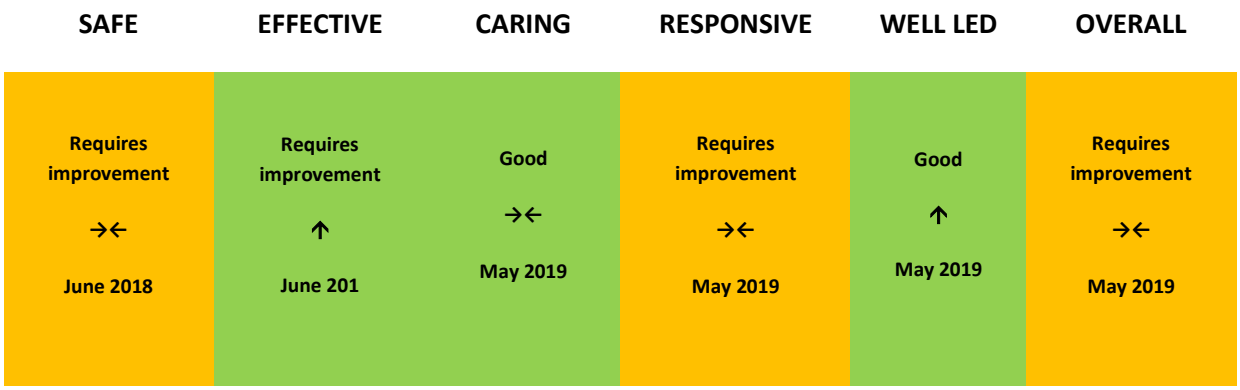
The CQC undertook one focussed inspection of the Orion Unit (ward for people with a learning disability or autism) during 2018/19 after receiving information of concern regarding care and treatment. The CQC found there were no beaches of the relevant regulations.

**Previously unreported CQC Inspection outcomes from 2017/18:**

On 15 June 2017, the CQC published a report of the inspection they undertook of Rampton Hospital in March 2017. They made six requirement notices to improve practice against the Fundamental Standards. They re-inspected Rampton Hospital in March 2018 to assess the Trusts progress and published the report on 8 June 2018. They found nine breaches of the relevant regulations as follows:

- Regulation 12: Safe Care and Treatment – in respect of staff confidence implementing physical health care plans; ensuring care plans are completed in the patients voice and keeping comprehensive medication records.
- Regulation 17: Good Governance – in respect of maintaining records of patient participation in activities; adherence to infection control and observation policies; and keeping records that meet the requirements of the Mental Health Act Code of Practice.
- Regulation 18: Staffing – in respect of the provision of adequate numbers of staff to facilitate activities and monitoring incidents of lone working.

The improvements following this inspection were reflected in the revised rating as follows:




**CQC Inspections during 2018/19:**

In England, all inspections of prisons are conducted jointly between HM Inspectorate of Prisons and the CQC. The CQC's rating principles do not apply to these services. This collaborative approach ensures expert knowledge is deployed in inspections and avoids multiple inspection visits by different regulators. The CQC undertook the following routine inspections of Trusts prison healthcare services during 2018/19:

- HMP Ranby was inspected during June 2018. The CQC found there were no breaches of the relevant regulations.

- HMP Lowdham Grange was inspected during August 2018. The CQC found two breaches of the relevant regulations as follows:

    - Regulation 17: Good Governance – in respect of how the Trust assess, monitor and improve quality and safety of the services provided; and how risks are mitigated.

OFSTED is the lead inspectorate for the provision of early year's provision and they collaborate with the CQC sharing information on their findings.

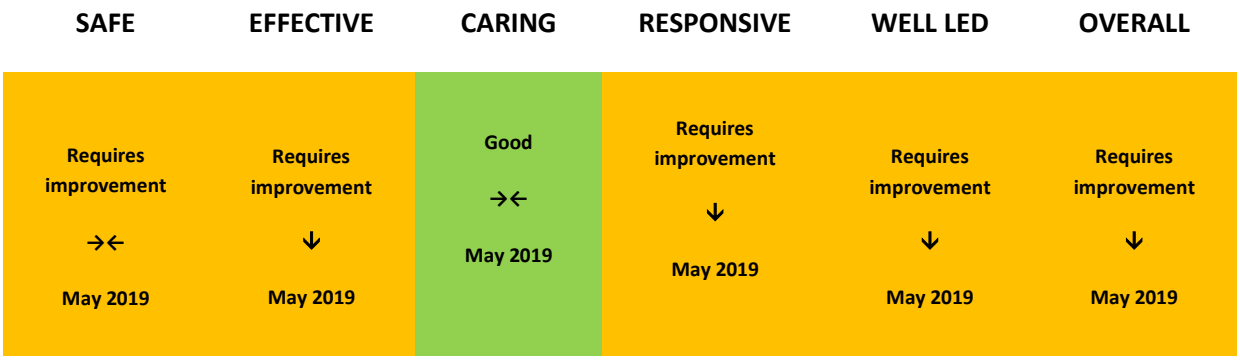
- During October 2018 the OFSTED inspected The Summerhouse Children's Centre. They found there were no breaches of the relevant regulations and rated the service as Outstanding.

The CQC's annual core and well-led inspection of the Trust took place during January and March 2019. The CQC inspected the following six complete core services

- Child and adolescent mental health wards
- Acute wards for adults of working age and psychiatric intensive care units

- Forensic inpatient or secure wards
- Community-based mental health services for adults of working age
- Mental health crisis services and health-based places of safety
- Community mental health services for people with a learning disability or autism

The draft inspection report was received on 17 April 2019 which showed that the Trust had been rated as follows:




At the time of writing, the CQC was considering the Trusts factual accuracy comments and anticipated that the final report would be published in May 2019.

**Other CQC Activity:**

The Government asked the CQC to undertake a national review of the use of restrictive interventions on those with mental health problems and learning disabilities and/or autism in hospitals and care homes across England. The CQC is taking this work forward and will report on its interim findings in May 2019, with a full report expected by March 2020. As part of the themed review, the CQC visited The Wells Road Centre during January 2019. The outcome of the review is not yet known however, Nottinghamshire Healthcare NHS Foundation Trust will take any actions necessary to address the conclusions or requirements which are reported by the CQC.

CQC Mental Health Act (MHA) reviewers undertake visits to services where patients are detained to ensure their rights under the Mental Health Act 1983 are protected. During 2018/19, CQC MHA Reviewers made routine visits to 27 services operated by the Trust and made a total of 107 recommendations to improve practice. The key themes arising from the reviews were:

- The recording of mental capacity act assessments.
- Concerns about the impact staffing levels have on outcomes for patients.
- The availability of information on patients' rights to access advocacy provided by the local authority and on how to contact the CQC
- Records showing the involvement of patients in care planning

The Trust has responded to the CQC within agreed timescales describing the actions to be taken to address these shortfalls in practice.

Public reports which detail the full findings of inspections made to Nottinghamshire Healthcare NHS Foundation Trust can be accessed via the CQC website.
https://www.cqc.org.uk/provider/RHA

Joint CQC and HMIP inspection reports can be found at:
https://www.justiceinspectorates.gov.uk/hmiprisons/inspections/

**7.0** Nottinghamshire Healthcare NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

**Data Quality**

**8.0** Nottinghamshire Healthcare NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

**8.1** Which included the patient's valid NHS number was:

- 99.5% for admitted patient care;
- 99.9% for out-patient care; and
- Not applicable for accident and emergency care

Which included the patient's valid General Medical Practice Code was:

- 99.7% for admitted patient care;
- 99.9% for out-patient care; and
- Not applicable for accident and emergency care.

**Information Governance Toolkit Attainment Levels**

**9.0** Nottinghamshire Healthcare NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was **84%** and was graded **Green** (Satisfactory)

*Please note that the Data Security and Protection Toolkit has replaced the Information Governance Toolkit. Therefore the information provided in section 9.0 refers to 2017/18.*

A review has recently been completed in respect of the Trust's Data Security and Protection Toolkit, and supporting Information Governance framework and the Trust has passed its attainment level.

The review examined the effectiveness of controls in place and was undertaken in accordance with the Public Sector Internal Audit Standards. The review entailed:

- **Governance**: a high-level assessment of the Trust Information Governance structure, to determine the extent to which systems and processes for oversight are embedded within core business activities and roles and responsibilities;
- **Validity of the Toolkit assessment**: on a sample basis, the assertions submitted within the Toolkit, to determine whether they are supported by sufficient and appropriate evidence; and
- **Wider risk exposures**: considered any wider risk areas according to the Trust's own Toolkit assessment, or other factors that are relevant to the Trust's Information Governance environment.

The auditor, 360 Assurance provided **Significant Assurance** that the risk management activities and controls are suitably designed, and were operating with sufficient effectiveness, to provide reasonable assurance and that your Information Governance arrangements are effective
The new toolkit demonstrates that the Trust is working towards the 10 National Data Guardian's data security standards as set out in the Data Security and Protection Standards for health and care.

**Clinical Coding Error Rate**

**10.0** Nottinghamshire Healthcare NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission.

**11.0** Nottinghamshire Healthcare NHS Foundation Trust will be taking the following actions to improve data quality:

The Trust Information Assurance Framework provides the strategy and rang of controls for monitoring of data quality across the Trust.

- The data quality of our national submissions is monitored every month and a report summarising the results and raising awareness of other significant data quality issues is regularly reviewed within the Trust's governance structures. Our latest published Data Quality Maturity Index score is 97.5% (2018-19 Q2, http://content.digital.nhs.uk/dq )

- The Performance Indicator Assurance Process is embedded in the Trust Information Assurance Framework and will be used to review the data quality of NHS Improvement's Single Operational Framework Operational Performance Standards and main Trust KPIs in the Integrated Performance Report provided to the Trust Board.
- Data quality reports are widely available to users of our clinical systems, and services apply resources to deal with and resolve data quality issues as they arise across our many information systems.

**Learning from Deaths**

**27.1** During 2018/19, **2542** of Nottinghamshire Healthcare NHS Foundation Trust patients died.

This comprised the following number of deaths which occurred in each quarter of that reporting period:

- **644** in the first quarter;
- **536** in the second quarter;
- **645** in the third quarter;
- **717** in the fourth quarter.

The mortality data used for this report has been extracted from Ulysses, the Trust's Risk Systems. The Trust's Managing Serious Incidents and Reporting and Learning from Deaths policy was introduced in September 2017 which requires all deaths to be reported on the Trust's Ulysses system. This included deaths classed as end of life or due to long term condition which were previously only recorded on the patient information system. Work continues in improving learning from deaths of patient under our care.

**Please note**: figures provided for case record reviews within section 27.2 onwards, includes the Trust's Initial Management Reviews (IMR) which is the first stage of the death review process and is completed for all deaths that meet the threshold for reporting as a serious incident (SI) and deaths identified by Patient Safety Managers following a review of the incident report and electronic clinical record where there may be the potential to learn.

**27.2** By **31 March 2019**, **120** case record reviews and **111** investigations have been carried out in relation to **2542** of the deaths included in item 27.1.

In **111** cases a death was subjected to both a case record review and an investigation.

The number of deaths in each quarter for which a case record review or an

investigation was carried out was:

- **27** in the first quarter;
- **29** in the second quarter;
- **27** in the third quarter;
- **28** in the fourth quarter.

The Trust has developed a death review process which commenced during February 2018 using a Structured Judgement Review approach which is developmental for providers of mental health and community services. Death Reviews have three formats:

- **Initial Management Review (IMR)** – This is the first stage of the death review process and is completed for all deaths that meet the threshold for reporting as a serious incident (SI) and deaths selected by Patient Safety Managers following a review of the incident report and electronic clinical record where there may be the potential to learn. IMRs are reviewed at the Trusts weekly Serious Incident Review Group.
- **Case Note Review/ Structured Judgement Review** – Will be completed for deaths that the IMR has identified potential further learning but an SI investigation is not required. This process has been piloted and new documentation is in development.
- **SI Investigation** – for all deaths which meet the threshold (all deaths in Forensic Services, some in Local Partnerships)

**27.3 Two** representing **0.1%** of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- **0** representing **0%** for the first quarter;
- **0** representing **0%** for the second quarter;
- **2** representing **0.3%** for the third quarter;
- **0** representing **0%** for the fourth quarter.

These numbers have been estimated using the information form the serious incident investigation reporting process and the outcome of the reports.

Two of the deaths occurring during 2018/19 were judged to be more likely than not to have been due to problems in the care provided to the patient.

1. Death in a prison – The investigation found there was a lack of an integrated pathway relating to dementia and a gap in patient follow up when treatment refused. In response, an integrated dementia pathway is currently in development in this prison. Furthermore, across Offender Health the criteria

for including patients on the complex case register has been extended to include dementia and the process for managing patients who do not attend appointments is being reviewed.

2. Death of an in-patient in mental health services – The investigation found there was a lack of clinical leadership with a high proportion of bank nurses on duty, inconsistent locations of emergency equipment across the site, issues regarding staff training and ligatures relating to windows in the clinical environment. The issues regarding ligature risks are known and a capital plan is in plan to replace windows. In response to the other issues, establishment reviews to consider appropriate staffing levels have been undertaken, reviewing location of emergency equipment, ensuring staff attend all required essential training.

**27.4** ***A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified in item 27.3.***

The Trust is committed to identifying areas for improvement to prevent future deaths. Reports from Division to Trust CIRCLE (now Quality Operational Group) include identified themes, improvements and good practice to facilitate a whole system approach. Divisions review lessons learnt and actions from serious incident improvement plans, Regulation 28 Summaries (Coroners report to prevent future deaths), Division communications on lessons learnt and Prison and Probation Ombudsman (PPO) recommendations. A number of recurring themes have been identified.

In Forensic Services themes include:

- Ensuring accurate record keeping
- Reviewing policies and procedures
- Raising awareness of policies/procedures with staff
- Reviewing processes and practices
- Improving communication between teams
- Providing training

In Local Partnerships themes include:

- Communication with patients and care planning
- Care planning and risk assessment
- Recording observations
- Documenting all contacts with Patients/Families and Carers
- Undertaking Capacity and Mental Health Assessments
- Timely discharge letter
- Safeguarding
- Risk assessment
- Physical healthcare

**27.5 *A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period (see item 27.4).***

It is recognised that there are recurring themes in regards to learning and therefore previous actions following investigations have not resulted in sustained improvement. The obstacles to learning are nationally recognised and include lack of investigation experience and system overload due to the number of investigations organisations conduct.

This has resulted in investigations which lack robust analysis, have weak solutions and fragmented action plans.

As a Trust we are addressing this through:

- A review of our approach to serious incident investigations with a focus on quality not quantity and resources to undertake investigations.
- Implementation of a Learning Forum for 2019/20 to consider the learning from a variety of information sources, consider why issues occur and required quality improvements.
- Implementation of the Trusts Quality Priorities for 2019/20 using Quality Improvement methodologies.

**27.6 *An assessment of the impact of the actions described in item 27.5 which were taken by the provider during the reporting period.***

The Division reports to Trust CIRCLE which included a summary of improvement actions. Division CIRCLEs are considering how they are assured that the appropriate controls or actions are in place, and any gaps in assurance are addressed. In addition, the Division CIRCLE reports are being analysed, along with the outcomes of the human factors analysis of Serious Case Reviews to identify the overarching issues to inform the quality priorities for 2019/20 and other potential quality improvement projects. The outcome of this was presented to Trust CIRCLE.

Within the Forensic Services, the Performance Department provides an ‘Action Plan/QIP Summary & Updated Action Plan/QIP Monitoring Sheet’ monthly report that the group monitors and reviews. The Performance Team work closely with Action Plan Leads to ensure regular updates are obtained, timescales are adhered to and explanations sought for overdue actions.

The Team ensures that the action plans are closed in a timely manner and that dates of sign off both at local governance Groups and CIRCLE are recorded onto the action plans prior to archiving. The Forensic CIRCLE culture is one whereby constructive challenge, scrutiny and questioning is welcomed. All QIPs are reviewed and progress against each recommendation is highlighted and examined, prior to sign off.

**27.7 Twenty three** case record reviews and **23** investigations completed after **31 March 2019** which related to deaths which took place before the start of the reporting period.

**27.8 One** representing **0.1%** of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient.

This number has been estimated using the information form the initial management reviews (IMR) and serious incident investigation reporting process and the outcome of the reports.

There was one death which occurred in 2017/18 for which the investigation concluded in 2018/19 where the death was judged to be more likely than not to have been due to problems in the care provided to the patient. This related to the deteriorating physical health care of a patient on a mental health ward who was found to have sepsis. In response, the Trusts Infection and Prevention Control Team will monitor patients with a pre-existing risk of infection to reduce the risk of sepsis, training in sepsis has been increased and the Trust continues to roll out the use of NEWS2, which is also a Trust Quality Priority for 2018/19.

**27.9 One** representing **0.1%** of the patient deaths during **2017/18** are judged to be more likely than not to have been due to problems in the care provided to the patient.

## National Quality Indicators

### National Quality Indicators

The Department of Health identified 16 indicators which should be included in Trust Quality Reports/Accounts, where they are applicable to services. Five of these indicators are relevant to Nottinghamshire Healthcare NHS Foundation Trust; in

addition we have chosen to include the optional ‘Friends and Family Test’ indicator. Those indicators subject to limited assurance audit are marked with the symbol Ⓐ

**CPA 7 Day Follow-up**: The data is made available to NHS England by Nottinghamshire Healthcare NHS Foundation Trust with regard to the percentage of patients on Care Programme Approach who were followed up within 7 days after discharge from psychiatric inpatient care during the reporting period.

The term ‘Care Programme Approach’ (CPA) describes the framework to support and coordinate effective mental health care for people with mental health problems in secondary mental health services. Although the policy has been revised over time, CPA remains the central approach for coordinating the care for people in contact with these services who have more complex mental health needs and who need the support of a multidisciplinary team.

Following up someone on care programme approach (CPA) within seven days of discharge from inpatient care reduces risk of harm, suicide and social exclusion and can maintain and improve access to care. Trusts must ensure that a minimum of 95% of inpatients on CPA are followed up within seven days of discharge from hospital.

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

- Data is collected and analysed by the Trust Applied Information team before being released on the Trust reporting site.
- CPA 7 day follow up rates are scrutinised on a monthly basis at directorate meetings and divisional business meetings.
- CPA 7 day follow up rates are provided to commissioners on a monthly basis for review.
- Directorate and ward level managers are required to monitor the CPA 7 day rate as one of part of their duties.
- CPA 7 data performance reporting is scrutinised by the Director of Nursing before inclusion into the Trust’s monthly Board of Directors Performance Report.

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

- Working closely with service users and their families in developing discharge care plans which support patients in a safe transition from inpatient care to life in the community.
- Nottinghamshire Healthcare NHS Foundation Trust has continued to achieve this target throughout the last five years, remaining consistently above the national average for levels of follow up care in the community.

| 7 Day Follow Up | Nottinghamshire Healthcare NHS Foundation Trust (NHS England data) | Nottinghamshire Healthcare NHS Foundation Trust (local data taken from the Rio Clinical information System*) | National Average (NHS England data) | Highest Performing Trust in any given Quarter (NHS England data) | Lowest Performing Trust in any given Quarter (NHS England data) |
|---|---|---|---|---|---|
| **2018/2019** | 97.9% | 98.0% | 95.7% | 100% | 73.4% |
| **2017/2018** | 98.7% | 98.5% | 96.3% | 100% | 69.2% |
| **2016/2017** | 98.9% | 98.8% | 96.6% | 100% | 73.3% |

**Crisis Resolution:** Nottinghamshire Healthcare NHS Foundation Trust data provided by the Information Centre, with regard to the percentage of admissions to acute wards for which the Crisis Resolution Home Treatment Team (CRHT) acted as a gatekeeper during the reporting period.

In a crisis resolution context within psychiatric care, a 'crisis' is defined as the breakdown of an individual's normal coping mechanisms. Crisis Resolution and Home Treatment is an alternative to in-patient hospital care for service users with serious mental illness, offering flexible, home-based care, 24 hours a day, seven days a week. These teams act as gatekeepers to acute in-patient services, and percentage compliance in this area is measured against the 95% minimum gatekeeping target which was previously set out in the Single Oversight Framework 2017, and is overseen internally to the trust and by local Commissioners.

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

- Crisis Resolution gatekeeping is an embedded and key process within the Trust before in-patient admission, evidenced through localised record keeping;
- Crisis Resolution gatekeeping levels are presented on a monthly basis as part of clinical division performance monitoring;
- Crisis Resolution gatekeeping levels are reviewed on a monthly basis at a case by case level by the clinical performance leads.

Nottinghamshire Healthcare NHS Foundation Trust is taking the following actions to improve this percentage, and so the quality of its services, by:

- Improving the quality of gatekeeping by moving to a core fidelity model of CRHT provision which will significantly increase the percentage of face to face gatekeeping undertaken across all CRHT services
- The move to CORE fidelity services within 2019/2020 will focus on the provision of the this level of services in all areas over 24 hours per day and seven days per week
- Increasing senior oversight of the gatekeeping process by ensuring that senior clinical presence and support is available both in and outside normal working hours

- Focusing on the data quality of Crisis Resolution gatekeeping at clinical team level where admission information is recorded onto Rio.

| Crisis Resolution | Nottinghamshire Healthcare NHS Foundation Trust (Rio Clinical information system) | National Average (NHS England data) | Highest Performing Trust in any given Quarter (NHS England data) | Lowest Performing Trust in any given Quarter (NHS England data) |
|---|---|---|---|---|
| **2018/2019** | 93.9% | 98.1% | 100% | 78.8% |
| **2017/2018** | 95.7% | 98.6% | 100% | 84.3% |
| **2016/2017** | 97.1% | 98.5% | 100% | 76.0% |

**Re-admission Rates:** Nottinghamshire Healthcare NHS Foundation Trust internal data for mental health re-admission rates, with regard to the percentage of re-admissions to mental health wards within 28 days during the reporting period*.

The criteria as laid out by the Department of Health in regards to readmission rate reporting in Quality Accounts is based on data collected by the Health and Social Care Information Centre.

***This data collection is not directly applicable to mental health trusts due to the age related criteria not being relevant to mental health services. Nonetheless readmission rates are of concern to all health service providers including mental health services, and therefore the figures provided are those based on our own internal mental health records.***

Readmissions of patients to inpatient areas can be extremely distressing, leading to potentially harmful consequences for patients' mental and physical wellbeing. NHS organisations endeavour to keep readmission rates as low as possible; however there can be a wide variation in readmission rates between similar NHS organisations. These variations can act as a trigger to look at practice within an organisation or geographical area. This could in turn help to prevent avoidable readmissions and lead to improved levels of care.

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

- Data is collected in line with Trust reporting requirements.
- Instances of readmission within 28 days are investigated to ensure that each case is clinically appropriate.
- Readmission rates are

Nottinghamshire Healthcare NHS Foundation Trust has taken the following actions

to improve the percentage and so the quality of its services, by:

- Maintaining a focus on effective and therapeutic relationships between patient and its services to ensure wellness and reducing readmission;
- Enabling patients making the transition from a structured hospital based environment to the community to have as positive and enabling experience as possible, providing support to reassure patients around the challenging aspects of greater personal involvement in the community.

0-15 years is not applicable, 16 years and over, see the table below:

| Psychiatric Re-admission Rates<br><br>(Adult mental health) | Nottinghamshire Healthcare NHS Foundation Trust (Rio Clinical information system) | Nottinghamshire Healthcare NHS Foundation Trust | National Average | Highest Performing Trust in any given Quarter | Lowest Performing Trust in any given Quarter |
|---|---|---|---|---|---|
| **2018/2019** | 5.3% | Not Available | Not Available | Not Available | Not Available |
| **2017/2018** | 3.4% | Not Available | Not Available | Not Available | Not Available |
| **2016/2017** | 2.3% | Not Available | Not Available | Not Available | Not Available |

**Community Mental Health Survey:** The data made available to Nottinghamshire Healthcare NHS Foundation Trust by the Care Quality Commission for the Trust's 'Patient Experience of Community Mental Health Services' indicator score with regard to a patient's experience of contact with a health or social care worker during the reporting period.

The summary of the results of the annual Community Mental Health Survey details how patients graded different aspects of their care. These results also enable each of the Trusts involved in the survey to assess their own findings and develop services accordingly.

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

- The sample for the Trust-commissioned survey was collected and checked in line with the process approved by the Confidentiality Advisory Group (CAG), which provides independent expert advice to the Health Research Authority (HRA) and the Secretary of State for Health;
- Patients selected in the sample are informed of how their confidentiality will be protected. Details of how we do this are included in the letters patients received alongside the surveys and published FAQs. These documents tell patients how we apply data protection and ensure that personal data is kept

confidential.

Nottinghamshire Healthcare NHS Foundation Trust intends to take the following actions to improve this score, and so the quality of its services:

- All comments received via the community mental health survey will be entered and coded (for theme and criticality) on the 'Your Feedback Matters' website, alongside comments received via the Trust wide Experience Survey and Care Opinion. This will ensure that services are aware of the feedback and use it to inform service development/delivery, and is in line with our commitment to transparency.
- Services are expected to report on changes made as a result of this survey and all other forms of feedback via six monthly Involvement and Experience reports, which in turn inform the assurance reports submitted to the Quality Committee and Board of Directors.
- This year the Trust will focus on improving how we involve people in the planning of their care, and the consistency with which we do this, as this has been highlighted as an issue in the most recent and previous findings.
- The Trust will continue to work in partnership with people using services, their families and carers (where appropriate), staff and membership, listening to their experiences and seeking to plan care in partnership. The Trust strives to provide as many diverse ways as possible to enable feedback from those using services and their families and carers.

| Patient Experience of Community Mental Health Services - rating | Nottinghamshire Healthcare NHS Foundation Trust (Overall rating) (CQC data) | Highest Performing Trust (CQC data) | Lowest Performing Trust (CQC data) | National average: patients with a positive experience of Community Mental Health services (CQC data) |
|---|---|---|---|---|
| **2018/2019** | 7.2 (out of a possible 10) | 7.5 (out of a possible 10) | 5.6 (out of a possible 10) | 7.0 (out of a possible 10) |
| **2017/2018** | 7.2 (out of a possible 10) | 7.5 (out of a possible 10) | 5.9 (out of a possible 10) | 6.4 (out of a possible 10) |
| **2016/2017** | 7.3 (out of a possible 10) | 7.5 (out of a possible 10) | 6.1 (out of a possible 10) | 6.5 (out of a possible 10) |

**Patient Safety Incidents**: The data made available to Nottinghamshire Healthcare NHS Foundation Trust through NHS Improvement's management of the National Reporting and Learning System (NRLS) with regard to the number and, where available, rate of patient safety incidents reported within the Trust during the

reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

A patient safety incident is any healthcare related event that was unintended, unexpected and undesired, and which could have or did cause harm to patients. It is recommended as a preferred term when considering adverse events, near misses and significant events to minimise confusion and help the formal reporting of relevant incidents.

All incidents graded as moderate harm to severe harm or death on the Trust's incident reporting system (Ulysses) are validated to ensure they are graded correctly, as part of the Trust's obligation under the Duty of Candour.

The Trust reported 15250 Patient Safety Incidents (PSI) for 2018/19, of which 57 resulted in severe harm or death.

Never Events – The Trust reported **0** incidents for 2018/19.

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

- The Ulysses electronic reporting system employed by the Trust enables a rapid and proactive reporting ethos with increased accountability at all levels;
- The Trust reports a range of incident data to the monthly Board of Directors ensuring openness and accountability, reflecting a reporting culture that is founded on continual learning and improvement through analysis and openness;
- The Trust reports regularly to the *National Reporting and Learning System* (NRLS) regarding any incident of patient safety whether actual or potential;
- The Trust reports all incidents of crime, including all violent incidents, to *NHS Protect*;
- Incidents involving staff absences of 7 days or more or other specified criteria are reported to the *Health and Safety Executive* (HSE) under the 'Reporting of Injuries, Diseases and Dangerous Occurrences' regulations (RIDDOR);
- Serious incidents are reported to commissioners via the Strategic Executive Information System STEIS system and are investigated fully. Where the investigation highlights recommendations for change, these are converted to action plans and are monitored to completion.

Nottinghamshire Healthcare NHS Foundation Trust has taken the following actions to improve the following incident rates, and so the quality of its services, by:

- Ensuring there is organisational learning from all incidents including serious incidents;
- Increased training on incident reporting with more focused training in areas of under-reporting.

- Improving its performance in the monitoring and treatment of pressure ulcers;
- Created new incident reporting portals within the Trust to improve visibility and access to incident reporting for staff.

**Data released by NHS Improvement:**

| Incident Data Reporting Periods | Notts HC Trust - incidents total | Notts HC Trust - Severe Harm/ Death incidents total | Notts HC Trust - Severe Harm/ Death incidents total | National - Severe Harm/ Death incidents as a % of total incidents | National – highest level of Severe Harm/ Death incidents as a % of total incidents | National – lowest level of Severe Harm/ Death incidents as a % of total incidents |
|---|---|---|---|---|---|---|
| Apr – Sept 2018 | 7063 | 33 | 0.47% | 1.08% | 3.74% | 0.09% |
| Oct – Mar 2018 | 7205 | 16 | 0.22% | 1.14% | 4.38% | 0.11% |
| Apr – Sept 2017 | 6905 | 12 | 0.17% | 1.04% | 3.72% | 0.04% |
| Oct16– Mar 2017 | 6447 | 16 | 0.25% | 1.13% | 4.73% | 0.05% |
| Apr – Sept 2016 | 6220 | 32 | 0.51% | 1.11% | 6.06% | 0.26% |
| Oct15– Mar 2016 | 5,555 | 24 | 0.43% | 1.14% | 6.01% | 0.10% |

The data released by NHS Improvement is part of a dataset that provides information on all trusts nationally; this takes a number of months of collation and preparation and the period April to September 2018 is the most recent set of data publicly available. Nonetheless, Nottinghamshire Healthcare NHS Foundation Trust submits data on a weekly basis to the NHS Improvement National Reporting and Learning System and has, therefore, provided an accurate assessment of its performance at a local level in regard to Patient Safety Incident reporting.

**Data reported by the Trust to the NHS Improvement National Reporting and Learning System:**

| Patient Safety Incidents Reporting Periods | Nottinghamshire Healthcare NHS Foundation Trust – Rate of Patient Safety Incidents (number of incidents divided by total bed days of care) x 1000 bed days<br><br>(Ulysses incident recording system and Rio Clinical information system data) | Nottinghamshire Healthcare NHS Foundation Trust – Number of Patient Safety Incidents Resulting in Severe Harm or Death (Ulysses incident recording system) | Nottinghamshire Healthcare NHS Foundation Trust – Total number of Patient Safety Incidents in the Year (Ulysses incident recording system) | Nottinghamshire Healthcare NHS Foundation Trust – Percentage of Patient Safety Incidents Resulting in Severe Harm or Death (incidents rated at least severe divided by total number of patient safety incidents in the year) (Ulysses incident recording system) |
|---|---|---|---|---|
| **2018/2019** | 45.21 | 57 | 15,250 | 0.37% |
| **2017/2018** | 43.38 | 40 | 14,439 | 0.28% |
| **2016/2017** | 37.92 | 54 | 12,897 | 0.42% |

## Further Quality Indicators

In addition to the requirement for the Trust's external auditors to undertake a review of the content of the Quality Report, there is a requirement for two mandated indicators to be audited. An additional locally agreed indicator is also selected for audit by the Council of Governors.

The two mandated indicators are:

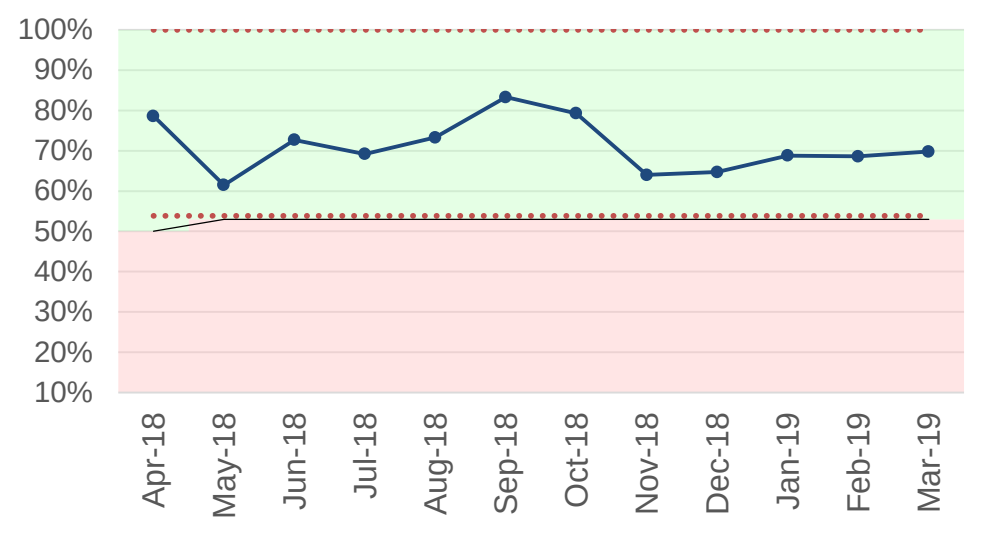
- The proportion of people experiencing first episode psychosis or 'at risk mental state' who wait two weeks or less to start NICE recommended package of care
- Inappropriate out-of-area placements for adult mental health services

The locally agreed indicator is:

- Safe Staffing Fill-Rates

Ⓐ **The proportion of people experiencing first episode psychosis or 'at risk mental state' who wait two weeks or less to start NICE recommended package of care**

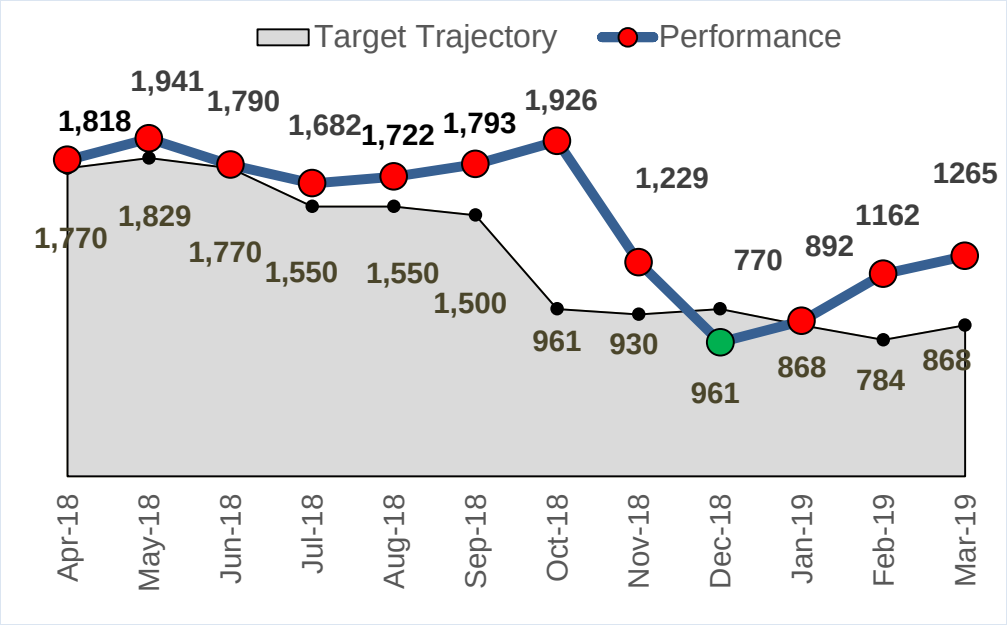
The introduction of the access and waiting time standard for early intervention in psychosis (EIP) services and improving access to psychological therapy (IAPT) services heralded the start of a new approach to deliver this improved access and embed standards akin to those for physical health. It is expected that this standard will make a major difference to the quality of care received by those with first episode psychosis, and greatly improve their ability to recover.




Ⓐ **Inappropriate out-of-area placements (OAPs) for adult mental health services**

The Government has set a national ambition to eliminate inappropriate OAPs in

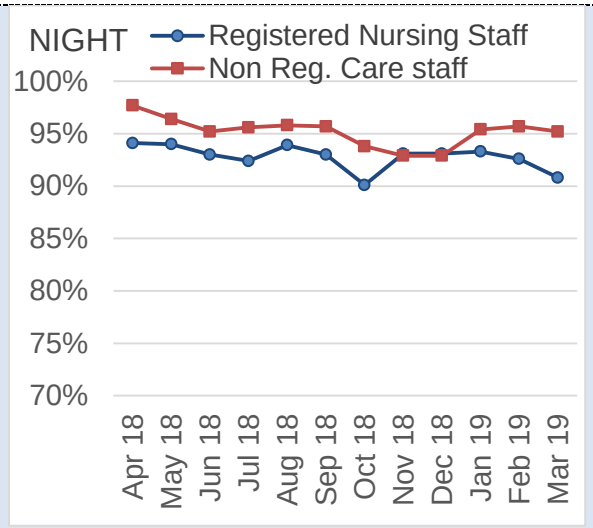
mental health services for adults in acute inpatient care by 2020-21. It is essential to introduce a collection of OAPs in order to understand whether progress is being made on the ambition and to understand where and why OAPs are happening, to ultimately to improve patient care and ultimately eliminate the practice of inappropriately sending patients out of area to receive acute inpatient care.




**Safer Staffing**

This initiative is part of the NHS response to the report into the Mid-Staffordshire Hospitals which called for greater openness and transparency in the health service. The Trust aim to provide high quality, safe services which improve the health, wellbeing and independence of the people we serve, and as part of ensuring that we get it right, we monitor Safe Staffing rates across the Trust

The criteria for reporting Nursing and Midwifery hours via the SDCS portal are set out in the NHS Improvement guidance ““Care Hours per Patient Day (CHPPD) Guidance for Mental Health and Community Trusts, March 2018”, and Factsheet 2 in particular, and for Allied Health Professionals within “Care hours per patient day (CHPPD): guidance for mental health and community trusts, October 2018”.


NIGHT
Registered Nursing Staff
Non Reg. Care staff
100%
95%
90%
85%
80%
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70%
Apr 18
May 18
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Oct 18
Nov 18
Dec 18
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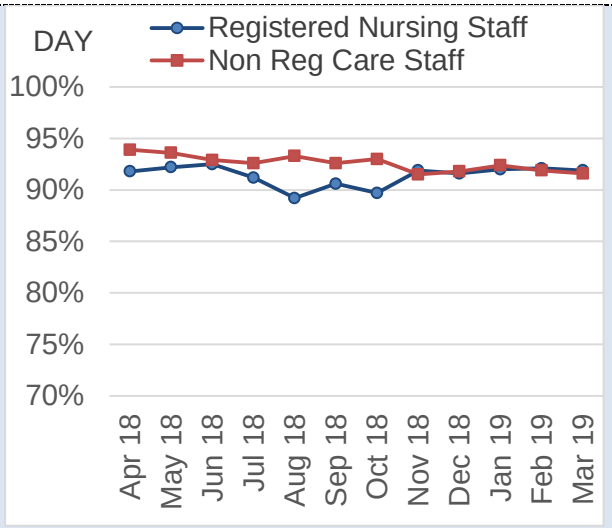
Feb 19
Mar 19


DAY
Registered Nursing Staff
Non Reg Care Staff
100%
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Apr 18
May 18
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Jul 18
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Sep 18
Oct 18
Nov 18
Dec 18
Jan 19
Feb 19
Mar 19

# PART THREE: REVIEW OF QUALITY PERFORMANCE 2018/19

## Overview of Performance in 2018/19

This section provides information on performance against our quality and performance indicators agreed internally by the Trust, and also performance against relevant indicators and performance thresholds set out in Appendix 3 of NHS Improvement's Single Oversight Framework.

The Trust continues to develop its Performance Management Framework which includes a monthly Board Integrated Performance Report (IPR). The content of the IPR is reviewed and approved each year by the Finance and Performance Committee on behalf of the Board of Directors. This includes all relevant Single Oversight Framework (SOF) indicators, as defined within their Single Oversight Framework, and locally agreed indicators. This report provides performance information at Trust level, structured around the SOF themes:

- Quality of care (safe, effective, caring, responsive)
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

## Data Quality

Accurate information is fundamental to support the delivery of high quality care; we therefore strive to ensure all data is as accurate as possible. The Trust's Performance Indicator Assessment Framework (PIAF) ensures that indicators are periodically assessed against a framework of data quality dimensions.

The Trust has various information systems in which data is collected and from which performance against local and national indicators is calculated. These include nationally available systems:

- **RiO** – Clinical information system used by our mental health services from which data is used for CPA, readmissions, delayed transfers of care, crisis gatekeeping, early intervention in psychosis, and data completeness and outcome indicators
- **SystmOne** – Clinical information used in community services, used for community data completeness indicators
- **ESR** – Electronic staff record for sickness and appraisal rates
- **Integra** – Finance system for turnover and vacancy rates
- **PC-MIS** – for IAPT indicators
- **Ulysses** – for incident and complaint indicators

Data from these systems is extracted into national datasets such as the National Reporting and Learning System (NRLS) which is managed and operated by NHS Improvement and the Mental Health Services Data Set (MHSDS).

In addition, the Trust utilises local reporting systems for patient experience, training and clinical supervision.

**An overview of performance against indicator sets for patient safety, clinical effectiveness and patient experience**

**The three indicators chosen for patient safety:**

- **Serious incidents - Strategic Executive Information System (STEIS)**
  Explanation: Serious incidents are events in health care where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response. The STEIS national reporting system facilitates the reporting of Serious Incidents and the monitoring of investigations between NHS providers and commissioners, as well as providing transparency and accountability to the general public through the open availability of online reports.
- **Total Staff Sickness %**
  Explanation: Absences due to sickness can have a detrimental impact not only on the employee but also on quality and safety of services that the Trust provides through covering work, costs to business, and reduction of frontline staff delivering frontline care.
- **Infection outbreaks**
  Explanation: Infection outbreaks are episodes of infection in which there is evidence of spread, requiring immediate action. Control of infection is vital in providing safe care in health and social care settings.

**The three indicators for clinical effectiveness:**

- **Care Programme Approach - % patients having a follow up within 7 days**
  Explanation: There is strong national evidence that the period immediately following discharge from hospital has been shown to be a high risk period for service users in terms of risk of harm, particularly in relation to self-harm and suicide. To ensure we can be as effective and safe as possible in our clinical care the Trust is committed to ensuring every service user subject to CPA who has been discharged from inpatient care will be seen or receives a telephone call within seven days of discharge.
- **Mandatory Staff Training**
  Explanation: Mandatory training is compulsory training that is determined essential by an organisation for the safe and efficient delivery of services. The Trust supports its employees to ensure they can be as effective in their roles as possible, maintaining and developing their knowledge and skills they require to meet the needs of their job and the service.
- **Clinical Supervision**
  Explanation: The purpose of clinical supervision is to provide a safe and confidential environment for staff to reflect on and discuss their work and their personal and professional responses to their work. The focus is on supporting

staff in their personal and professional development and in reflecting on their practice.

**The three indicators chosen for patient experience:**

- **Friends and Family Test scores**
  Explanation: The Friends and Family Test (FFT) is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.
- **Readmissions: adult mental health**
  Explanation: Reducing the rate of patients readmitted shortly after their initial discharge remains a priority for the Trust. Preventing avoidable readmissions contributes to improving patients' experience through avoiding unnecessary admissions as well as enabling the Trust to manage its services more effectively.

  **Average length of stay in days for community hospitals**
  Explanation: Shorter lengths of stay are better for patients, reducing the likelihood of unnecessary waiting, sleep deprivation and infection. Shorter stays also helps the Trust improve its service capacity so that we can manage our resources effectively to provide care for more patients as well as helping to enhance the flow within the healthcare system.

**Quality and Performance Indicators** *numbers given at year's end are the full year's figures where appropriate, or the Trust's latest performance levels for monthly targets*

| Indicator Set | Indicator Description | Data Source | 2017/18 | 2018/19 | Benchmarked performance where external data is available and appropriate |
|---|---|---|---|---|---|
| **Patient Safety** | Serious incidents - Strategic Executive Information System (STEIS) | STEIS | 283 | 359 | |
| | Total Staff Sickness % | Electronic Staff Records (ESR) | 5.4% | 5.6% | NHS DIGITAL October 2018 - Trust rate – 6.0% National peer rate 4.5% |
| | Infection outbreaks | Ulysses incident reporting system | 12 | 12 | |
| **Clinical Effectiveness** | Care Programme Approach - % patients having a follow up within 7 days | Rio clinical information system | 98.5% | 98.0% | NHS ENGLAND Qtr 3 2018/19 - Trust rate – 97.9% National rate 95.5% |
| | Mandatory Staff training % | HR Training Database | 90.2% | 90.2% | |
| | Clinical Supervision | Trust Management system | 80.4% | 78.2% | |

| | | | | |
|---|---|---|---|---|
| **Patient Experience** | Friends and Family Test scores | Trust on-line Feedback site | 95% | 94% |
| | Readmissions: adult mental health | Rio clinical information system | 4.7% | 5.5% |
| | Average length of stay – days – Community Hospital | Trust clinical systems | 30.5 | 24.2 |

**Compliance with the NHS Improvement Single Oversight Framework (SOF)**

The Trust will provide an overview of the performance against those metrics which were relevant for the greater part of the year under review, and provide a commentary on the new indicators now in place, and issues that are still to be resolved in terms of clarifying definitions, methods and targets.

The Trust is monitoring compliance with new standards and a range of local indicators to provide an overview of performance, quality and assurance within the Trust and escalate actual or potential underperformance.

There are five themes in the Single Oversight Framework:

- Quality of care (safe, effective, caring, responsive)
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

**Single Oversight Framework (SOF) operational metrics – indicator targets not achieved: Inappropriate out-of-area placements (OAPs) for adult mental health services**

The Trust failed to meet the trajectory set for 2018/19 for inappropriate out-of-area adult mental health placements.

Inappropriate OAPs are where patients are sent out of area because no bed is available for them locally which can delay their recovery. It is essential to collect OAPs data in order to monitor progress towards achieving the ambition and to understand where and why OAPs are happening. Having this information is critical to improving patient care and ultimately eliminating the practice of inappropriately sending patients out of area to receive acute inpatient care.

The trajectory for this target is based on meeting the national goal of eliminating acute out of area placements no later than 2021. Quarterly targets to measure performance against trajectory have been agreed with local commissioners and these results now being reported in the monthly Trust Board Performance Report (IPR).

**Single Oversight Framework (SOF) operational metrics - indicators not reported against: Cardio-metabolic assessment and treatment**

The Trust is currently unable to report against on due to the lack of definition and methodology supplied by NHS Improvement. This indicator is in the SOF released in November 2017; there remains a lack of clarity in regard to the definition and methodology to be used. The Trust is still considering how best to provide an accurate and meaningful representation of Trust performance regarding this indicator.

| **Single Oversight Framework operational metrics:** *(quarter positions given as national indicator measurements are quarterly)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Indicator Description** | **Data Source** | **Target** | **Quarter 4 position 2017/18** | **Quarter 4 position 2018/19** | **Average Monthly Performance 2017/18** | **Average Monthly Performance 2018/19** | **Data Quality Rating** |
| The proportion of people experiencing first episode psychosis or 'at risk mental state' who wait two weeks or less to start NICE recommended package of care Ⓐ | Rio clinical system | 53% | 83.3% | 69.1% | 74.1% | 70.6% | |
| Improving access to psychological therapies (IAPT): people with common mental health conditions referred to the IAPT programme will be treated within 6 weeks of referral | Rio clinical system | 75% | 69.9% | 78.6% | 75.6% | 75.5% | |
| Improving access to psychological therapies (IAPT): people with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral | Rio clinical system | 95% | 97.9% | 99.5% | 98.3% | 98.4% | |
| Improving access to psychological therapies (IAPT): Proportion of people completing treatment who move to recovery | NHS Digital | 50% | 54.8% | 52.6% | 52.7% | 53.4% | |
| Inappropriate out-of-area placements (OAPs) for adult mental health services Ⓐ | Internal bed tracker | As per trajectory | n/a | 3319 bed days vs 2520 target | n/a | 1387 bed days based on admission month | |
| Data Quality Maturity Index (DQMI) | NHS Digital | 95% | 90.6% | 98.1% Qtr. 2 latest published | 96.4% | 98.1% (Qtr. 1 - Qtr. 2 | NHS Digital |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | position | | 2018/19) | |

| **Single Oversight Framework Appendix 1: Quality of Care:** *(covering relevant indicators not covered in other sections)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| Admissions to adult facilities of patients under 16 years old (mental health) | Rio clinical system | n/a | 0 admission | 1 admission | 0.25 admission | 0.08 admission |  |

# ANNEXES TO THE QUALITY REPORT

## ANNEX 1 - STATEMENTS OF ASSURANCE FROM OTHER BODIES

### Nottingham City Clinical Commissioning Group

Clinical Commissioning Groups (CCGs) use a collaborative approach to commission services from Nottingham Healthcare NHS Trust Greater Nottingham Clinical Commissioning Group act as the Co-ordinating Commissioner on behalf of associates in gaining assurance on the safety and quality of care delivered by NUH.

The quality assurance framework that Commissioners use consists of reviewing information on safety, patient experience, outcomes and performance, in line with the quality schedule and national and local contractual requirements. Intelligence is gained in various formats, including local and national reported data, this is complemented by quality visits to clinical areas, which enables commissioners to experience the clinical environment and gain first hand experiences from patients and front line staff, including the clinical environment.

The 2018/19 contract and service specifications with the Trust identified the level and standards of care expected and how they were to be measured, monitored and reviewed. The main process for this is via quarterly Quality and monthly Contract Review meetings which have been held with the Trust to explore assurance, supplemented by quality visits and responsive discussions when additional assurance has been required. The CCGs can validate that the information received during the year is consistent with the information in this Quality Account.

Commissioners acknowledge the hard work and commitment of Nottinghamshire Healthcare NHS Foundation Trust staff to ensure patients remain at the centre of care delivery. As healthcare Commissioners we are dedicated to commissioning high quality services from our providers and are encouraged that the Trust focuses on patient safety, patient experience and clinical effectiveness. Nottinghamshire Healthcare NHS Foundation Trust has worked constructively with Commissioners and other partners to respond to commissioning intentions and develop integrated care pathways to support the reduction of health inequalities and improve the health of the local community including being an active partner in the development of the local ICS.

Commissioners note the CQC inspection of 2017 with an overall rating as “Good”, the recent well lead inspection report is due to be published and commissioners will oversee any areas of non-compliance to ensure prompt actions are taken to implement any improvements.

The Commissioners are pleased to acknowledge the Trusts performance against the 7 day follow up against the National standard, highly performing in this area. With a clear focus for working closely with service users and their families in developing discharge care plans which support patients in a safe transition from inpatient care to life in the community to improve the quality of care provided. During 2019-20 a new National standard will see the introduction of a 3 day follow up, with a Nationally prescribed CQUIN to support the effective management of resources to achieve 80% of patients receiving follow up within 3 days, commissioners will work closely with the provider to monitor implementation.

Commissioners welcome the introduction of the death review process in 2018; the process using a structured judgement review approach is continuous development process, during 2019-20 learning from death reviews need to be clearly embedded within the organisation.

NHT have achieved the majority of the Commissioning for Quality and Innovation (CQUIN) goals. In addition their commitment and progress to support the reduction of frequent attendances to the emergency departments should be congratulated, NHT demonstrated leadership and made significant improvements to the outcomes of a cohort of identified patients.

This Quality Account presents a balanced picture of the assurances of safety and quality provided by NHT to Commissioners during 2018/19 in line with the quality schedule and contractual requirements, whilst recognising that there are still some areas for improvement which are on-going.

We support the quality priorities identified for 2019/20 in this Quality Account which have been developed based on patient feedback, local and national requirements. As Commissioners we recognise that NHT is working actively with system partners as a member of the Nottinghamshire Integrated Care System, developing sustainable transformation.

Commissioners will monitor progress against the quality priorities set by the Trust for 2019/20, which build on the 2018/19 quality priorities. We will continue to work with Nottinghamshire Healthcare NHS Foundation Trust in 2019/20 to assure ourselves of the continual quality of the services provided and to monitor achievement of targets, indicators and priorities in line with quality and contractual requirements.

**Joint Statement from Healthwatch Nottingham and Healthwatch Nottinghamshire**

Statement in response to Nottinghamshire Healthcare NHS Foundation Trust 2018-19 Quality Accounts

As the independent watchdog for health and care in Nottingham City and Nottinghamshire, we work hard to ensure patient and carer voices are heard by both commissioners and providers. We are grateful for the opportunity to view and comment on the Nottinghamshire Healthcare NHS Foundation Trust Quality Account 2018-19.

The report provides a good overview of the progress made against the 2018/19 quality priorities, including how each priority was measured and progress to date. The Trust decided to continue with the 2018/19 quality priorities into 2019/20 because it has not yet reached its improvement goals.

Specific areas of focus for improvement are staff views and access. The Trust acknowledges issues with staff morale and has committed to listening to and working with staff to understand what is wrong and improving this. The rate of physical restraint has also increased, but pilot projects to address this have had positive results.

The Trust has recently developed a quality improvement (QI) hub to support the achievement of improvement goals. The QI approach will design and implement quality improvements in services, and includes the roll out of a training programme for staff and involvement of service users. It plans to establish a learning forum for staff and services users which will include learning from complaints.

Service user engagement and complaints now fall under a single team, which will provide the opportunity for looking at trends and synergies. It is suggested that a refresh of priorities is undertaken during 2019/20, shaping them using service user input and feedback.

**Nottingham City Health Scrutiny Committee**

The Nottingham City Health Scrutiny Committee welcomes the opportunity to comment on the Nottinghamshire Healthcare Foundation Trust Quality Account 2018/19. Our comment focuses on the areas in which we have engaged with the Trust during 2018/19.

As in previous years, the Committee has found the Trust open and willing to engage with scrutiny when it has been requested to do so during the year.

It should be noted that due to time constraints of Nottingham City Councillors as a result of local elections held in May 2019, the Nottingham Health Scrutiny Committee's comments are based on very early drafts of Quality Account priorities, through no fault of the trust.

The Committee welcomes the introduction of the Quality Improvement Strategy, particularly analysis and monitoring of how any improvements will be measured, tested, implemented and sustained. Sharing of successful and proven improvement ideas through the Spread and Share initiative was also seen as a positive.

The Committee felt that the move towards electronic prescribing, recording and reporting and more integrated digital services was positive, however they expressed concern that this integration is overdue. The Committee expressed concern that due to this delay, any digital improvements may not be in place or up to the standard required for the digital integration agenda included within the NHS Long Term Plan.

The percentage of Mental Health patients experiencing physical health issues that meet the NEWS threshold for further action not receiving further action on their physical health needs is worryingly low, and the Committee expressed strong concerns that this metric requires immediate and significant improvement in order to ensure patient safety. There was also concern regarding the number of inpatients who had self-harmed within a hospital setting, and what measures will be put in place to monitor at risk patients and ensure their safety going forward.

There was some concern in relation to lack of information on waiting times and which services experience excessive waiting times. The Committee requested that there was increased surveillance on this issue in future, and information available on those specific services where waiting times were not acceptable.

The Trust scored very low on staff engagement and staff morale compared to other trusts in the country, despite efforts to increase staff engagement. The Committee remains hopeful that a recent change of leadership will improve engagement and staff perception of engagement, and welcomes the focus on this as a priority for 2019/20.

The Committee commented that there could be an increased focus on community Alzheimer's and dementia outreach, particularly in emerging and BME communities

which may have a social stigma attached to such conditions. Also of note was the Committee's desire that patients should be able to have a choice of psychologists available, for example a female psychologist available for patients who specifically request one. The Committee would encourage these issues to be an area of focus for the Trust, as it is an area of particular interest to the Committee, and may be scrutinised by the Committee during the course of the year.

### Nottinghamshire Health Scrutiny Committee

Nottinghamshire Health Scrutiny Committee chose not to comment on the Trust Quality Report.

### Council of Governors

The Council of Governors welcomes the opportunity to comment on the Trust's Annual Quality Report for 2018/19.

The report demonstrates that the Trust has a comprehensive understanding of the variety of challenges it faces and takes an open and honest approach in how it intends to tackle these going forwards. The results of the recent NHS National Staff Survey (NSS) commands a great presence through the report in acknowledging the improvements which need to happen to create a better culture and make the Trust a great place to work for all its workforce. As a Council of Governors we have had an open and transparent conversation with the Chief Executive and Director of HR in relation to the outcome of the NHS NSS and it is important we note the focus of the Board of Directors to ensure these outcomes are listened and responded too in an engaging and inclusive approach. We look forward to seeing the impact of significant changes to leadership and approach over 2019/20.

The Trust is an increasingly large and complex organisation providing services over a wide variety of diverse communities. Delivering high quality and safe services remains a priority and it is good to see this is reflected within the report. The subject of Out of Area Placements has been challenged and scrutinised by the Council of Governors on a regular basis. We are assured that the Trust recognises the negative impact of placements out of area, to the patient, their families and the public purse, and how it intends to eliminate out of area placements by 2020.

As Governors we are happy the Trust continues to participate in the regional mortality group to share the learning with other providers. The continued implementation of the Learning from Deaths Policy is considered an important element by the governors, particularly the support it provides for bereaved families and patients harmed. How the Trust supports its staff through these difficult times is

also important to ensure they are well and able to work and they feel they have options of support to guide them through potentially challenging and tough situations.

As part of the CQC's annual core and well-led inspection we took part in a focus group with two members of the inspection team. This provided us with the opportunity to have an open discussion with the Trust's regulator around our views about how "well-led" the organisation was and allowed any concerns to be aired directly with the CQC in a confidential space.

Overall, as governors we are happy with content of this years' Quality Report and we welcome John Brewin as our Chief Executive Officer to take the Trust forwards to a positive and successful future under his new leadership.

## ANNEX 2 – STATEMENT FROM DIRECTORS

### Statement of Directors' Responsibilities in Respect of the Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.
NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the *NHS foundation trust annual reporting manual 2018/19* and supporting guidance *Detailed requirements for quality reports 2018/19*

- the content of the quality report is not inconsistent with internal and external sources of information including:

    - Board minutes for the financial year, April 2018 and up to the date of signing the limited assurance report ("the period");

    - Papers relating to quality reported to the Board over the period;

    - Feedback from the Commissioners, Nottingham City Clinical Commissioning Group dated 10/05/2019

    - Feedback from the Council of Governors dated 30/04/2019;

    - Feedback received from Healthwatch Nottingham and Nottinghamshire Statement in response to Nottinghamshire Healthcare NHS Foundation Trust 2018-19 Quality Accounts on 16/05/2019;

    - Feedback from the Overview and Scrutiny Committees, Nottingham City Health Scrutiny Committee date 30/04/2019 and Nottinghamshire Health Scrutiny Committee dated 30/04/2019;

    - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 - Annual Customer Relations Report 2017/18 including Complaints and PALS dated 31/08/2018;

    - The latest national patient surveys: National Community Mental Health Survey 2018 dated 20/12/2018;

    - The latest national staff survey NHS England Nottinghamshire Healthcare NHS Foundation Trust 2018 NHS Staff Survey dated 26/02/2019;

- Care Quality Commission inspection reports: CQC Nottinghamshire Healthcare NHS Foundation Trust High secure hospitals - Rampton Hospital dated 08/06/2018; CQC Inspection Report on an unannounced inspection of HMP Ranby dated 15/06/2018; CQC Nottinghamshire Healthcare NHS Foundation Trust Wards for people with learning disabilities or autism dated 28/06/2019; CQC Inspection Report on an unannounced inspection of HMP Lowdham Grange dated 24/08/2018; CQC Core Service and Well-Led Inspection progress report dated 30/08/2018; Ofsted Ncfp Childcare Summerhouse Cc dated 05/10/2018 and CQC Service user survey report 2018 - Survey of people who use community mental health services 2018 Nottinghamshire Healthcare NHS Foundation Trust dated 20/11/2018; and

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 25/04/2019.

- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered

- the performance information reported in the quality report is reliable and accurate

- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review

- the quality report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the quality accounts regulations) as well as the standards to support data quality for the preparation of the quality report.

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

By order of the board

23 May 2019.....Date.....Chairman

23 May 2019.....Date.....Chief Executive

## ANNEX 3. GLOSSARY AND DEFINITIONS FOR AUDITED INDICATORS

| **Early intervention in psychosis (EIP): The proportion of people experiencing first episode psychosis or 'at risk mental state' who wait two weeks or less to start NICE recommended package of care** |
|---|
| **Indicator Description:**<br><br>The proportion of people experiencing first episode psychosis or 'at risk mental state' who wait two weeks or less to start NICE recommended package of care |
| **Numerator/Value:**<br><br>The number of referrals to and within the trust with suspected first episode psychosis or at 'risk mental state' that start a NICE-recommended package care package in the reporting period within 2 weeks of referral |
| **Denominator:**<br><br>The number of referrals to and within the trust with suspected first episode psychosis or at 'risk mental state' that start a NICE-recommended care package in the reporting period |
| **Target:**<br><br>Red: <50% Green: ≥50% |
| **Additional Information:**<br><br>The data is obtained from the Trust's RiO Patient data system.<br><br>EIP data submissions are to continue via both MHSDS and UNIFY2 until March 2018.<br><br>An updated data collection timetable will be provided on UNIFY2.The EIP data collection has been extended from December until March 2018 to:<br><br>· include activity undertaken during this period<br><br>· allow commissioners and providers to undertake further data quality work to reduce disparity between the Mental Health Services Data Set (MHSDS) and UNIFY2 collections |
| **Criteria:**<br><br>The data analysed includes patients who were considered not to have been experiencing a first episode psychosis after meeting with clinicians, but would have been necessarily included in the waiting times for calculation. |

| **Inappropriate out-of-area placements for adult mental health services** |
| --- |
| **Indicator Description:**<br><br>Total number of bed days mental health patients admitted to acute wards have spent inappropriately out of area in last quarter |
| **Numerator/Value:**<br><br>Total number of bed days mental health patients admitted to acute wards have spent inappropriately out of area in last quarter |
| **Denominator:**<br><br>n/a |
| **Target:**<br><br>Progress in line with agreed trajectory for elimination of inappropriate adult acute out of area placements no later than 2021 |
| **Additional Information:**<br><br>The data is obtained from the Trust's Bed Management team Patient records data.<br><br>The disclosure in the quality report is the number of bed days spent inappropriately out of area, presented as an average per month (this excludes those patients who were admitted out of area but who meet the criteria for an appropriate out of area placement are excluded (reasons such as - staff member, for safeguarding reasons, etc). Those who were admitted out of area because a bed was unavailable at the provider are included.<br><br>This is a new indicator, first present in the Single Oversight Framework released in November 2017 |

**Criteria:**

The process for agreeing trajectories toward eliminating acute mental health out-of-area placements (OAPs) will be jointly led by the NHS England and NHS Improvement regional teams during October to December 2017. Sustainability and transformation partnership (STP) mental health leads, supported by regional teams, will work with their clinical commissioning groups and mental health providers during this period to develop both STP and provider level baselines and trajectories. Provider boards must be assured by 31 December 2017 that data is being properly and completely submitted every month to the NHS Digital administered Clinical Audit Platform (CAP) collection. The January 2018 submission will be taken as an agreed baseline position.

| **Safer Staffing – SDCS Percentage Fill Rates** |
| --- |
| **Indicator Description:**<br><br>Percentage fill rates for Registered Nursing/Midwifery staff and Care staff, day and night, calculated from Planned Hours versus Actual Hours. |
| **Numerator/ Value:**<br><br>Total number of hours actually worked in the month, as reported via the Strategic Data Collection System (SDCS). |
| **Denominator:**<br><br>Total number of hours planned for the month, as reported via the SDCS. |
| **Target:**<br><br>No national nor internal target set; however the Trust identifies instances when rates of less than 100%, and in particular less than 90%, occur with a view to understanding the circumstances surrounding these occurrences. |
| **Additional Information:**<br><br>The data is obtained from the Trust's wards, collated centrally within each division and then provided to the Corporate Performance Team (a) for submission to the SDCS collection and (b) for reporting in the Trust Board's Integrated Performance Report.<br><br>This indicator has been included in the Trust Board Integrated Performance Report since June 2014. |
| **Criteria:**<br><br>The criteria for reporting Nursing and Midwifery hours via the SDCS portal are set out in the NHS Improvement guidance ""Care Hours per Patient Day (CHPPD) Guidance for Mental Health and Community Trusts, March 2018", and Factsheet 2 in particular, and for Allied Health Professionals within "Care hours per patient day (CHPPD): guidance for mental health and community trusts, October 2018". |

## Independent Auditors' Limited Assurance Report to the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust to perform an independent assurance engagement in respect of Nottinghamshire Healthcare NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and specified performance indicators contained therein.

### Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor (operating as NHS Improvement) ("NHSI"):

| *Specified Indicators* | *Specified indicators criteria - (taken from the Annual Report)* |
|---|---|
| Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral. | Indicator value noted on page 216. NHSI specific criteria (set out within the Trust's Quality Report) noted in Annex 3 page 226. |
| Inappropriate out-of-area placements for adult mental health services. | Indicator value noted on page 216. NHSI specific criteria (set out within the Trust's Quality Report) noted in Annex 3 page 227. |

### Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the 'Detailed requirements for quality reports 2018/19' issued by NHSI. The Directors are also responsible for the conformity of the specified indicators criteria with the assessment criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19' issued by NHSI and for reporting the specified indicators in accordance with those criteria, as referred to on the pages of the Quality Report listed above.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19'; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially consistent with the following documents:

- Board minutes for the financial year, April 2018 and up to the date of signing the limited assurance report ("the period");
- Papers relating to quality reported to the Board over the period April 2018 to the date of signing this limited assurance report;
- Feedback from the Commissioners, Nottingham City Clinical Commissioning Group dated 10/05/2019;
- Feedback from the Council of Governors dated 30/04/2019;
- Feedback received from Healthwatch Nottingham and Nottinghamshire Statement in response to Nottinghamshire Healthcare NHS Foundation Trust 2018-19 Quality Accounts on 16/05/2019;
- Feedback from the Overview and Scrutiny Committees, Nottingham City Health Scrutiny Committee and Nottinghamshire Health Scrutiny Committee dated 30/04/2019;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 - Annual Customer Relations Report 2017/18 including Complaints and PALS dated 31/08/2018;
- The latest national patient surveys: National Community Mental Health Survey 2018 dated 20/12/2018;
- The latest national staff survey NHS England Nottinghamshire Healthcare NHS Foundation Trust 2018 NHS Staff Survey dated 26/02/2019;
- Care Quality Commission inspection reports: CQC Nottinghamshire Healthcare NHS Foundation Trust High secure hospitals - Rampton Hospital dated 08/06/2018; CQC Inspection Report on an unannounced inspection of HMP Ranby dated 15/06/2018; CQC Nottinghamshire Healthcare NHS Foundation Trust Wards for people with learning disabilities or autism dated 28/06/2019; CQC Inspection Report on an unannounced inspection of HMP Lowdham Grange dated 24/08/2018; CQC Core Service and Well-Led Inspection progress report dated 30/08/2018; Ofsted Ncfp Childcare Summerhouse Cc dated 05/10/2018 and CQC Service user survey report 2018 - Survey of people who use community mental health services 2018 Nottinghamshire Healthcare NHS Foundation Trust dated 20/11/2018; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 25/04/2019.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

**Our Independence and Quality Control**

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Use and distribution of the report**

This report, including the conclusion, has been prepared solely for the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust as a body, to assist the Council of Governors in reporting Nottinghamshire Healthcare NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Nottinghamshire Healthcare NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

**Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- Reviewing the content of the Quality Report against the requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- Reviewing the Quality Report for consistency against the documents specified above;
- Obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- Based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- Making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- Performing limited testing, on a selective basis, of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

**Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the FT ARM and 'Detailed requirements for quality reports 2018/19'.

The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS foundations trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Nottinghamshire Healthcare NHS Foundation Trust.

**Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2019:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The specified indicators have not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP**
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Date: 28 May 2019

The maintenance and integrity of the Nottinghamshire Healthcare NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

# EXTERNAL AUDITORS REPORT AND OPINION

# *Independent Auditors' Report to the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust*

## Report on the audit of the financial statements

### Opinion

In our opinion, Nottinghamshire Healthcare NHS Foundation Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of the Trust's income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2019; the Statement of Comprehensive Income for the year ending 31 March 2019; the Statement of Cash Flows for the year ended 31 March 2019; the Statement of Changes in Equity for the year ended 31 March 2019; and the Notes to the Accounts, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

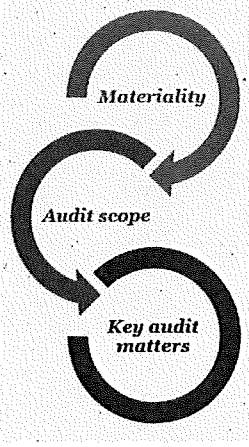
We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Our audit approach

*Context*

Our audit for the year ended 31 March 2019 was planned and executed having regard to the fact that the Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and key audit matters was largely unchanged.

*Overview*




- Overall materiality: £9,008,000 (2018: £9,119,577) which represents 2% of total revenue in the annual plan (2018: 2% of total revenue in the draft accounts).
- All work was performed by a single audit team who assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement and determined the extent of testing we needed to do over each balance in the financial statement.
- Our key audit matters were:
  - Risk of fraud in revenue and expenditure recognition; and
  - Valuation of Property, Plant and Equipment.

*The scope of our audit*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

*Key audit matters*

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

| ***Key audit matter*** | ***How our audit addressed the key audit matter*** |
|---|---|
| *Risk of fraud in revenue and expenditure recognition*<br><br>*Refer to note 1 to the financial statements for the directors' disclosures of the accounting policies, judgements and estimates relating to the recognition of revenue and expenditure and to notes 3 to 6 for further information.*<br><br>We focused on this area because the Trust is facing increased pressure to achieve its forecast 2018/19 control total as set out in its plan submitted to NHS Improvement. Achievement of the control total provides the Trust with access to Provider sustainability funding; and therefore the incentive to recognise revenue for services which have not been delivered during the financial year, and to omit to recognise expenditure in 2018/19, to improve the reported financial position.<br><br>We consider the risk for revenue recognition to be heightened for:<br>• revenue streams with commissioners that are based on contracts that depend on patient volumes. The Trust invoices each month based on actual activity. The volume of activity is recorded by the Trust and is subject to review by commissioners.<br>• Commissioning for Quality and Innovation (CQUIN) revenue, which can be earnt as a percentage of the contract value for demonstrating improvements in quality and innovation in specified areas of patient care.<br><br>Given these incentives, we focused on work on the elements of revenue and expenditure that are most susceptible to manipulation, being:<br>• healthcare income agreements with the Trust's commissioners;<br>• items of expenditure where the value is dependent upon estimates, in particular accruals;<br>• non-standard journal transactions; and<br>• unrecorded liabilities. | *Journals*<br>We tested a sample of journal transactions that had been recognised in both revenue and expenditure, focusing in particular on those that arose from unexpected account combinations. We agreed the journal entries to supporting documentation, for example invoices. Our testing found that they were supported by appropriate documentation and that the revenue and expenditure was recognised in the appropriate accounting period for the correct value.<br><br>*Revenue*<br>For a sample of transactions recognised during the year and around the year-end (both before and after), we confirmed that revenue and expenditure had been recognised in line with the Trust's accounting policies and in the correct accounting period by agreeing transactions to the supporting evidence when appropriate.<br><br>We tested a sample of revenue by agreeing revenue recognised from commissioners to underlying signed contracts. We found no material issues from these procedures or unusual revenue recognition practices occurring.<br><br>For a sample of the revenue from commissioners which is recognised based on volume of activity, we agreed the revenue recognised to the related invoices and cash received. We also compared activity values across the year to identify unusual trends in activity volumes. No material issues were identified with this work or the CQUIN values that had been recognised by the Trust.<br><br>*Expenditure*<br>We performed testing to identify whether there were any unrecorded liabilities. We tested a sample of payments made after 31 March 2019 and unpaid invoices after year end to supporting documentation, to check that, where they related to the 2018/19 financial year, an accrual was recognised appropriately.<br><br>We tested a sample of operating expenditure and checked whether the transactions were recognised in the correct period. We identified one transaction of £27,810 that related to the 2017/18 year. This error and the extrapolation were not material.<br><br>We tested all accruals posted to operating expenditure above £300,000 and sample tested the remaining balance of accruals. Accruals were supported by valid evidence and met the recognition criteria. The value of accruals was materially correct.<br><br>We also inspected the information from the year-end intra-NHS balance agreement process to identify any significant differences between the expenditure and accounts payable |

| | |
|---|---|
| | reported with NHS organisations. No material issues were identified from the work performed. |
| *Valuation of property, plant and equipment*<br><br>We focused on this area because Property, Plant and Equipment ("PPE") represents the largest balance in Nottinghamshire Healthcare NHS Foundation Trust's Statement of Financial Position and the valuation of land and buildings requires significant levels of judgement and technical expertise in choosing appropriate assumptions. Therefore our work has focused on whether the methodology, assumptions and underlying data used to determine the value of Property, Plant and Equipment were appropriate and correctly applied.<br><br>The PPE balance at 31 March 2019 is £409 million of which £397 million relates to land and buildings.<br><br>All PPE assets are measured initially at cost, with land and buildings being subsequently measured at fair value based on periodic valuations. The valuations are carried out by a professionally qualified valuer in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date.<br><br>A desktop valuation of Nottinghamshire Healthcare NHS Foundation Trust's portfolio of land and buildings was undertaken as at 31 March 2019 by Nottinghamshire Healthcare NHS Foundation Trust's valuation expert.<br><br>We considered the key areas of focus to be:<br><br>• the key inputs to the valuation in particular the floor areas on which the valuation is based; and<br><br>• the methodology, assumptions and underlying data used by the valuation expert. | We obtained the valuation reports directly from Nottinghamshire Healthcare NHS Foundation Trust's valuation expert and read the relevant sections of the reports. We confirmed that the valuer had relevant experience and was a member of a relevant professional body.<br><br>We used our valuation expertise to evaluate the assumptions and methodology applied in the valuation exercise. Our work included a sample test to confirm whether buildings had been correctly identified as specialist or non specialist. We also reviewed the movements in floor areas of assets valued in 2018/19 compared to the prior year. We found no issues from these procedure.<br><br>When valuing buildings, Nottinghamshire Healthcare NHS Foundation Trust has applied the alternative site Modern Equivalent Asset (MEA) concept. The impact of Nottinghamshire Healthcare NHS Foundation Trust applying the alternative site concept, and situating the buildings in a different location to which they are currently in, is a reduction in the value of buildings. The alternative site approach adopted by the Trust is consistent with the prior year with the exception of Rampton hospital, the location of which has been changed from Ashfield to Rotherham for valuation purposes. We challenged management on the basis on which this assumption has been made and management have set out this critical judgement in note 1.21<br><br>The Trust has adopted accountancy based useful lives in 2018/19. This method has resulted in the maximum useful lives of assets increasing from 65 in 2017/18 to 90 in 2018/19. This approach has not impacted on the valuation of buildings in the accounts but it has reduced the depreciation charge in 2018/19 by £3.572 million because buildings are depreciated over a longer period.<br><br>We tested whether the change in valuation was correctly accounted for and appropriately disclosed in the financial statements and found that it was. |

Other than the matter noted in the 'Arrangements for securing economy, efficiency, and effectiveness in the use of resources' paragraph, we determined that there were no further key audit matters relating to the financial statements of the Trust and the Trust's arrangements for securing economy, efficiency, and effectiveness in the use of resources to communicate in our report.

*How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the environment in which the Trust operates.

The audit was conducted at Nottinghamshire Healthcare NHS Foundation Trust's site in Mansfield where the main finance team is based.

Our risk assessment included consideration of management's analysis of the United Kingdom's withdrawal from the European Union in the Annual Governance Statement, but the terms on which this may occur are not clear, and it is difficult to evaluate all of the potential implications on the Trust's activities, patients, suppliers and the wider economy.

*Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| ***Overall materiality*** | £9,008,000 (2018: £9,119,577) |
| ***How we determined it*** | 2% of revenue in the annual plan (2018: 2% of revenue in the draft accounts) |
| ***Rationale for benchmark applied*** | Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate. |

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £300,000 (2018: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2018/19 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

*Performance Report and Accountability Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

## Responsibilities for the financial statements and the audit

*Responsibilities of the directors for the financial statements*

As explained more fully in the Accountability Report, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

*Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We are required under Schedule 10 (1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. 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 work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based our on risk assessment, we undertook such work as we considered necessary.

Our audit did not consider any impact that the United Kingdom's withdrawal from the European Union may have on the Trust as the terms of withdrawal are not clear, and it is difficult to evaluate all of the potential implications on the Trust's activities, patients, suppliers and the wider economy.

*Use of this report*

This report, including the opinions, has been prepared for and only for the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Other required reporting

## Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

*Qualified opinion*

Except for as set out in the basis for qualified opinion and key audit matter paragraph below, we have nothing to report as a result of this requirement.

*Basis for qualified opinion and Key Audit Matter*

The Trust was subject to an inspection by the CQC between January and March 2019. The final report was published in May 2019 and the Trust was rated overall as 'requires improvement'. This represents a downwards movement in performance compared to the Trust's previous overall rating of 'good'. The CQC found areas for improvement including 25 breaches of legal requirements that the Trust must put right. The report indicates improvements are required in areas which relate to the informed decision making and sustainable resource deployment sub-criteria as outlined in the National Audit Office Auditor Guidance Note AGN03; in particular:

- acting in the public interest, through demonstrating and applying the principles and values of sound governance;
- managing the risks effectively and maintaining a sound system of internal control; and
- planning, organising and developing the workforce effectively to deliver strategic priorities.

This provides evidence that there are weaknesses in proper arrangements for informed decision making and sustainable resource deployment at the Trust.

*Key Audit Matter - What procedures were performed*

We responded to this Key Audit Matter by undertaking the following procedures:

- We discussed with management during the year whether any inspections were being undertaken by the CQC;

- We read the draft CQC report relating to the inspection held between January and March 2019 when it was available to the Trust; and
- We read the final inspection report on its release in May 2019.

### Other matters on which we report by exception

We are required to report to you if:

- The statement given by the directors in the Accountability Report, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for patients, regulators, and other stakeholders to assess the Trust's performance, business model, and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.
- The section of the Annual report, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 or is misleading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- We have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- We have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.
- We have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

## Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice.

Alison Breadon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court, Pegasus Business Park, Castle Donington

Date: 28 May 2019

# ANNUAL ACCOUNTS 2018/19

Nottinghamshire Healthcare NHS Foundation Trust

Annual accounts for the year ended 31 March 2019

## Foreword to the accounts

### Nottinghamshire Healthcare NHS Foundation Trust

These accounts, for the year ended 31 March 2019, have been prepared by Nottinghamshire Healthcare NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

**Signed** .....

**Name** **John Brewin**
**Job title** **Chief Executive**
**Date** **23 May 2019**

# Statement of Comprehensive Income for the year ending 31 March 2019

| | Note | 2018/19 £000 | 2017/18 £000 |
|---|---|---|---|
| Operating income from patient care activities | 3 | 413,093 | 402,185 |
| Other operating income | 4 | 54,386 | 53,794 |
| Operating expenses | 6 | (443,173) | (432,998) |
| **Operating surplus from continuing operations** | | **24,306** | **22,981** |
| Finance income | 11 | 319 | 121 |
| Finance expenses | 12 | (2,122) | (2,079) |
| PDC dividends payable | | (12,279) | (11,542) |
| **Net finance costs** | | **(14,082)** | **(13,500)** |
| Other gains | 13 | 117 | 303 |
| **Surplus for the year from continuing operations** | | **10,341** | **9,784** |
| **Surplus for the year** | | **10,341** | **9,784** |
| **Other comprehensive income** | | | |
| **Will not be reclassified to income and expenditure:** | | | |
| Impairments | 7 | 5,988 | 26,622 |
| **Total comprehensive income for the period** | | **16,329** | **36,406** |

# Statement of Financial Position as at 31 March 2019

| | Note | 31 March 2019 £000 | 31 March 2018 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 14 | 2,185 | 2,005 |
| Property, plant and equipment | 15 | 409,267 | 396,963 |
| **Total non-current assets** | | **411,452** | **398,968** |
| **Current assets** | | | |
| Inventories | 17 | 511 | 449 |
| Receivables | 18 | 30,061 | 22,482 |
| Non-current assets held for sale / assets in disposal groups | 19 | 475 | 1,245 |
| Cash and cash equivalents | 20 | 45,675 | 38,624 |
| **Total current assets** | | **76,722** | **62,800** |
| **Current liabilities** | | | |
| Trade and other payables | 21 | (41,647) | (30,995) |
| Borrowings | 23 | (860) | (794) |
| Provisions | 25 | (573) | (577) |
| Other liabilities | 22 | (328) | (244) |
| **Total current liabilities** | | **(43,408)** | **(32,610)** |
| **Total assets less current liabilities** | | **444,766** | **429,158** |
| **Non-current liabilities** | | | |
| Trade and other payables | 21 | (164) | (176) |
| Borrowings | 23 | (18,455) | (19,315) |
| Provisions | 25 | (5,123) | (5,324) |
| **Total non-current liabilities** | | **(23,742)** | **(24,815)** |
| **Total assets employed** | | **421,024** | **404,343** |
| **Financed by** | | | |
| Public Dividend Capital | | 240,914 | 240,562 |
| Revaluation Reserve | | 177,582 | 174,805 |
| Income and Expenditure Reserve | | 2,528 | (11,024) |
| **Total Taxpayers' Equity** | | **421,024** | **404,343** |

The notes on pages 250 to 287 form part of these accounts.

Name **John Brewin**
Position **Chief Executive**
Date **23 May 2019**

## Statement of Changes in Equity for the year ended 31 March 2019

| | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Total Taxpayers' Equity |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' equity at 1 April 2018 - brought forward** | **240,562** | **174,805** | **(11,024)** | **404,343** |
| Surplus for the year | - | - | 10,341 | **10,341** |
| Impairments | - | 5,988 | - | **5,988** |
| Transfer to Retained Earnings on disposal of assets | - | (3,211) | 3,211 | **-** |
| Public Dividend Capital received | 352 | - | - | **352** |
| **Taxpayers' equity at 31 March 2019** | **240,914** | **177,582** | **2,528** | **421,024** |

# Statement of Changes in Equity for the year ended 31 March 2018

| | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve | Total Taxpayers' Equity |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' equity at 1 April 2017 - brought forward** | **240,562** | **148,714** | **(21,339)** | **367,937** |
| Surplus for the year | - | - | 9,784 | **9,784** |
| Impairments | - | 26,622 | - | **26,622** |
| Transfer to Retained earnings on disposal of assets | - | (531) | 531 | **-** |
| **Taxpayers' equity at 31 March 2018** | **240,562** | **174,805** | **(11,024)** | **404,343** |

**Information on reserves**

**Public Dividend Capital**
Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. Nottinghamshire Healthcare NHS Trust was approved as a Foundation Trust effective from 1 March 2015. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by Nottinghamshire Healthcare NHS Foundation 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 credited to operating expenses. 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 Nottinghamshire Healthcare NHS Foundation Trust.

## Statement of Cash Flows for the year ended 31 March 2019

| | Note | 2018/19 £000 | 2017/18 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus | | 24,306 | 22,981 |
| **Non-cash income and expense:** | | | |
| Depreciation and amortisation | 6 | 8,032 | 10,134 |
| Net impairments | 7 | (60) | 2,564 |
| Increase in receivables and other assets | | (7,579) | (257) |
| (Increase) / decrease in inventories | | (62) | 28 |
| Increase / (decrease) in payables and other liabilities | | 11,437 | (4,140) |
| Decrease in provisions | | (211) | (148) |
| **Net cash generated from operating activities** | | **35,863** | **31,162** |
| **Cash flows from investing activities** | | | |
| Interest received | | 319 | 121 |
| Purchase of intangible assets | | (540) | (248) |
| Purchase of property, plant, equipment and investment property | | (14,928) | (17,967) |
| Sales of property, plant, equipment and investment property | | 1,361 | 1,748 |
| **Net cash used in investing activities** | | **(13,788)** | **(16,346)** |
| **Cash flows from financing activities** | | | |
| Public Dividend Capital received | | 352 | - |
| Capital element of finance lease rental payments | | (7) | (6) |
| Capital element of PFI, LIFT and other service concession payments | | (786) | (786) |
| Interest paid on finance lease liabilities | | (23) | (24) |
| Interest paid on PFI, LIFT and other service concession obligations | | (2,093) | (2,040) |
| PDC dividend paid | | (12,467) | (10,750) |
| **Net cash used in financing activities** | | **(15,024)** | **(13,606)** |
| **Increase in cash and cash equivalents** | | **7,051** | **1,210** |
| **Cash and cash equivalents at 1 April - brought forward** | | **38,624** | **37,414** |
| **Cash and cash equivalents at 31 March** | 20 | **45,675** | **38,624** |

## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

#### Note 1.1.1 Accounting convention

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

#### Note 1.2 Going concern

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

#### Note 1.3 Interests in other entities

The Trust is the corporate trustee to the Nottinghamshire Healthcare NHS Charitable Trust Fund (registration number 1111895), it effectively has the power to exercise control so as to obtain economic benefits.

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common controls with NHS Bodies are consolidated within the entities' returns, where those funds are determined to be material.

The Trust has reviewed its NHS charitable funds and concluded that they are not material and so are not consolidated within these accounts. Details of the transactions with the charity are included in the related parties' note 31.

The Charities draft accounts for 2018/19 show a net movement in funds for the year of £82,000 and total funds at 31 March 2019 of £1,195,000.

#### Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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 majority of performance obligations relate to NHS contracts for provision of healthcare services, where they do not they are generally satisfied upon delivery as services are rendered with payment terms of 30 days typically applying.

***Revenue from NHS contracts***

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

***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.

**Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

**Expenditure on employee benefits**

**Short-term employee benefits**

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

**Pension costs**

*NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

**Expenditure on other goods and services**

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

**Note 1.7 Property, plant and equipment**

**Note 1.7.1 Recognition**

Property, plant and equipment is capitalised where:
• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control. PC's and laptops attached to networks are considered interdependent, and where the remaining criteria for grouped assets apply, are capitalised. Also, assets which are capital in nature acquired as part of the initial setting-up of new buildings but which are valued individually at less than £5,000 but more than £250 may be capitalised as collective or grouped assets.

**Note 1.7.2 Measurement**

***Valuation***

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

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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. Fair values are determined as follows:

● Land and non-specialised buildings – market value for existing use.

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

In accordance with the latest RICS guidance, depreciated replacement cost valuations are based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.
Location factors published by BCIS combined with BCIS tender price indices are a significant element in the annual re-estimation of property values. In 2017/18 the Trust applied location factors based on a ten year average in order to normalise the impact of high levels of location factors variability exhibited over the previous few years, a departure from previous practice. This year the Trust has reverted to previous practice and has applied the published location factors for the date chosen by the Valuation Office Agency as the basis for the year end valuation.

Land, specialised and non-specialised buildings are valued on an annual basis as at 31 March by an independent professional valuer. In 2018/19 this was undertaken by the District Valuer (Valuation Office Agency).

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, as allowed by IAS 23 for assets held at fair value.

An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. A transfer from the Revaluation Reserve to Retained Earnings is made for the lower of the impairment charged and the balance in the Revaluation Reserve for the asset. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

***Subsequent expenditure***

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and day to day maintenance, is normally charged to the Statement of Comprehensive Income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits or service potential expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement. The impact of such capitalised expenditure on the Fair Value of assets is captured in the annual Revaluation exercise.

***Depreciation***

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 Trust, respectively.

***Revaluation gains and losses***

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

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

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

***Impairments***

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

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

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

**Note 1.7.3 De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable ie:
- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

recognised when scrapping or demolition occurs.

**Note 1.7.4**
**Donated and grant funded assets**

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

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

**Note 1.7.5**
**Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions**

PFI and LIFT 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 IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease 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.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

**Lifecycle replacement**
The element of the annual unitary payment allocated to lifecycle replacement is pre-determined 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. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

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

There are no assets contributed by the Trust to the operator for use other than in the scheme.
**Note 1.7.6**
**Useful lives of property, plant and equipment**

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

| | Min life Years | Max life Years |
|---|---|---|
| Land | - | - |
| Buildings, excluding dwellings | 4 | 90 |
| Dwellings | 18 | 30 |
| Plant & machinery | 5 | 15 |
| Transport equipment | 7 | 7 |
| Information technology | 5 | 5 |
| Furniture & fittings | 3 | 10 |

Buildings, installations and fittings are depreciated over the estimated remaining life of the asset as advised by the Valuer.

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

The maximum life of Buildings has increased since 2017/18 due to the introduction of accountancy based lives as disclosed in note 1.21.1.

**Note 1.8 Intangible assets**

**Note 1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

**Note 1.8.2 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 under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

***Amortisation***
Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

**Note 1.8.3 Useful economic life of intangible assets**

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

| | **Min life Years** | **Max life Years** |
|---|---|---|
| Software licences | 5 | 10 |

**Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

**Cash and cash equivalents**

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

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

**Carbon Reduction Commitment scheme (CRC)**
The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

**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, ie, 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 and liabilities are classified as subsequently measured at amortised cost.

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

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

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

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

***Impairment of financial assets***

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

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

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.

**Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

**The Trust as lessee**

***Finance leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

***Operating leases***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

***Leases of land and buildings***

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

**Provisions**

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

***Clinical negligence costs***
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 25.1 but is not recognised in the Trust's accounts.

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

**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.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) 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
(iii) 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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

**Value added tax**

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

**Corporation tax**

The Trust has determined that it has no corporation tax liability as it does not operate any commercial activities that are not part of core health care delivery.

**Foreign exchange**
The functional and presentational currency of the 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.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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.

**Third party assets**

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

**Losses and special payments**
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).
However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

**Critical judgements in applying accounting policies**

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

Location factors published by BCIS combined with BCIS tender price indices are a significant element in the annual re-estimation of property values. In 2017/18 the Trust applied location factors based on a ten year average in order to normalise the impact of high levels of location factors variability exhibited over the previous few years, a departure from previous practice. This year the Trust has reverted to previous practice and has applied the published location factors for the date chosen by the Valuation Office Agency as the basis for the year end valuation.

As stated in note 1.7.2 to the accounts, the Trusts specialised buildings are valued on a modern equivalent asset basis. In view of the specialty, super-regional and national nature of the services provided from a range of premises, the Trust has considered it appropriate to conduct its valuation based on an 'alternative site' basis. For 2018/19 the impact of this approach resulted in a valuation of circa £42,669,000 lower than it would have been if the valuation was based on an alternative site in the same locality as where the properties are currently situated.In particular in relation to the specialised properties on the Rampton Hospital site, the Trust has assumed that the location factors relating to Rotherham make this the appropriate place to adopt, for valuation purposes only, this has resulted in a £16,535,000 reduction in reported value when compared to what it would have been if continued in the previously assumed location of Ashfield. The impact on the SoCI (PDC dividends) during 2018/19 of this valuation approach is £747,000.

**Sources of estimation uncertainty**

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

● Provisions for permanent injury awards and early retirements have been calculated using the Government Actuary's Department interim life tables to estimate expected lives.
● The Trust has three PFI schemes which have been accounted for in line with the Department of Health guidance.

● The Trust has made an assessment of the amount payable in relation to employee holiday pay based on information contained within the Employee Service Record (ESR) Human Resources and payroll system.

● The Trust has used accountancy based asset lives for premises which has reduced the charge to depreciation by £3,572,000 when compared to what it would have been under the design lives approach used in previous years.

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

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

**Standards, amendments and interpretations in issue but not yet effective or adopted**
The Treasury FReM does not require the following Standards and Interpretations to be applied in 2018/19.

IFRS 16 Leases which is to be applied for accounting periods beginning on or after 1 January 2019. Early adoption is not permitted. Application of this standard is expected to have a potentially significant impact once adopted.

IFRS 17 Insurance contracts which is to be applied for accounting periods beginning on or after 1 January 2021. Early adoption is not permitted

IFRIC 23 Uncertainty over Income Tax treatments which is to be applied for accounting periods beginning on or after 1 January 2019. Early adoption is not permitted.

IFRS 17 and 23 are not expected to have a significant impact once adopted.

**Note 2 Operating Segments**

Nottinghamshire Healthcare NHS Foundation Trust has determined that in the context of IFRS 8, the Chief Operating Decision Maker (CODM) for the Trust is the Trust Board as the Board receives and reviews the Finance Board Report on a regular basis. The Finance Board Report contains information regarding expenditure divided across different service areas. However, it also contains the main accounting statements, none of which are divided nor reported at a lower level as these are considered on a Trust wide basis. The Trust considers it has one segment of healthcare for reporting purposes. Further detail is provided below:

| | **2018/19** | 2017/18 |
|---|---|---|
| | **£000** | £000 |
| Income | 467,479 | 455,979 |
| Retained Surplus | 10,341 | 9,784 |

| | **31 March 2019** | **31 March 2018** |
|---|---|---|
| | **£000** | **£000** |
| Net Current Assets | 33,314 | 30,190 |

The services provided by Nottinghamshire Healthcare NHS Foundation Trust are delivered by the Local Partnerships and Forensic Divisions and are supported by Trust Corporate Services.

The Local Partnerships Division is responsible for services provided in the community and acute settings and includes:

- Adult Mental Health Services
- Child and Adolescent Mental Health Services
- Mental Health Services for Older People
- Intellectual and Developmental Disabilities Service
- Substance Misuse Service
- Psychological Therapies Service
- Children's services - including health visiting, school nursing, specialist services, children's centres (Surestart).
- Adult services - including community nursing, intermediate care, therapy services, inpatient and outpatient services, specialist palliative care.
- Dental services

The Trust's Forensic Services break down into the following areas:

- High secure services (Rampton Hospital)
- Medium secure services (Wathwood Hospital and Arnold Lodge)
- Low secure in patient service
- Community forensic service
- Prison healthcare

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

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

| Note 3.1 Income from patient care activities (by nature) | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| **Mental health services** | | |
| Block contract income | 277,343 | 272,106 |
| Clinical partnerships providing mandatory services (including S75 agreements) | 21,132 | 20,449 |
| Clinical income for the secondary commissioning of mandatory services | 7,924 | 5,518 |
| Other clinical income from mandatory services | 2,325 | 4,731 |
| **Community services** | | |
| Community services income from CCGs and NHS England | 83,530 | 85,684 |
| Income from other sources (e.g. local authorities) | 15,112 | 13,697 |
| **All services** | | |
| Private patient income | 16 | - |
| Agenda for Change pay award central funding | 5,711 | - |
| **Total income from activities** | **413,093** | **402,185** |

The Agenda for Change funding is included within income from patient activities as it is directly related to an additional cost incurred in providing patient care services.

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

| Income from patient care activities received from: | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| NHS England | 172,915 | 167,482 |
| Clinical Commissioning Groups | 216,953 | 216,220 |
| Department of Health and Social Care | 5,711 | 53 |
| Other NHS providers | 118 | 149 |
| Local authorities | 15,333 | 16,920 |
| Non NHS: other | 2,063 | 1,361 |
| **Total income from activities** | **413,093** | **402,185** |
| **Of which:** | | |
| Related to continuing operations | 413,093 | 402,185 |
| Related to discontinued operations | - | - |

**Note 4 Other operating income**

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| **Other operating income from contracts with customers:** | | |
| Research and development (contract) | 8,315 | 7,669 |
| Education and training (excluding notional apprenticeship levy income) | 11,915 | 11,561 |
| Non-patient care services to other bodies | 19,695 | 21,585 |
| Provider sustainability / sustainability and transformation fund income (PSF / STF) | 6,647 | 5,326 |
| Income in respect of employee benefits accounted on a gross basis | 2,797 | 3,085 |
| Other contract income | 4,512 | 4,468 |
| **Other non-contract operating income** | | |
| Education and training - notional income from apprenticeship fund | 505 | 100 |
| **Total other operating income** | **54,386** | **53,794** |
| **Of which:** | | |
| Related to continuing operations | 54,386 | 53,794 |
| Related to discontinued operations | - | - |

**Note 5 Additional information on revenue from contracts with customers recognised in the period**

| | 2018/19 |
|---|---|
| | £000 |
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 244 |

**Note 5.1 Transaction price allocated to remaining performance obligations**

| | 31 March 2019 |
|---|---|
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: | £000 |
| within one year | 328 |
| after one year, not later than five years | - |
| after five years | - |
| **Total revenue allocated to remaining performance obligations** | **328** |

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

**Note 5.2 Income from activities arising from commissioner requested services**

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider 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:

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| Income from services designated as commissioner requested services | 144,141 | 140,687 |
| Income from services not designated as commissioner requested services | 268,952 | 261,498 |
| **Total** | **413,093** | **402,185** |

**Note 5.3 Profits and losses on disposal of property, plant and equipment**

The Trust sold the following properties during the course of the financial year.

| | Net Book Value | Proceeds (net of costs of sale) |
|---|---|---|
| | **£000** | **£000** |
| 1-12 Macmillan Close, Nottingham | 1,245 | 1,353 |
| | **1,245** | **1,353** |

None of the properties sold was being used for the provision of commissioner-requested services in the financial year.

**Note 6 Operating expenses**

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| Purchase of healthcare from NHS and DHSC bodies | 709 | 566 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 24,780 | 17,979 |
| Staff and executive directors costs | 334,812 | 328,242 |
| Remuneration of non-executive directors | 140 | 142 |
| Supplies and services - clinical (excluding drugs costs) | 5,669 | 6,049 |
| Supplies and services - general | 6,276 | 5,543 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 5,664 | 6,602 |
| Consultancy costs | 614 | 642 |
| Establishment | 8,300 | 8,252 |
| Premises | 20,567 | 19,903 |
| Transport (including patient travel) | 1,050 | 893 |
| Depreciation on property, plant and equipment | 7,672 | 9,789 |
| Amortisation on intangible assets | 360 | 345 |
| Net impairments | (60) | 2,564 |
| Movement in credit loss allowance: contract receivables / contract assets | 25 | - |
| Movement in credit loss allowance: all other receivables and investments | - | (154) |
| Change in provisions discount rate(s) | (104) | 251 |
| Audit fees payable to the external auditors | | |
| audit services- statutory audit | 85 | 75 |
| other auditors' remuneration (external auditors only) | 12 | 12 |
| Internal audit costs | 149 | 135 |
| Clinical negligence | 616 | 474 |
| Legal fees | 623 | 1,061 |
| Insurance | 484 | 436 |
| Research and development | 2,599 | 2,793 |
| Education and training | 3,822 | 3,761 |
| Rentals under operating leases | 10,068 | 9,881 |
| Early retirements | 55 | 5 |
| Redundancy | 508 | 619 |
| Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) | 4,538 | 3,521 |
| Hospitality | 29 | 55 |
| Other | 3,111 | 2,562 |
| **Total** | **443,173** | **432,998** |
| **Of which:** | | |
| Related to continuing operations | 443,173 | 432,998 |
| Related to discontinued operations | - | - |

**Note 6.1 Other auditors' remuneration**

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| **Other auditors' remuneration paid to the external auditors':** | | |
| Audit-related assurance services | 12 | 12 |
| **Total** | **12** | **12** |

**Note 6.2 Limitation on auditors' liability**

The limitation on auditors' liability for external audit work is £1m (2017/18: £1m).

**Note 7 Impairments**

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| **Net impairments charged to operating surplus resulting from:** | | |
| Changes in market price | (60) | 2,564 |
| **Total net impairments charged to operating surplus** | **(60)** | **2,564** |
| Impairments charged to the Revaluation Reserve | (5,988) | (26,622) |
| **Total net impairments** | **(6,048)** | **(24,058)** |

The revaluation exercise has resulted in a reversal of impairments charged to the Statement of Comprehensive Income (SOCI) in previous years for buildings of £3,411,000. There has been an increase in SOCI impairments arising from the revaluation exercise relating to buildings of £3,351,000. The net reversal of impairment arising from market changes in relation to premises and chargeable to SOCI is £60,000.

There have been no other transactions giving rise to impairments and reversals charged to the SOCI during the course of the year.

**Note 8 Employee benefits**

| | 2018/19 | 2017/18 |
|---|---|---|
| | Total | Total |
| | £000 | £000 |
| Salaries and wages | 268,011 | 262,688 |
| Social security costs | 25,119 | 24,742 |
| Apprenticeship levy | 1,286 | 1,263 |
| Employer's contributions to NHS pensions | 32,169 | 31,947 |
| Pension cost - other | 59 | 25 |
| Termination benefits | 660 | 853 |
| Temporary staff (including agency) | 8,432 | 7,702 |
| **Total gross staff costs** | **335,736** | **329,220** |
| Recoveries in respect of seconded staff | **-** | - |
| **Total staff costs** | **335,736** | **329,220** |
| **Of which** | | |
| Costs capitalised as part of assets | 361 | 354 |

**Note 8.1 Retirements due to ill-health**

During 2018/19 there were 14 early retirements from the Trust agreed on the grounds of ill-health (11 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £649k (£670k in 2017/18).

The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

**Note 9 Pension costs**

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

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

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Those employees who are not eligible for the NHS Pensions scheme who wish to make pension contributions are covered by the National Employment Savings Trust (NEST) pensions scheme which is a non defined benefit scheme.

## Note 10 Operating leases

### Note 10.1 Nottinghamshire Healthcare NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Nottinghamshire Healthcare NHS Foundation Trust is the lessee.

| | 2018/19 £000 | 2017/18 £000 |
|---|---|---|
| **Operating lease expense** | | |
| Minimum lease payments | 10,068 | 9,881 |
| **Total** | **10,068** | **9,881** |

| | 31 March 2019 £000 | 31 March 2018 £000 |
|---|---|---|
| **Future minimum lease payments due:** | | |
| - not later than one year; | 9,317 | 9,833 |
| - later than one year and not later than five years; | 13,880 | 13,040 |
| - later than five years. | 269 | 318 |
| **Total** | **23,466** | **23,191** |

## Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

| | 2018/19 £000 | 2017/18 £000 |
|---|---|---|
| Interest on bank accounts | 319 | 121 |
| **Total finance income** | **319** | **121** |

## Note 12 Finance expenses

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

| | 2018/19 £000 | 2017/18 £000 |
|---|---|---|
| **Interest expense:** | | |
| Finance leases | 24 | 24 |
| Interest on late payment of commercial debt | - | - |
| Main finance costs on PFI and LIFT schemes obligations | 1,251 | 1,295 |
| Contingent finance costs on PFI and LIFT scheme obligations | 841 | 746 |
| **Total interest expense** | **2,116** | **2,065** |
| Unwinding of discount on provisions | 6 | 14 |
| **Total finance costs** | **2,122** | **2,079** |

## Note 13 Other gains

| | 2018/19 £000 | 2017/18 £000 |
|---|---|---|
| Gains on disposal of assets | 117 | 303 |
| **Total gains on disposal of assets** | **117** | **303** |

**Note 14 Intangible assets - 2018/19**

| | Software licences |
|---|---|
| | £000 |
| **Valuation / gross cost at 1 April 2018 - brought forward** | **4,299** |
| Additions | 540 |
| **Valuation / gross cost at 31 March 2019** | **4,839** |
| | |
| **Amortisation at 1 April 2018 - brought forward** | **2,294** |
| Provided during the year | 360 |
| **Amortisation at 31 March 2019** | **2,654** |
| | |
| **Net book value at 31 March 2019** | **2,185** |
| **Net book value at 1 April 2018** | **2,005** |

**Note 14.1 Intangible assets - 31 March 2018**

| | Software licences |
|---|---|
| | £000 |
| **Valuation / gross cost at 1 April 2017 - brought forward** | **4,051** |
| Additions | 248 |
| **Valuation / gross cost at 31 March 2018** | **4,299** |
| | |
| **Amortisation at 1 April 2017 - brought forward** | **1,949** |
| Provided during the year | 345 |
| **Amortisation at 31 March 2018** | **2,294** |
| | |
| **Net book value at 31 March 2018** | **2,005** |
| **Net book value at 1 April 2017** | **2,102** |

**Note 15 Property, plant and equipment**

| | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation/gross cost at 1 April 2018 - brought forward** | **34,991** | **337,949** | **2,315** | **23,889** | **2,903** | **1,679** | **10,377** | **350** | **414,453** |
| Additions | - | - | - | 10,743 | 862 | 267 | 2,531 | - | **14,403** |
| Impairments | - | (12,625) | - | - | - | - | - | - | **(12,625)** |
| Reversals of impairments | 30 | 18,484 | 99 | - | - | - | - | - | **18,613** |
| Reclassifications | - | 24,852 | - | (24,852) | - | - | - | - | **-** |
| Transfers to / from assets held for sale | (275) | (200) | - | - | - | - | - | - | **(475)** |
| Disposals / derecognition | - | - | - | - | (75) | (73) | - | - | **(148)** |
| **Valuation/gross cost at 31 March 2019** | **34,746** | **368,460** | **2,414** | **9,780** | **3,690** | **1,873** | **12,908** | **350** | **434,221** |
| **Accumulated depreciation at 1 April 2018 - brought forward** | **-** | **-** | **-** | **7,563** | **1,730** | **1,214** | **6,645** | **338** | **17,490** |
| Provided during the year | - | 6,069 | 99 | - | 237 | 121 | 1,142 | 4 | **7,672** |
| Impairments | - | 3,351 | - | - | - | - | - | - | **3,351** |
| Reversals of impairments | - | (3,411) | - | - | - | - | - | - | **(3,411)** |
| Disposals / derecognition | - | - | - | - | (75) | (73) | - | - | **(148)** |
| **Accumulated depreciation at 31 March 2019** | **-** | **6,009** | **99** | **7,563** | **1,892** | **1,262** | **7,787** | **342** | **24,954** |
| **Net book value at 31 March 2019** | **34,746** | **362,451** | **2,315** | **2,217** | **1,798** | **611** | **5,121** | **8** | **409,267** |
| **Net book value at 1 April 2018** | **34,991** | **337,949** | **2,315** | **16,326** | **1,173** | **465** | **3,732** | **12** | **396,963** |

**Note 15.1 Property, plant and equipment - 31 March 2018**

| | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2017 -brought forward** | **35,403** | **314,786** | **2,315** | **10,834** | **2,366** | **1,749** | **7,577** | **350** | **400,727** |
| Additions | - | - | - | 15,617 | 548 | 158 | 2,800 | - | 19,123 |
| Impairments | (63) | (471) | - | - | - | - | - | - | (534) |
| Reversals of impairments | 605 | 26,454 | 97 | - | - | - | - | - | 27,156 |
| Reclassifications | 76 | 2,486 | - | (2,562) | - | - | - | - | - |
| Transfers to / from assets held for sale | (525) | (720) | - | - | - | - | - | - | (1,245) |
| Disposals / derecognition | (505) | (970) | - | - | (11) | (228) | - | - | (1,714) |
| **Valuation/gross cost at 31 March 2018** | 34,991 | 341,565 | 2,412 | 23,889 | 2,903 | 1,679 | 10,377 | 350 | 443,513 |
| | | | | | | | | | |
| **Accumulated depreciation at 1 April 2017 - brought forward** | - | - | - | - | 1,585 | 1,337 | 5,863 | 333 | 34,465 |
| Provided during the year | - | 8,646 | 97 | - | 156 | 103 | 782 | 5 | 9,789 |
| Impairments | - | 1,199 | - | 7,563 | - | - | - | - | 8,762 |
| Reversals of impairments | - | (6,198) | - | - | - | - | - | - | (6,198) |
| Disposals / derecognition | - | (31) | - | - | (11) | (226) | - | - | (268) |
| **Accumulated depreciation at 31 March 2018** | - | 3,616 | 97 | 7,563 | 1,730 | 1,214 | 6,645 | 338 | 46,550 |
| | | | | | | | | | |
| **Net book value at 31 March 2018** | **34,991** | **337,949** | **2,315** | **16,326** | **1,173** | **465** | **3,732** | **12** | **396,963** |
| **Net book value at 1 April 2017** | **35,403** | **314,786** | **2,315** | **10,834** | **781** | **412** | **1,714** | **17** | **366,262** |

**Note 15.2 Property, plant and equipment financing - 31 March 2019**

| | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Net book value at 31 March 2019** | | | | | | | | | |
| Owned - purchased | 34,746 | 333,463 | 2,315 | 2,217 | 1,798 | 611 | 5,121 | 8 | **380,279** |
| Finance leased | - | 130 | - | - | - | - | - | - | **130** |
| On-SoFP PFI contracts and other service concession arrangements | - | 28,858 | - | - | - | - | - | - | **28,858** |
| **NBV total at 31 March 2019** | **34,746** | **362,451** | **2,315** | **2,217** | **1,798** | **611** | **5,121** | **8** | **409,267** |

**Note 15.3 Property, plant and equipment financing - 31 March 2018**

| | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Net book value at 31 March 2018** | | | | | | | | | |
| Owned - purchased | 34,991 | 310,617 | 2,315 | 16,326 | 1,173 | 465 | 3,732 | 12 | **369,631** |
| Finance leased | - | 130 | - | - | - | - | - | - | **130** |
| On-SoFP PFI contracts and other service concession arrangements | - | 27,202 | - | - | - | - | - | - | **27,202** |
| **NBV total at 31 March 2018** | **34,991** | **337,949** | **2,315** | **16,326** | **1,173** | **465** | **3,732** | **12** | **396,963** |

**Note 16 Revaluations of property, plant and equipment**

The Trusts land and building property including dwellings (but excluding Assets under Construction) is held at revalued amounts for the 31st March 2019 as assessed by the District Valuer, who is independent to the Trust.

Land and non-specialised buildings are assessed at market value for existing use at an overall value of £44,990,000.

Specialised buildings are valued at depreciated replacement cost on a modern equivalent asset basis, alternative sites being used where appropriate. The overall assessed value of specialised properties is £352,932,000.

**Note 17 Inventories**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| Drugs | 311 | 284 |
| Energy | 200 | 165 |
| **Total inventories** | **511** | **449** |

Inventories recognised in expenses for the year were £3,169k (2017/18: £3,542k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

**Note 18 Receivables**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Current** | | |
| Contract receivables* | 25,070 | - |
| Trade receivables* | - | 6,594 |
| Accrued income* | - | 8,284 |
| Allowance for impaired contract receivables / assets* | (196) | - |
| Allowance for other impaired receivables | - | (218) |
| Prepayments (non-PFI) | 3,033 | 4,198 |
| VAT receivable | 657 | 580 |
| Other receivables | 1,497 | 3,044 |
| **Total current trade and other receivables** | **30,061** | **22,482** |
| **Of which receivables from NHS and DHSC group bodies:** | | |
| Current | 20,366 | 14,178 |

*Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

**Note 18.1 Allowances for credit losses - 31 March 2019**

| | Contract receivables and contract assets | All other receivables |
|---|---|---|
| | £000 | £000 |
| **Allowances as at 1 Apr 2018 - brought forward** | **-** | **218** |
| Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018 | 218 | (218) |
| New allowances arising | 25 | - |
| Utilisation of allowances (write offs) | (47) | - |
| **Allowances as at 31 Mar 2019** | **196** | **-** |

**Note 18.2 Allowances for credit losses - 31 March 2018**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

| | All receivables |
|---|---|
| | £000 |
| **Allowances as at 1 Apr 2017 - brought forward** | **433** |
| **At start of period for new FTs** | |
| Amounts utilised | (61) |
| Unused amounts reversed | (154) |
| **Allowances as at 31 Mar 2018** | **218** |

**Note 18.3 Exposure to credit risk**

The majority of the Trust's trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As Clinical Commissioning Groups and NHS England are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

| | Current | 1-30 days overdue | 31 - 60 days overdue | 61 - 90 days overdue | 91+ days overdue |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Ageing of impaired financial assets | 1,222 | 1,609 | 116 | 78 | 211 |
| Ageing of non impaired financial assets | 7,684 | 1,681 | 1,249 | 1,102 | 1,405 |

**Note 19 Non-current assets held for sale and assets in disposal groups**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **NBV of non-current assets for sale and assets in disposal groups at 1 April - brought forward** | **1,245** | **-** |
| Assets classified as available for sale in the year | 475 | 1,245 |
| Assets sold in year | (1,245) | - |
| **NBV of non-current assets for sale and assets in disposal groups at 31 March** | **475** | **1,245** |

The Trust sold 1-12 Macmillan Close early in 2018/19, and anticipates the sales of the Newlands, an empty property in Newark, and the redundant Abbott Road Day Centre in Mansfield during 2019/20. Negotiations with the respective buyers are at an advanced stage and there is high confidence that sales will be achieved early in the new financial year.

**Note 20 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **At 1 April** | **38,624** | **37,414** |
| Net change in year | 7,051 | 1,210 |
| **At 31 March** | **45,675** | **38,624** |
| **Broken down into:** | | |
| Cash at commercial banks and in hand | 70 | 66 |
| Cash with the Government Banking Service | 45,605 | 38,558 |
| **Total cash and cash equivalents as in SoFP** | **45,675** | **38,624** |
| **Total cash and cash equivalents as in SoCF** | **45,675** | **38,624** |

**Note 20.1 Third party assets held by the Trust**

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| Bank balances | 1,910 | 1,865 |
| **Total third party assets** | **1,910** | **1,865** |

**Note 21 Trade and other payables**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Current** | | |
| Trade payables | 6,228 | 2,451 |
| Capital payables | 2,965 | 3,490 |
| Accruals | 21,340 | 20,269 |
| Social security costs | 3,653 | - |
| Other taxes payable | 2,687 | - |
| PDC dividend payable | 204 | 392 |
| Other payables | 4,570 | 4,393 |
| **Total current trade and other payables** | **41,647** | **30,995** |
| | | |
| **Non-current** | | |
| Other payables | 164 | 176 |
| **Total non-current trade and other payables** | **164** | **176** |
| | | |
| **Of which payables from NHS and DHSC group bodies:** | | |
| Current | 5,031 | 5,062 |

**Note 22 Other liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Current** | | |
| Deferred income: contract liabilities | 328 | 244 |
| **Total other current liabilities** | **328** | **244** |

**Note 23 Borrowings**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Current** | | |
| Obligations under finance leases | 7 | 7 |
| Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle) | 853 | 787 |
| **Total current borrowings** | **860** | **794** |
| **Non-current** | | |
| Obligations under finance leases | 162 | 169 |
| Obligations under PFI, LIFT or other service concession contracts | 18,293 | 19,146 |
| **Total non-current borrowings** | **18,455** | **19,315** |

**Note 23.1 Reconciliation of liabilities arising from financing activities**

| | Finance leases | PFI and LIFT schemes | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Carrying value at 1 April 2018** | **176** | **19,933** | **20,109** |
| **Cash movements:** | | | |
| Financing cash flows - payments and receipts of principal | (7) | (786) | **(793)** |
| Financing cash flows - payments of interest | (23) | (1,252) | **(1,275)** |
| Application of effective interest rate | 23 | 1,251 | **1,274** |
| **Carrying value at 31 March 2019** | **169** | **19,146** | **19,315** |

**Note 24 Nottinghamshire Healthcare NHS Foundation Trust as a lessee**

Obligations under finance leases where Nottinghamshire Healthcare NHS Foundation Trust is the lessee.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Gross lease liabilities** | **315** | **345** |
| of which liabilities are due: | | |
| - not later than one year; | 30 | 30 |
| - later than one year and not later than five years; | 120 | 120 |
| - later than five years. | 165 | 195 |
| Finance charges allocated to future periods | (146) | (169) |
| **Net lease liabilities** | **169** | **176** |
| of which payable: | | |
| - not later than one year; | 7 | 7 |
| - later than one year and not later than five years; | 44 | 38 |
| - later than five years. | 118 | 131 |

**Note 25 Provisions**

| | Pensions: early departure costs | Pensions: injury benefits | Legal claims | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **At 1 April 2018** | **1,387** | **4,265** | **249** | **5,901** |
| Change in the discount rate | (12) | (92) | - | **(104)** |
| Arising during the year | 106 | 153 | 200 | **459** |
| Utilised during the year | (137) | (198) | (141) | **(476)** |
| Reversed unused | (18) | - | (72) | **(90)** |
| Unwinding of discount | 2 | 4 | - | **6** |
| **At 31 March 2019** | **1,328** | **4,132** | **236** | **5,696** |
| **Expected timing of cash flows:** | | | | |
| - not later than one year; | 137 | 200 | 236 | **573** |
| - later than one year and not later than five years; | 665 | 794 | - | **1,459** |
| - later than five years. | 526 | 3,138 | - | **3,664** |
| **Total** | **1,328** | **4,132** | **236** | **5,696** |

Due to the inherent nature of provisions, the timing and value of cash flows are uncertain.

**Note 25.1 Clinical negligence liabilities**

At 31 March 2019, £4,733k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Nottinghamshire Healthcare NHS Foundation Trust (31 March 2018: £6,751k).

**Note 26 Contractual capital commitments**

Commitments under capital expenditure contracts at 31 March 2019 were £nil (31 March 2018 £nil)

The Trust has assets under construction at 31 March 2019 of £2.2m (31 March 2018: £16.3m), however this is spread across a large number of schemes, none of which include a legally binding contractual obligation at the Statement of Financial Position date.

## Note 27 On-SoFP PFI, LIFT or other service concession arrangements

### Note 27.1 Imputed finance lease obligations

Nottinghamshire Healthcare NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Gross PFI, LIFT or other service concession liabilities** | **32,766** | **34,812** |
| **Of which liabilities are due** | | |
| - not later than one year; | 2,062 | 2,038 |
| - later than one year and not later than five years; | 8,022 | 8,093 |
| - later than five years. | 22,682 | 24,681 |
| Finance charges allocated to future periods | (13,620) | (14,879) |
| **Net PFI, LIFT or other service concession arrangement obligation** | **19,146** | **19,933** |
| - not later than one year; | 853 | 787 |
| - later than one year and not later than five years; | 3,665 | 3,542 |
| - later than five years. | 14,628 | 15,604 |

### Note 27.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| **Total future payments committed in respect of the PFI, LIFT or other service concession arrangements** | **137,056** | **138,366** |
| **Of which liabilities are due:** | | |
| - not later than one year; | 7,633 | 7,311 |
| - later than one year and not later than five years; | 30,532 | 29,244 |
| - later than five years. | 98,891 | 101,811 |

### Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

| | 2018/19 | 2017/18 |
|---|---|---|
| | £000 | £000 |
| **Unitary payment payable to service concession operator** | **7,485** | **6,358** |
| **Consisting of:** | | |
| - Interest charge | 1,251 | 1,295 |
| - Repayment of finance lease liability | 780 | 785 |
| - Service element and other charges to operating expenditure | 4,538 | 3,521 |
| - Capital lifecycle maintenance | 75 | 11 |
| - Contingent rent | 841 | 746 |
| **Total amount paid to service concession operator** | **7,485** | **6,358** |

**Note 27.4 Off-SoFP PFI, LIFT and other service concession arrangements - details**

**Newark PFI**

The Newark PFI scheme involves an arrangement for the design, build, finance and operation (non-clinical services), through a private sector operator, of a facility for 25 years, providing a mental health and learning disability resource centre and mental health day care centre and was developed on Trust-owned land.

At the expiration of the arrangement, the underlying asset will remain with the private sector operator and the Trust will have the following three options.

1) Enter into a new project agreement with the operator for a further 25 years;
2) Take an under lease for a term of 25 years;
3) Take vacant possession on payment of the 'Break Sum' (presumed to be 'market value').

The infrastructure asset associated with the scheme will, under IFRS, fall to be recognised on the Statement of Financial Position, based on the application of IFRIC 12 (*Service concession arrangements*), which requires the Trust to:

a. control or regulate what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and to

b. control – through beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

It is considered that the requirements of above are complied with. In particular, the availability of the options, listed 3 above, indicate potential control of a significant residual interest in the infrastructure asset at the end of the term of the arrangement. IFRIC 12 therefore applies and this scheme should be recognised on the Statement of Financial Position.

**Highbury PFI**

The payment mechanism for the contract allows for charging for services from inception, with incremental charges for new or altered buildings as they become available at each phase completion. The Unitary Charge is calculated to ensure that the Trust owns the PFI facilities at no further cost at the end of the contract.

The facilities provided under the scheme include those for in-patient and day patient activities, as well as ancillary facilities including canteen, kitchen and laundry. In addition, certain Soft and Hard facilities management services are provided to a number of other Trust properties on the site.

The project commenced in December 2004 and comprises 3 phases. Services commenced at the inception of the contract in December 2004, and at the opening Statement of Financial Position date (1 April 2009), phases 1 and 2 were complete and in use.

Certain Trust-owned buildings (to be demolished) were transferred to the private sector operator at no cost. Certain other Trust-owned buildings (“alteration buildings”) were transferred for development by the private sector operator.

Non-property non-current assets, such as IT equipment and software and telecommunications equipment have been and will be acquired separately and are not part of the scheme.

As part of the arrangement, the Trust has entered into certain guarantees with the Royal Bank of Scotland concerning the private sector operator’s financial performance. These guarantees are underwritten by The Secretary of State for Health by a Deed of Safeguard, dated 6 December 2004. No financial guarantee is recognised at the opening Statement of Financial Position date.

The scheme’s cash flows change in line with the UK Retail Prices Index (RPI). The embedded derivative is considered to be closely related to the host contract and is therefore not separately accounted for.

Benchmarking, market testing, and variable charging arrangements are in line with Standard Form applicable at commencement. Benchmarking opportunities are scheduled at year 2, 5 and each 5$^{th}$ year subsequently.

Changes to Trust accommodation requirements in the final phase are completed and were handed over to the Trust in April 2011. The leased element was handed over in August 2010, and capitalised at £5,925,000, with the subsequent part funded by capital injection. Incremental construction costs arising from the Trust requirement changes were funded through capital injection, and the contract will still complete at the original planned completion date of 31st January 2039.

### Rampton Boiler Replacement and Effluent Treatment Plant scheme

The Rampton Boiler Replacement and Effluent Treatment Plant scheme is a Public Private Partnership venture facilitated by the Carbon Energy Fund through their framework arrangements. It involves the development by a Private Sector Partner (PSP) using private finance it has secured and on land licenced to it by the Trust for the purpose, of installations comprising Energy Facilities including a Combined Heat and Power Unit (CHP), a Biomass Boiler, two dual fuel boilers, and a new Effluent Treatment Plant (ETP), followed by provision of services therefrom by the PSP for a 15 year operational term to commence on the later of the Actual Completion Date in relation to the Energy Facilities Works and the Actual Completion Date in relation to the ETP Works.

The PSP will provide Energy Services utilising the Energy Facilities provided, managed and procured by it. The PSP will be responsible for the provision of electricity and heat to the Hospital and the operation, maintenance and replacement of the Energy Facilities in accordance with the terms of the Project Agreement for the 15 years of the operational term.

PSP staff will operate and manage the energy plant to output specifications agreed by and solely for the benefit of the Trust incentivised by a payment mechanism based on a guaranteed savings model that punishes poor savings performance and shares the rewards of savings performance greater than the contract specification. This is stiffened by a Service Failure and Availability Deductions mechanism.

The PSP will provide Effluent Treatment Services under the terms of the agreement being a comprehensive service for the processing and treatment of effluent leaving the hospital utilising the ETP provided, managed and procured by it. The PSP will be responsible for the monitoring, management, operation, maintenance and replacement of the ETP facilities for the 15 years of the operational term.

Under the terms of the Project Agreement no payment would be made to the company for the facilities until the facilities were complete and handed over (Actual Completion) in accordance with the project agreement. Payment for the facilities and services will be made to the PSP by the Trust through a Unitary Payment which will comprise an element each for property (lease rental) and service charge. The first Unitary Payment covering the first quarters composite charge fell due at commencement of the operational term, and Unitary payments will continue to be paid quarterly in advance for remainder of the 15 year operational term.

The facilities and associated finance costs will have been paid for in their entirety through the Unitary Payment at expiry of the agreement, at which point the company will cease to have in interest in facilities and plant and ownership will lie with the Trust.

The capital cost of purchase and installation of the facilities agreed at commencement of the Project Agreement is £5,049,000 and the annual unitary charge £841,000, both figures exclusive of VAT.

The Trust entered into the Project Agreement with the PSP on the 13th December 2013, and works to prepare the site for the new developments commenced shortly thereafter. All construction works and delivery of plant on site took place in 2014/15, with Practical Completion and handover of both the Energy Facilities works and ETP works, and Actual Completion under the terms of the contract and commencement of the operational term being achieved on the 4th February 2015. The first quarters Unitary Payment fell due at that point, being a quarter of the annual Unitary Payment as agreed at commencement of the project agreement adjusted for contractually agreed inflation, equating to £863,505 pa exclusive of VAT.

## Note 28 Financial instruments

### Note 28.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Nottinghamshire Healthcare NHS Foundation Trust (the Trust) has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the 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 Trust has some powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

#### Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### Interest rate risk

The Trust borrows from government for capital expenditure. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

#### Credit risk

Because the majority of the Trust's income comes from contracts with other NHS and non-NHS public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

#### Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from its own self-generated funds. The Trust is not, therefore, exposed to significant liquidity risks.

**Note 28.2 Carrying values of financial assets**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

| | Held at amortised cost |
|---|---|
| | £000 |
| **Carrying values of financial assets as at 31 March 2019 under IFRS 9** | |
| Trade and other receivables excluding non financial assets | 26,370 |
| Cash and cash equivalents at bank and in hand | 45,675 |
| **Total at 31 March 2019** | **72,045** |

| | Loans and receivables |
|---|---|
| | £000 |
| **Carrying values of financial assets as at 31 March 2018 under IAS 39** | |
| Trade and other receivables excluding non financial assets | 17,704 |
| Cash and cash equivalents at bank and in hand | 38,624 |
| **Total at 31 March 2018** | **56,328** |

**Note 28.3 Carrying value of financial liabilities**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

| | Held at amortised cost |
|---|---|
| | £000 |
| **Carrying values of financial liabilities as at 31 March 2019 under IFRS 9** | |
| Obligations under finance leases | 169 |
| Obligations under PFI, LIFT and other service concession contracts | 19,146 |
| Trade and other payables excluding non financial liabilities | 30,533 |
| **Total at 31 March 2019** | **49,848** |

| | Other financial liabilities |
|---|---|
| | £000 |
| **Carrying values of financial liabilities as at 31 March 2018 under IAS 39** | |
| Obligations under finance leases | 176 |
| Obligations under PFI, LIFT and other service concession contracts | 19,933 |

| | |
|---|---|
| Trade and other payables excluding non financial liabilities | 26,210 |
| **Total at 31 March 2018** | **46,319** |

**Note 28.4 Fair values of financial assets and liabilities**

In all cases, the carrying values of financial assets and liabilities represent a reasonable approximation of their fair value.

**Note 28.5 Maturity of financial liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | £000 | £000 |
| In one year or less | 31,393 | 27,004 |
| In more than one year but not more than two years | 860 | 895 |
| In more than two years but not more than five years | 2,849 | 2,685 |
| In more than five years | 14,746 | 15,735 |
| **Total** | **49,848** | **46,319** |

**Note 29 Losses and special payments**

| | 2018/19 | | 2017/18 | |
|---|---|---|---|---|
| | Total number of cases | Total value of cases | Total number of cases | Total value of cases |
| | Number | £000 | Number | £000 |
| **Losses** | | | | |
| Cash losses | 7 | 2 | 7 | 12 |
| Fruitless payments | 1 | 3 | - | - |
| Bad debts and claims abandoned | 39 | 52 | 40 | 27 |
| Stores losses and damage to property | 1 | - | - | - |
| **Total losses** | **48** | **57** | **47** | **39** |
| **Special payments** | | | | |
| Ex-gratia payments | 99 | 146 | 83 | 103 |
| **Total special payments** | **99** | **146** | **83** | **103** |
| **Total losses and special payments** | **147** | **203** | **130** | **142** |

**Note 30 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018. As the implementation of IFRS 9 is immaterial, no adjustment to reserves on 1 April 2018 is required.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings and trade payables remained unchanged.

Reassessment of allowances for credit losses under the expected loss model resulted in an immaterial decrease in the carrying value of receivables which was therefore taken to the Statement of Comprehensive Income in year.

**Note 30.1 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

The standard has had no impact for the Trust.

**Note 31 Related parties**

The Trust is part of the National Health Service within the UK government; its parent department is the Department of Health and Social Care. The main entities within the public sector with whom the Trust has dealings are:

NHS England
Nottingham City CCG
Mansfield & Ashfield CCG
Newark & Sherwood CCG
Bassetlaw CCG
Nottingham North & East CCG
Rushcliffe CCG
Nottingham West CCG
Health Education England
Department of Health & Social Care
Nottingham University Hospitals NHS Trust
Leicester City CCG
West Leicestershire CCG
East Leicestershire & Rutland CCG
Sherwood Forest Hospitals NHS Foundation Trust
Sheffield Health and Social Care NHS Foundation Trust
St Helens and Knowsley Hospital Services NHS Trust
North East London NHS Foundation Trust
Hardwick CCG
Southern Derbyshire CCG
University Hospitals of Leicester NHS Trust
Erewash CCG
NHS Property Services Ltd
University Hospitals of Derby and Burton NHS Foundation Trust
Derbyshire Healthcare NHS Foundation Trust
Doncaster CCG
Leicestershire Partnership NHS Trust
Community Health Partnerships
Doncaster and Bassetlaw NHS Foundation Trust
NHS Resolution
Care Quality Commission
Lincolnshire East CCG
Derbyshire Community Health Services NHS Foundation Trust
Lincolnshire Partnership NHS Foundation Trust
NHS Business Services Authority

The Trust has also received revenue and capital payments from Nottinghamshire Healthcare Charitable Trust Funds, the trustee of which is the Trust. This amounted to £50,000 (2017/18: £77,000) towards staff and patient welfare and amenities. An administration charge of £12,000 (2017/18: £12,000) was made by the Trust to Nottinghamshire Healthcare Charitable Trust Fund.

Additional information on compensation and expenses paid to senior management can be found in the staff and remuneration section of the Trust's annual report.

During the year none of the Department of Health and Social Care ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Trust.

The Trust's Executive Director of Finance is also Chair of the East Midlands branch of the Healthcare Financial Management Association (HFMA),which provides training courses, guidance and publications to its members. Purchases from the HFMA during 2018/19 amounted to £7,000 (2017/18: £26,000).

The Trust's Chair is a governor of Portland College to which the Trust provides Speech and Language services for which it received income of £208,000 (2017/18: £188,000) during the year.

The Trust's Medical director is also a Board member of the NHS Confederation Mental Health Network. The Trust received no income (2017/18: £57,000) during the year from NHS Confederation.

One of the Trust's Non-Executive Directors (NEDs) is also a NED at Derbyshire Health United Limited. The Trust spent £108,000 (2017/18: £104,000) during the year with Derbyshire Health United Limited.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. These material transactions have been with the University of Nottingham, Nottinghamshire County Council, Nottingham City Council and Leicester City Council. A number of directors of the Trust have held positions with various universities during the year, but transactions with these universities have been on an 'arms length' basis during the normal course of business.

**Note 32 Prior period adjustments**

There have been no prior period adjustments.

**Note 33 Events after the reporting date**

There have been no events after the reporting date having a material impact on the financial statements.