OUR GREAT PLACE
Our People Our Passion Our Pride

NHS
Coventry and Warwickshire Partnership
NHS Trust

Annual Report
2017 to 2018

Read about our year
Meet our Trust Board
and Council of Governors

OUR GREAT PLACE

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Front Cover images

(L-R) Abbie Khan, (Mental Health Services), Sally Smith, Dr Kumari (Sexual Health Services) and Tracy Beechey, (Mental Health services).

Chair's Foreword

A very warm welcome to our Annual Report **2017/18**

A warm welcome to our Annual Report 2017/18.

The Annual Report is an important document, as it sets out the key elements about our organisation and its identity, as well as what we have achieved during the year.

Our staff work tremendously hard to provide good quality care for people across Coventry, Warwickshire and Solihull, and at all times we strive to be compassionate and transparent in all we do.

We aim to make our organisation a great place for care, a great place to care and a great place to work, and I am proud of the work our Trust Board has done this year to refresh the strategy for our organisation.

I believe the Our Great Place strategy sets out a vibrant future for our Trust as a key player in the Coventry and Warwickshire health system.

We have had a stable board this year, which has enabled us to develop as a leadership team, allowing us to focus on our own improvement journey. We remain fortunate to have an excellent team who are truly seeking to influence and improve what we do.

I would especially like to thank all the staff for their work in the year just gone. Thanks for all your contributions to make Coventry and Warwickshire Partnership NHS Trust a great place for care, to care and to work.

Jagtar Singh OBE
Chair

Our Annual Report

Our Annual Report is a statutory document intended to present an outline of the overall performance of the Trust during the 2017/18 financial year that has just ended, in three main sections:

- an indication of our services' performance during the year in section 1 of this report
- an introduction to our Trust Board and its operation, indicating the checks and measures the Trust undertake to ensure safe, high quality services whilst maintaining targets in section 2
- an overview of our financial performance for the year, as stated in section 3 of this report.

1 – Performance Report
An overview on our Trust

Who are we?

Our Trust provides mental health, learning disability and community health services to the people of Coventry. We also provides mental health and learning disability services in Warwickshire and Solihull.

We see around 5,000 patients each day, from a catchment area of more than one million people.

We also provide a range of specialist health services to people across the West Midlands and the rest of the UK.

Our major funders during this year were the three Clinical Commissioning Groups (CCGs) for Warwickshire and Coventry. These are: Coventry and Rugby, Warwickshire North, and South Warwickshire. Some services were also funded by Solihull CCG.

We have a number of smaller healthcare contracts with organisations across the West Midlands and beyond, including services commissioned by public health now run by the local authorities in Coventry, Warwickshire and Solihull. Some specialist services are commissioned by NHS England.

Ruth MacCallum (Dental Services)

OUR GREAT PLACE
Our **People** Our **Passion** Our **Pride**

Our vision

*"To improve the **wellbeing** of the **people** we serve and to be recognised for **always** doing the **best** we can"*

Our values

- **Compassion in action**
- **Working together**
- **Respect for everyone**
- **Seeking excellence**

Our Trust Objectives 2017/2018

We work to a set of annual objectives, aligned to longer term strategic objectives. Our Trust objectives for 2017/18 reflect how we aimed, during the year, to further develop our services in order best to meet the needs of the people we serve. Our values best describe what people should see when they encounter our organisation.

> Playing an active role in system leadership for the benefit and well-being of our communities

Our Strategic Objectives

Our strategic objectives describe what it is we intend to achieve.

Our Patients

Exceptional patient experience first time, every time

Our People

To be an employer for whom good people choose to work

Our Services

Delivery of integrated care, ensuring effective person centred clinical outcomes

Our Sustainability

Driving sustainability through innovation, collaboration and transformation

(L-R) Dr Das, Afshan Mughal – HIV Pharmacist (Integrated Community Services)

The Quality Improvement Goals and Annual Objectives developed for 2017/18 underpin the Trust's Vision and Values and Strategic Objectives. The goals and objectives for 2017/18 are as described below:

Annual Objectives

(L-R) Dr Bopitiya and Steven Clay, Sexual Health Services

Delivery of workforce and organisation development strategy

Develop and start to implement our Trust Strategy for service improvement

Develop our approach for collaborative working with other providers

Lead the transformation of Out of Hospital services across Coventry and Warwickshire

Lead the development and delivery of world class mental health services for the Sustainability and Transformational Partnerships (STP)

Quality Improvement Goals 2017/18

Embedding Positive Behavioural Support and Safe Wards

Restrictive intervention means any intervention that is used to restrict the rights or freedom of movement of a person with a disability through restraint or seclusion.

Tina Diaz, Dermatology Clinical Nurse Specialist

Excellence in Care Records and Care Planning

It has always been important that our clinicians are able to capture and record relevant details about a patients care and treatment. We want to move away from services having various methods of capturing this to using a single computer system.

This year we have been clear about how we intend to use our new Electronic Care Records system to define and support the delivery of Excellent Care Records including multidisciplinary Care Planning.

Continue to implement the Mortality Review Framework

We ensure as a Trust that systems and processes are in place for the robust review of all deaths of service users whilst in contact with our services. We will ensure that all deaths are investigated appropriately and any patterns, themes or opportunities to learning is identified and acted upon to achieve continuous improvement in quality.

Continue to implement the Suicide Prevention Strategy

We want to continue our work to implement the 'Preventable not Inevitable: Zero Suicide Ambition Strategy (2017-2020)'.

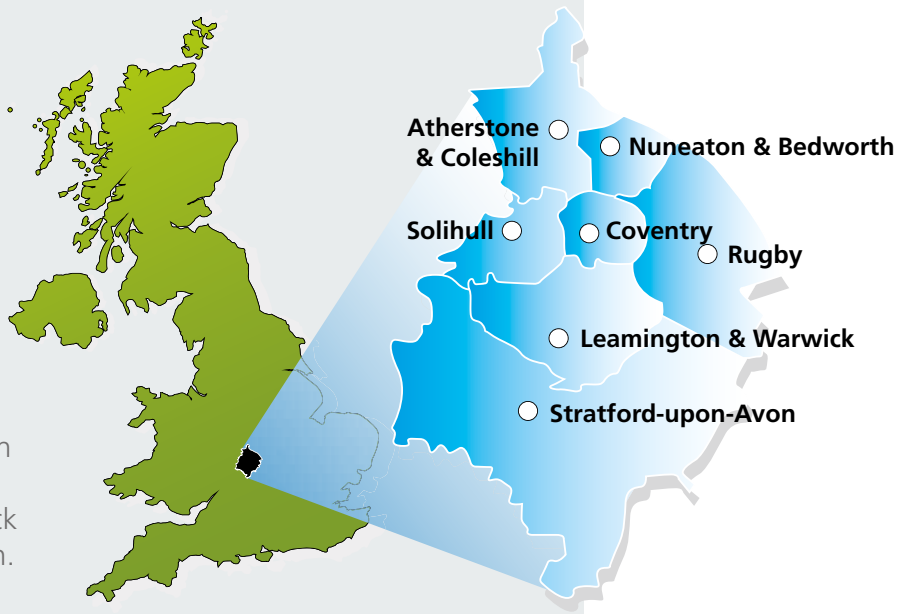
Our Quality Priorities Framework sets out how our clinical services will be delivered in order to ensure appropriate quality clinical care is delivered for all our patients.

Further detail regarding delivery of these Priorities and Goals is published in our Quality Account 2017/18.

Our locality

A large proportion of what we do is delivered from a number of key locations, as illustrated on this page. In total, the Trust used more than 60 locations to deliver care during this year.

Our inpatient mental health services are delivered from four locations, the Caludon Centre in Coventry, St Michael's Hospital and Woodloes House in Warwick and the Manor site in Nuneaton. Our specialist assessment and treatment services are provided at Brooklands in Marston Green. Our community health services in Coventry are chiefly provided from the City of Coventry Health Centre, and further supported services are delivered in the community, as close to the patient's own home as possible.



Key locations from which the Trust operates.

Chief Executive's statement

Our Chief Executive Simon Gilby looks back on 2017/18

Simon Gilby

It has been an incredibly busy year and what I reflect on most is how hard our committed staff have worked to provide care that is safe, compassionate and responsive. I and my board colleagues recognise and appreciate the dedication of everybody in the organisation in responding as well as we have, to the demands placed on our services. The numerous periods of severe weather have of course compounded these challenges. We know that cold conditions have a big impact on people's health, and that a relatively small drop in temperature can place many people at greater risk from heart attack, stroke, pneumonia or flu.

All this has meant that NHS services this winter have been stretched to their limit across the country. Our staff have worked incredibly hard to maintain services through these conditions, and have responded magnificently, often going way beyond what is expected to help the most vulnerable patients we serve.

You will know from coverage across national media that the NHS has also faced a challenging year financially, partly because of the extended periods of cold weather. We have had to put strict controls in place this year to achieve our financial targets. That we have managed to do this is evidence again of the great work our people have been doing.

Colleagues from the Care Quality Commission visited our Trust to conduct their inspection this year. We welcome their report and the feedback they have given us, which reflected lots of the great things we are doing, as well as highlighting some areas where we need to do better. As an organisation we are fully committed to ensuring we maintain our journey of improvement and have clear plans to achieve this in 2018/19.

This year, we have begun our work to celebrate NHS 70, the 70th anniversary of the establishment of the National Health Service. I believe the NHS is one of this country's greatest achievements and assets, and our Q Awards celebration event this year will reflect this along with events taking place nationwide. We are encouraging our staff to celebrate the great work they do, throughout the year, in line with this national event.

I need to mention our work as part of our partnership with the other NHS mental health provider trusts across the West Midlands, the MERIT Vanguard. We have broken new ground in the work we have undertaken to share knowledge and expertise and to improve joint working for the benefit of patients. This has included our work in sharing information about bed availability across our trusts for patients urgently in need of support, the first of its kind in the country.

Finally, I must mention the progress we have made with Our Great Place strategy. We want to ensure we offer a great place to receive care, and for our staff to feel this is a great place to provide care and to work.

You will find more about all these features of our year in this Annual Report, and I hope you will find this a helpful account of how our people have been working to make sure that wherever our services are delivered is a great place to be.

Simon Gilby
Chief Executive

A year in the life of **our Trust**

We have highlighted below some of our achievements in 2017/18. A more detailed overview of our performance is included in the performance analysis section. Our past year:

April 2017

We launched a new mental health service for armed force veterans called Veterans' Mental Health Transition, Intervention and Liaison.

(L-R) Dr Dan Barnard and Nicholas Caswell – Expert by Experience, part of TILS Service

Our Child and Family Services identified a set of core standards and hallmarks for achieving positive patient experience that should form the basis of all the care they provide. We also saw a group of trustees from a local charity, Evelyn's Gift, and a team of approximately 35 volunteers from Jaguar Land Rover working together on outdoor space at St Michael's Hospital in Warwick. Local broadcaster Bob Brolly donated £2,000, raised through fundraising events, to the Caludon Centre's volunteer scheme.

May 2017

On 12 May, we celebrated International Nurses' Day and International Day of the Midwife. The event consisted of a procession through Coventry city centre with Nurses and Midwives leading into a ceremony at Coventry Cathedral. We started work on supporting the new Trainee Nursing Associate pilot. This pilot is a two year programme that results in a general nursing qualification as a Nursing Associate, allowing them to further develop their qualifications and skills if they wish to progress. The Integrated Community Services team at the Trust hosted an exciting day full of talks and workshops for 80+ attendees on Community Nursing and the NHS Five Year Forward View.

Celebrating International Nurses Day

June 2017

Celebrating Equality, Diversity and Human Rights

In June, we celebrated Equality, Diversity and Human Rights Week; we hosted two events – a day celebrating culture and a conference focusing on mental health discrimination within different cultures, for delegates across Coventry and Warwickshire. Both days were well attended with guest speakers presenting talks on a variety of issues, including Professor Swaran Singh, Associate Director of Research and Innovation, who spoke about mental health and disabilities, and service users who explained how they felt using mental health services. Rano Bains, Head of Equality, Diversity and Inclusion at the Trust said: "This is the sixth year that we have celebrated equality, diversity and human rights week. As well as the two celebration days, we also raised awareness within our Trust to highlight human rights, equality and diversity issues, which have an impact on us all to varying degrees."

July 2017

In July, our annual Q Awards celebration took place, where winners included a team of community mental health workers in Nuneaton, a team who provide respite care for children with a learning disability in Solihull, nurses who specialise in wound care based in Longford, Coventry, a mental health inpatient ward team based at St Michael's Hospital, Warwick, and volunteers who work with ex-forces veterans all across the area. Jagtar Singh, Trust Chair, handed his award to the psychological therapy team for their work with black and minority ethnic communities.

He said: "The Q Awards night is always an important night in our annual calendar. All too often, staff don't get recognition for the dedication and hard work they put in every day. Our Q Awards aim to help put that right, and this year's event was another great occasion which showcased some excellent people and some truly remarkable and high quality care. I think the night showed again that our Trust is a great place to care, to be cared for and to work." Also this month, our Trust was re-accredited under The Workplace Wellbeing Charter.

Improving Rating
In Award
Under Workplace
Wellbeing Charter

August 2017

In August, our Health Visiting service joined forces with the Solihull Approach, to give parents access to free guides, which cover the topic of understanding your pregnancy, your baby and your child. Coventry mums celebrated breastfeeding for which our Health Visiting service and the Coventry Infant Feeding Team were proud to support the international event on 4 August. The event, organised by Breastfeeding Peer Support Volunteer, from the Coventry Infant Feeding Team, saw mums from across Willenhall gather at Middle Ride Children's Centre to show how proud they were to breastfeed their babies. The Integrated Sexual Health Service at Coventry and Warwickshire Partnership NHS Trust launched the C-card scheme across North Warwickshire in August to encourage young people aged 13-25 to get free condoms and maintain good sexual health. The Head of Integrated Sexual Health Services at the Trust, said: "We want young people to stay safe. It's really easy to sign up; they just go to one of the chemists, which are easily identifiable by a purple sticker in the window."

September 2017

In September, fire engines, ambulances and police cars descended on the Ricoh Arena as part of celebrations to recognise the work carried out by the region's emergency services. Our 'It Takes Balls to Talk' volunteers were among NHS staff invited to a 999 Emergency Services Day to bring their campaign messages to the crowd on the day. We also committed to a new 'Zero Suicide' ambition, on World Suicide Prevention Day, 10 September.

Zero Suicide Commitment in Coventry and Warwickshire

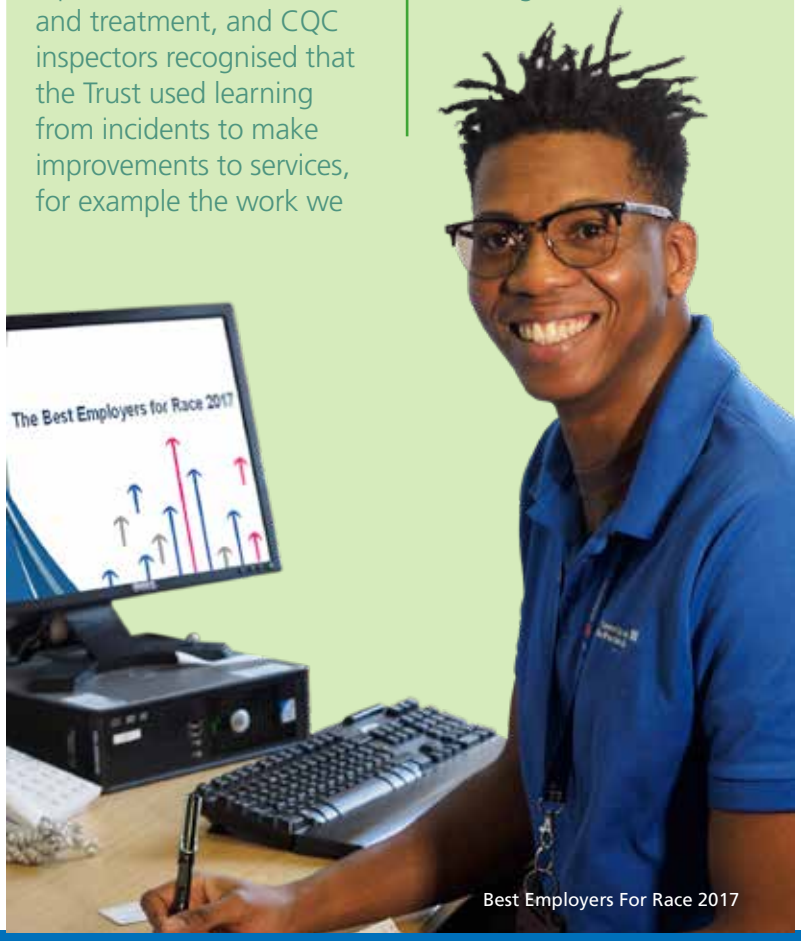
October 2017

In October, we successfully secured investment to deliver an innovative integration programme. The funding is to design, test and deliver an integrated service in Improving Access to Psychological Therapies (IAPT) for patients with diabetes and respiratory conditions. The Head of IAPT for our Trust, said: "I was thrilled to be informed that we had secured two of the 15 successful bids, from 74 applications across the country, to deliver Integrated IAPT alongside our physical health colleagues."

IAPT set to expand

November 2017

In November, we received our latest Care Quality Commission (CQC) report about services provided by our Trust. Simon Gilby, Trust Chief Executive, said: "Our services continue to be rated as 'Good' for the care we provide. However, inspectors concluded the overall improvement had not been sufficient to move from a Trust rating of 'Requires Improvement', which was recorded at our last inspection in 2016. Our Friends and Family Test results show that 95% of patients and their families said they would recommend the Trust as a place to receive care and treatment, and CQC inspectors recognised that the Trust used learning from incidents to make improvements to services, for example the work we have done to reduce the use of restraint in our inpatient wards. We will continue to work with the CQC on the further improvements they are seeking, as we remain committed to providing the best quality care we can for all the people we serve." We also received on 8 November, the Howard League Community Award, won by Coventry's Criminal Justice Liaison and Diversion Service. Also, we gained national recognition when we were placed on the 'Best Employers for Race 2017' list by Business in the Community, as the only NHS organisation listed.



Best Employers For Race 2017

December 2017


Q Awards Nominations

In December, we opened up entries for nominations for our Q Awards 2018 to the public so they could nominate a member of staff or volunteer at our Trust, who they feel have gone the extra mile to help them. The Trust was also recognised for its work across Coventry in honour of its Apprenticeship scheme by receiving the Large Employer of the Year Award 2017, the award scheme run by Coventry College.

January 2018

(L-R) Stacy Cooper, Alex Cotton and Tariro Gumbo – all finalists in the Thrive Awards

On 31 January, Alex Cotton landed the Coventry Mental Health Star award, in the West Midlands Mental Health Commission Thrive Awards. Alex is the driving force behind the successful and innovative 'It Takes Balls to Talk' campaign, which targets men at sports events in Coventry and Warwickshire, to spread the word about men's mental health.

A book recently authored by retired GP Alastair Robson on the history of Hatton Asylum was presented to the library service at St Michael's. The book offers an unbiased perspective of living and working in a Victorian asylum. It discusses extensively the care of mentally ill people before and after the asylum era. Hatton's replacement, St Michael's Hospital, was officially opened by Queen Elizabeth II in 1996. Based in Warwick, the hospital is a purpose-built facility providing inpatient mental health care for adults of all ages, and is run by our Trust.

February 2018

In February, Mike Slade, Professor of Mental Health Recovery and Social Inclusion at University of Nottingham and Chair of the European Network for Mental Health Service Evaluation, spoke at an event which was hosted by our Recovery and Wellbeing Academy, and the MERIT Vanguard. He presented to over 60 delegates including staff and peer volunteers from the Trust, service users and carers at a workshop. The day focused on the Refocus approach in Recovery and provided an opportunity for reflection on the values and attitudes of the approach.


Professor Mike Slade, Mental Health Recovery and Social Inclusion

March 2018


Jeremy Hunt visit

In March, Jeremy Hunt, Secretary of State for Health and Social Care, praised the work of NHS staff at our Trust in what he described as conditions that are 'tougher than they've ever been' for the NHS. Mr Hunt visited the Trust's Caludon Centre in Coventry on 1 March to meet and talk to staff. He spoke highly of initiatives being put in place to improve patient safety and improve access to early help for people with mental health problems. Also in March, winter weather caused disruption to local services. We paid tribute to our volunteer drivers, who went the extra mile for patients, helping ensure people got to their appointments. An important medical device, a syringe driver, was also donated this month by the family of Tony Low, a former palliative care patient. This is a medical device which helps to manage pain and controls symptoms for patients in the terminal stages of their disease, and the generous donation will be very helpful to other patients who use our palliative care service in future.

Performance Summary

The Trust Board monitors performance against 97 key performance indicators. In overall terms The Trust is maintaining sound performance against all 13 NHS Improvement targets and is on target and 'green' for all 14 national regulatory targets, with the exception of the staff engagement indicator. At the end of the year we were also on target for 18 out of 20 targets set by commissioners.

Human Resources targets have continued to be a challenge during the year with the majority 'red' or 'amber'. However, progress has been made during the year, particularly in respect of reducing sickness absence rates and the percentage agency usage. In terms of financial targets we have achieved all five of our financial duties and at the end of the year we delivered a contractual surplus of £4.678million.

A more detailed analysis of these and other targets is provided in the Performance Analysis section.

Our Performance Analysis 2017/18

Progress against Service Performance Targets

Each month an Integrated Performance, Safety, Quality and Service User Experience Report is reviewed at Trust Board.

This report enables Trust Board members to monitor the performance of the Trust to ensure it is in line with its strategy, by considering the current state of any or all of the 97 performance indicators.

The report displays a 'red', 'amber', 'green' method of rating current performance against each indicator.

A 'red' indicator ● shows that current performance is below target, 'amber' ● that it is close to target, and 'green' ● that it is on target.

These are targets set by the Trust, some with the agreement of external bodies including NHS Improvement, NHS England and local commissioners.

Each month's Trust Board report outlines current steps being taken to maintain or improve performance.

The following summary gives the current position in the form of an exceptions report, focusing on areas where improvement is most urgently needed.

NHS Improvement targets

The Trust is maintaining sound performance against all 13 NHS Improvement Targets, with all having 'green' status as on target at year end.

For example, 96.55% of patients received a Care Programme Approach (CPA) 7 Day Follow Up, compared to a target of 95% and this indicator has consistently been on target throughout the whole of 17/18.

13/13 on target

This provides assurance that we are delivering quality care to people who use our services. It also helps us achieve our NHS Improvement service performance risk rating score of zero. The best possible for a Trust of our type.

Regulatory Targets

The Trust is on target and 'green' for all 14 targets, which are set nationally, apart from the NHS Staff Engagement (Key Findings 1, 4 and 7) indicator which was below the National Average in the 2017 survey.

11/14 on target

These Key Findings represent Staff recommendation of the organisation as a place to work or receive treatment (Key Finding 1), Staff motivation at work (Key Finding 4) and Percentage of staff able to contribute towards improvements at work (Key Finding 7).

Friends and Family Test (FFT) for Staff continues to improve with 67% of staff during Q4 saying that they are extremely likely or likely to recommend this organisation to friends and family if they needed care or treatment and 51% of staff during Q4 saying that they are extremely likely or likely to recommend this organisation to friends and family as a place to work.

Staff engagement continues to be a key priority for Trust Board members as the Trust works to implement improving staff experience through 'Our People' Strategy.

Patient Experience Targets

The NHS Friends and Family Test for Patients shows that 93.01% of the 415 patients taking part in the survey in March 2017 rated their satisfaction levels as 'very satisfied' or 'satisfied'.

93.01% of patients satisfied or very satisfied

Commissioning Targets

Only 2 of our 20 targets set by Commissioners were not on target at year end, reporting one red and one amber indicator.

18/20 targets green

We continue to work closely with our commissioners to ensure that all of our targets are met and where there are any concerns this is discussed and, where appropriate, action plans are put in place to ensure that we deliver the right level of care to our patients.

% Occupancy Rate (Age Independent Services - excluding leave) was amber at year end reporting 89% compared to the target of ≥90% ≤97%.

Out of Hours urgent home visits – % seen within two hours was red at year end reporting 93.9% compared to the target of 95%.

The percentage of patients with depression and or anxiety who entered the improving access to psychological therapy (IAPT) service stood at 14.51% at the end of February, against a year-end target of 15% at March. This indicator is always reported a month behind due to national reporting deadlines. However, it was up on the previous month and is also higher than this time last year.

Emergency Readmission rates within 30 days has remained consistent throughout the year achieving the target every month.

CAMHS referral to Treatment Less than 18 Weeks has also remained on target all year and green with all children being seen within 18 weeks of their referral.

Human Resource Targets

Of the 13 human resource performance targets most are either 'red' or 'amber'.

Sickness absence rate down

Saving of £1.44 million on agency usage

Indicators that are 'red' include, Sickness Absence Rates, % Agency Usage, Agency CAP and Safeguarding Adults Level 3. However, this in itself does not reflect the progress that has been made on these measures over the last year. For instance our average sickness absence rate for 2017/18 has reduced from 5.38% to 5.14% over the last year. Similarly, the Trust has reduced its percentage agency usage from 6.03% (2016/17) to 5.03% (2017/18) a saving of £1.44 million.

Our Safeguarding Adults Level 3 training requirement only applies to a small number of employees across the Trust. Of these staff a small number had their Level 3 qualification expire during 2017/18 and action has been taken to rectify this.

'Amber' performance indicators include the proportion of staff reporting they have had an appraisal in the past 12 months, attendance at statutory and mandatory training day, Safeguarding Adults Level 2, Safeguarding Children Level 2, and Safeguarding Children Level 3.

Staff in Post Vs Funded Establishment has remained above target all year and is green. Keeping our staff vacancies to a minimum has helped the Trust to achieve the above stated reduction in overall agency spend.

Estates and Facilities Targets

There are five estates and facilities targets and these were all 'green' at year end.

5/5 on target

Patient Safety Targets

The Trust is required to undertake a Root Cause Analysis of all incidents that are categorised as 'Serious Incidents Requiring Investigation' (SIRI) and to complete this work in 60 days. At the end of the year 91% of SIRIs were closed within 60 days.

of SIRIs closed in 60 days

NHS Trusts routinely receive national alerts, which detail the steps to be taken by trusts to respond to issues of concern or potential safety issues. The Trust has successfully actioned or responded to all of the CAS alerts issued and required to be closed in 2017/18 apart from one exception. Progress against the requirements of this CAS alert has been reported to each meeting of the Public Trust Board in 2017/18.

Research and Development Targets

There are two Research and Development targets, and one was 'red' at year end.

Total Research Income (Cumulative) was below the expected year-end target of £514,585 reporting £421,892 at the end of Quarter 4. The Research Department are working closely with the network and study teams to find replacement studies and engage more staff in supporting research, to ensure that they stay on target moving forward.

Effectiveness Targets

6/8 targets were green

One of the eight targets is 'red' and one is 'amber' at the end of the year.

The 'red' indicator relates to the CQC-led inspection of the Trust in June 2017 and the inspection of Aspen Centre in May 2017. Following the CQC inspection and the release of their reports publicly; the Trust has been working towards implementing an improvement plan and robustly working through initiatives to improve patient care.

Financial Targets

The Trust has five financial duties which it must achieve each financial year.

Further details can be found in the financial statements in the final section of this report.

Financial Duty	Achieved
Break Even Duty (Statement of Comprehensive Income) To ensure that revenue is sufficient, taking one year with another, to meet outgoings properly chargeable to the revenue account. This duty is the prime financial duty for a Trust.	✔
Break Even The Trust is required to achieve a breakeven position each and every year.	✔
Capital Cost Absorption rate The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets.	✔
External Financing Limit (EFL) The Trust must remain within the EFL each year as set by the Department of Health. It is permitted to undershoot this target, but must not exceed it.	✔
Resource Limit (CRL) The Trust must remain within its CRL as set by the Department of Health. It is permitted to under achieve its CRL within a small tolerance but must not exceed it.	✔

Sustainability report

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve.

Sustainability means spending public money well through smart and efficient use of natural resources and building healthy, resilient communities. By making the most of our social, environmental and economic assets, we can improve health both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

In order to fulfil our responsibilities for the role we play, our Trust has the following sustainability mission statement located in our Sustainable Development Management Plan (SDMP). We are planning to review and update our SDMP in the coming year.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. We aim to supersede this target by reducing our carbon emissions by 50% by 2024/25 using 2007/08 as the baseline year. In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

The table below indicates the specific areas the Trust reflects on those measures and conditions our supplier network places on sustainability.

Area	Is sustainability considered?
Travel	No
Business Cases	No
Procurement (environmental and social impact)	Yes
Suppliers' impact	No

Climate change brings new challenges to our business, both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. Our Trust Board approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events.

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Sustainable Development Assessment Tool (SDAT). As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff.

The following is a summary of key measures of our performance regarding sustainability:

Travel

We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the patients and public that use our services.

Every action counts and we are a lean organisation trying to realise efficiencies for cost and carbon (CO2e) reductions. Air pollution, accidents and noise all cause health problems for our local population, patients, staff and visitors and are caused by cars, as well as other forms of transport. We support a culture for active travel to improve staff wellbeing and reduce sickness.

The distance our staff commute and the travel for business continues to fluctuate, however we are seeing a reduction in the number of miles travelled this year over previous reports. We continue to develop initiatives to help reduce the amount of travel needed by our staff wherever possible.

Category	Mode	2014/15	2015/16	2016/17	2017/18
Patient and visitor Travel **	miles	37,685,660	39,839,447	47,617,520	35,752,778
	tCO2e	13,846.82	14,407.37	17,209.47	12,739.60
Business Travel and fleet	miles	3,977,174	4,419,929	3,063,424	2,699,050
	tCO2e	1,461.33	1,598.40	1,107.15	961.73
Staff commute	miles	3,289,155	3,857,840	3,280,854	3,226,714
	tCO2e	1,208.53	1,395.13	1,185.73	1,149.76

** The reason for the different figures reported previously is due to the formula used to calculate patient travel distance has previous been in km, this year's figures have been calculated in miles and all previous years have been converted to miles from km to allow direct comparison. This is in line with the recommended reporting method from NHS Sustainable Development Unit.

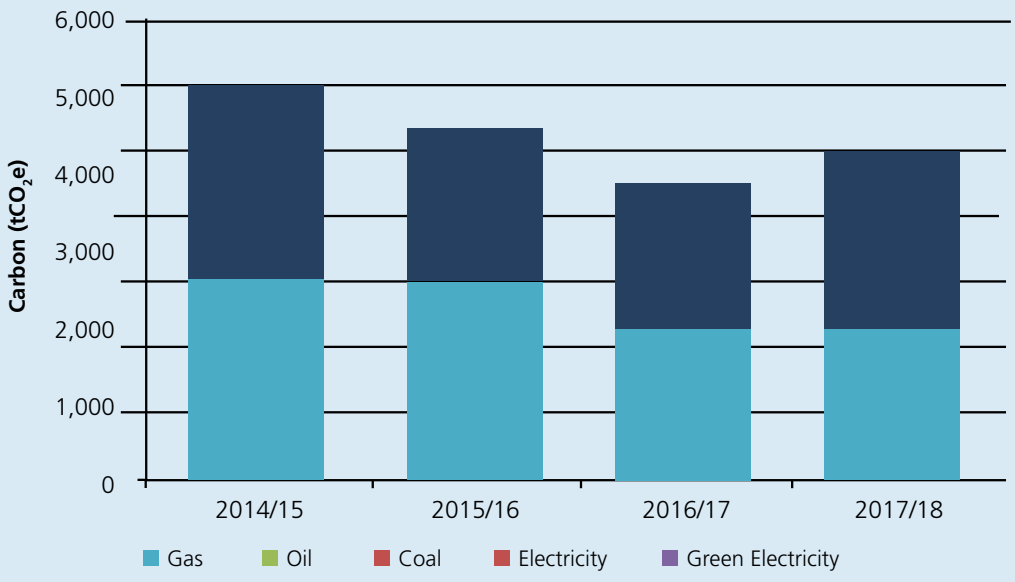
Gemma Richardson (Physiotherapist) with a patient

Energy

We have spent slightly more on energy in 2017/18, and the slight increase in usage is due to a number of factors including extended cold spells during the winter period. Reduction in unit price has helped reduce the financial impact. The Trust continues to reduce its carbon footprint through effective management of its resources wherever possible.

Resource		2014/15	2015/16	2016/17	2017/18
Gas	Use (kWh)	11,731,776	11,851,138	9,541,233	10,746,589
	tCO2e	2,461	2,480	1,994	2,278
Oil	Use (kWh)	0	0	0	0
	tCO2e	0	0	0	0
Coal	Use (kWh)	0	0	0	0
	tCO2e	0	0	0	0
Electricity	Use (kWh)	4,223,340	3,614,184	3,560,609	4,388,930
	tCO2e	2,616	2,078	1,840	1,956
Green Electricity	Use (kWh)	0	0	0	0
	tCO2e	0	0	0	0
Total Energy CO2e		5,077	4,558	3,834	4,235
Total Energy Spend		£1,050,290	£1,055,440	£785,897	£782,235

Carbon Emissions – Energy Use

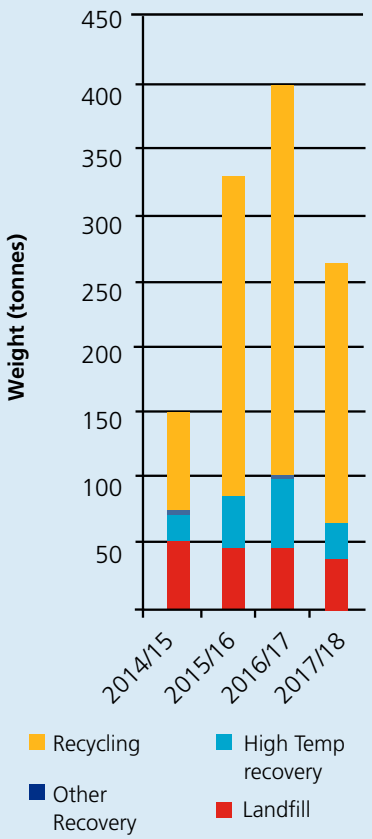


Waste

Waste		2014/15	2015/16	2016/17	2017/18
Recycling	(tonnes)	77.00	242.00	300.00	202.00
	tCO2e	1.62	4.84	6.30	4.40
Other recovery	(tonnes)	9.00	2.00	6.00	0.00
	tCO2e	0.19	0.04	0.13	0.00
High Temp disposal	(tonnes)	16.00	40.00	43.00	21.00
	tCO2e	3.52	8.76	9.46	4.62
Landfill	(tonnes)	55.00	48.00	52.00	40.00
	tCO2e	13.44	11.73	16.12	13.78
Total Waste (tonnes)		157.00	332.00	401.00	263.00
% Recycled or Re-used		49%	73%	75%	77%
Total Waste tCO2e		18.77	25.37	31.99	22.80

The past year has seen a decline in the total waste the Trust produced. The Trust continually looks into ways it can produce less waste whilst improving its overall performance with regards waste management. The past year has seen a slight increase in the percentage recycled figure.

Waste breakdown



Finite resource use – water

Water		2014/15	2015/16	2016/17	2017/18
Mains	m3	31,094	34,859	30,642	28,568
	tCO2e	28	32	28	26
Water and Sewage Spend		£118,476	£105,836	£125,686	£123,497

Our total spend on water and sewage has reduced over the last few years in real terms, whilst the Trust has made a small saving in the past year due to our usage once again falling.

Performance Report Signature:

Simon Gilby, Chief Executive

Date: 22 May 2018

Rita Madden – Senior Nurse
(Integrated Community Services)

2 – Accountability Report
Corporate Governance Report
Directors' report

Trust Board Structure
31 March 2018

Simon Gilby
Chief Executive

Sharon Binyon
Deputy Chief Executive
Medical Director

Gale Hart
Director of Finance, Performance and Information

Justine Richards
Director of Strategy and Business Development

Tracey Wrench
Chief Nurse and Director of Operations

Jagtar Singh
Chair

Alan Dodds
Vice Chair

Zulfiqar Darr
Non-Executive Director and Senior Independent Director

Guy Daly
Non-Executive Director

Jane Hodge
Non-Executive Director

Dianne Whitfield
Non-Executive Director

Mike Williams
Non-Executive Director

Doreen McCollin
Non-Executive Director

The illustration above shows Trust Board at 31 March 2018.

NOTE: During the year the Deputy Chief Executive and Director of Operations, Josie Spencer was on an external secondment, except between 16 October 2017 and 31 December 2017.

Meet the Trust Board members

These biographies summarise the roles and backgrounds of those Executive and Non-Executive Directors (NEDs) who make up our Trust Board.

Non-Executive Directors Non-Executive Directors, including the Chair, are not full time NHS employees. They are people who live or work in the area and have shown a keen interest in helping to improve the health of local people.

Chair The Chair leads the group of Non-Executive Directors, runs all the meetings of the Trust Board, and also Chairs our Council of Governors.

Jagtar Singh
OBE

Chair

Background and Experience

Jagtar Singh was appointed Trust Chair in September 2014. His tenure was renewed in September 2016 for a further three years.

Jagtar has 40 years' strategic leadership experience in senior public service and national roles.

Jagtar as chair of the Trust since 2014 brings a wealth of expertise to the Trust, including 30 years in the Fire and Rescue Service and 12 years in Non-Executive roles in the NHS having worked as a NED in the Ambulance Service and Luton and Dunstable University Hospital NHS Foundation Trust prior to joining the Trust.

Jagtar was Acting Chief Fire Officer in Bedford and Luton Fire and Rescue Service, and rose from Fire Fighter to Divisional Commander in the West Midlands Service.

In 2003 Jagtar received both the Public Servant of the Year Award at the Asian Achievement Awards ceremony in Birmingham, and was awarded an OBE for his work on equality and diversity in the Fire Service. In the NHS Jagtar has been recognised for his work on equalities and inclusion and he has received awards from national bodies including the Health Service Journal (HSJ) and national Asian Achievement Awards in 2016 for most influential NHS leader.

Jagtar has also served as a Trustee for the Healing Foundation, Employment Opportunities for Disabled People, Bedford Race Equality Council, and is currently Chair of Bedfordshire Police Audit Committee and a Non-Executive Director for the Architects Registration Board.

Qualifications

MSc, BA Hons, MIFireE

Alan Dodds

Vice Chair

Background and Experience

Alan joined the Trust in June 2012 and was appointed Vice Chair in 2015. He has vast experience in UK Financial Services, working in a variety of senior executive roles, encompassing marketing, sales and operations.

Alan had a 30 year banking career with Lloyds TSB Bank PLC, where he held posts including Marketing Director for Commercial Banking and Head of Marketing for Mortgages and Insurance and latterly, Contact Centre Director.

In 2004, Alan started up his own company and during this period of his career, operated at senior executive level with, amongst others, Barclays Bank and Norwich Union Insurance.

In January 2009 Alan joined CUNA Mutual Group, based in Birmingham, from which he retired as Chief Executive for the UK business in December 2012.

Alan also serves as a Trustee and Board member of a charity with a key object to alleviate poverty in the UK.

Qualifications

Post Graduate Diploma in Marketing, DipM FCIM Chartered; Fellow of the Institute of Direct Marketing

Mike Williams

Non Executive Director

Background and Experience

First appointed in May 2009, and subsequently reappointed until 2019, Mike was born and educated in Leamington, where he still has family links. He brings extensive public sector experience to the Trust Board, having served as Treasurer and Director of Finance and at similar levels for over 25 years. Mike retired after 15 years as Director of Finance at Dudley Metropolitan Borough Council, and is a former Chief Finance Officer in the Office of the West Midlands Police and Crime Commissioner.

Mike completed his accountancy qualification in Coventry at the former Lanchester Polytechnic.

Mike also serves as a Trustee and Board Member of two major charities in the Arts and Cultural sectors, is a member of the Management Board of Warwickshire County Cricket Club and Chairs the Warwickshire Cricket Board.

Qualifications

Member of the Chartered Institute of Public Finance and Accountancy (CIPFA)

Prof Guy Daly

Non Executive Director

Background and Experience

Professor Daly joined the Trust as Coventry University nominated Non-Executive Director in February 2015 for a two year term and was re-appointed until 2019. He is Pro Vice-Chancellor (Health and Life Sciences) at Coventry University.

He is a member of various bodies including: Executive Member (International) of Council of Deans of Health, West Midlands Clinical Senate, West Midlands Combined Authority Wellbeing Board, Coventry Health and Wellbeing Board. He is a member of the Coventry and Warwickshire Sustainability Transformation Partnership Better Health – Better Care – Better Value Board and chairs its Clinical Design Authority Board.

He is a social policy academic and is an active member of the Social Services Research Group and is currently Joint Editor of its journal, Research Policy and Planning. He is a trustee and current chair of The Human City Institute (HCI) as well as a trustee of Research in Specialist and Elderly Care (RESEC).

Qualifications

BA (Hons), MSocSci, PhD, CertEd, FRSA

Jane Hodge

Non Executive Director

Background and Experience

Jane Hodge is the Warwick University nominated Non-Executive Director of our Trust.

Her term of office started in April 2015, and Jane's term was renewed in April 2017 until 31 March 2020.

As Chief Operating Officer of Warwick University Medical School (WMS), Jane leads the administration for WMS, and helps determine their strategy as part of the School's Senior Management Group.

Previously, Jane has held senior roles at the University of Warwick, most recently as Chief Operating Officer for Warwick Business School, and prior to that as the University's Deputy Director of Human Resources.

Before joining Warwick in 2005, Jane held senior management positions at J Sainsbury PLC.

Qualifications

MBA – Higher Education Management (UCL)

Zulfiqar Darr

Non-Executive Director and Senior Independent Director

Background and Experience

Zulfiqar joined the Trust as a Non-Executive Director in April 2015 and was appointed as the Senior Independent Director in October 2016. He was reappointed for a further three years in April 2017.

Zulfiqar has accumulated substantial successful experience of financial leadership, performance management, and effective development and implementation of transformation programmes across the public sector.

The majority of Zulfiqar's career has been in local government, including senior leadership roles at Coventry City Council (Finance Manager), Derby City Council (Assistant Director of Corporate Finance and Performance) and South Gloucestershire Council (Head of Finance and IT).

Recently, Zulfiqar worked at KPMG as an Executive Advisor within the management consulting practice focusing on improving the efficiency and effectiveness of the public sector, including projects at the Ministry of Defence and the NHS.

Zulfiqar was also Head of Finance at the Department of Culture, Media and Sport, with lead finance responsibility for the Broadband UK programme with an overall budget of approximately £1bn.

Zulfiqar has also worked in a number of senior interim public sector finance roles and since July 2017 has been the interim Deputy Chief Executive and Finance Director for a local authority.

Qualifications

Chartered Public Finance Accountant (Chartered Institute of Public Finance and Accounting)

Masters in Business Administration

Dianne Whitfield

Non Executive Director

Background and Experience

Dianne is Chief Officer of Coventry Rape and Sexual Abuse Centre (CRASAC), one of the biggest Rape Crisis centres in the country. She has significant experience working within a range of public sector organisations before training as a Gestalt therapist and joining the voluntary sector.

Her background includes working as a Human Resource specialist in a variety of management/ senior management roles. She has an MBA and has also worked for a number of years as a management consultant specialising with working with NHS organisations and its strategic partners. In total Dianne has had over 30 years' experience of delivering public services.

Dianne is also a consultant on the Kings Fund Cascading Leadership Programme for the voluntary sector.

Her more recent experience has been focussed in the field of sexual violence in a variety of different roles and has substantial experience working at a strategic level, having advised national organisations such as the IPCC and participating on national groups such as the National CPS/ACPO Scrutiny Groups as Rape Crisis England and Wales (RCEW) representative.

Dianne is currently the Co-Chair of RCEW, and she continues to work clinically as a Gestalt therapist and group counsellor to survivors and victims of sexual violence.

Qualifications

In addition to her clinical qualifications Dianne also holds an MBA and is a Fellow of the Chartered Institute of Personnel and Development

Doreen McCollin

Non-Executive Director

Background and Experience

Doreen McCollin is a retired adult and mental health nurse, who since retiring in 2015 devotes much of her time to charity and volunteer work. Her experience lies predominantly within the forensic mental health setting where she worked for more than 20 years.

Doreen has experience at management/senior management level both in the independent sector and the NHS with more than 25 years working within the public sector. She has been involved in commissioning of low secure and step down facilities to compliment medium secure provision for women, creating a clear care pathway.

Doreen is a trustee on a south London foodbank.

Personal and professional interest

Fellow of the Institute of Health Service Managers

Fellow of the Royal Society for Public Health

Fellow of the Institute of Chartered Managers

Qualifications

MA in Health Studies, Diploma in Management, Diploma in Management Studies, Diploma in Social Research Methodology, Registered Mental Nurse, Registered General Nurse.

Currently enrolled on a PhD programme of study

Executive Directors

Simon Gilby
Chief Executive

The Chief Executive is responsible for leading the development and delivery of all Trust strategy and development. Through the executive directors, this role includes being ultimately responsible for all day to day management decisions, implementing the Trust's short and long term plans, and monitoring performance against objectives. The Chief Executive is the Trust's Accountable Officer. The Chief Executive also takes direct responsibility for staff engagement activity around the Trust.

Background and Experience

Simon joined the Trust in August 2015 from Wirral Community NHS Trust, where he served as Chief Executive from April 2012. Previous roles include: Managing Director of Sheffield PCT Community Services, Chief Executive of Sheffield West Primary Care Trust and Chief Executive of Southern Derbyshire Health Authority.

Simon has worked in senior roles at national, regional and local levels, including as an independent governor of Nottingham Trent University and as Independent Chairman of Social Enterprise Network (Liverpool city region).

Qualifications

BSC (Hons) French and European Studies and a member of Institute of Health Management

Josie Spencer
Deputy Chief Executive and Director of Operations

The Deputy Chief Executive deputises for the Chief Executive during his absence.

Background and Experience

Josie joined the Trust in April 2011 as part of the Transforming Community Services transfer. Josie was previously the Managing Director of Coventry Community Health Services. Prior to that appointment she was Nurse Director of Sheffield Teaching Hospitals Foundation Trust.

Josie began her career in 1983 joining the NHS as a student nurse. She has 34 years of NHS experience. Initially working in clinical practice in acute care, she has held a variety of leadership, management, teaching, research and development posts throughout her career.

Josie was appointed Deputy Chief Executive in 2013.

Josie was on secondment from January 2017 until October 2017 with NHS England. She returned to the Trust in October 2017 as Deputy Chief Executive. In January 2018 Josie went on a further secondment to Norfolk and Suffolk NHS Foundation Trust as Deputy Chief Executive Officer and Chief Operating Officer.

Qualifications

RGN, RNT, MA (Research), PGDAE, BSc (Hons), Dip N

Gale Hart
Director of Finance, Performance and Information

The Director of Finance, Performance and Information is responsible for ensuring robust financial and performance management and measurement across the Trust.

The role includes responsibility for creating and maintaining effective information and IT systems across the Trust to ensure accurate and reliable reporting of performance.

Background and Experience

Gale has a breadth of experience in both the acute and private sectors and has worked in the NHS for over 26 years.

Gale started her NHS career at University Hospitals Coventry and Warwickshire NHS Trust in 1991 and left in 2003 as Chief Finance Officer. Gale was appointed as Chief Finance Officer to North Warwickshire Primary Care Trust in February 2003 and was subsequently appointed to a substantive role of Deputy Director of Finance and Performance with the Trust in October 2006.

Gale served as Interim Director of Finance, Performance and Information for several months in the lead up to her appointment to this substantive post in 2013.

Qualifications

Chartered Institute of Management Accountants

Sharon Binyon

Deputy Chief Executive and Medical Director

Sharon is Medical Director and Caldicott Guardian at the Trust. The Medical Director provides advice to the Trust Board on medical issues and takes a leadership role in ensuring effective clinical collaboration in all services, including across Trust boundaries. This role includes leading on development of clinical services, external collaboration around services, operational delivery and professional development of the medical workforce. Sharon has been the Deputy Chief Executive from January 2017 – October 2017 and since January 2018.

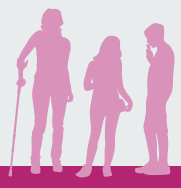
Background and Experience

Her clinical background is in Adult Mental Health and she is a fellow of the Royal College of Psychiatrists. In her role Sharon leads for the Trust on the Mental Health Integrated Care System (ICS) and is particularly interested in how we can use innovation to transform our clinical services to meet the current NHS challenges.

She also has a keen interest in Health Education and she was appointed to the Role of Associate Postgraduate Dean in February 2017, taking a particular lead in leadership development for Medical trainees.

Qualifications

B.Med.Sc BMBS MSc FRCPsych



Justine Richards

Director of Strategy and Business Development

The Director of Strategy and Business Development leads development of the Trust Strategy, and is responsible for relationship management and partnership. The current portfolio includes workforce and organisational development, business development and the Trust Board Secretariat.

Background and Experience

Justine joined the Trust in April 2011, following the transfer of Coventry Community Health Services into the Trust, where she was the Director of Business Performance.

She served as a Trust Associate Director, leading the Trust's Foundation Trust application and Transformational Change Programme. Before this, Justine had more than 10 years' experience in a range of senior commissioning roles within Health Authorities and Primary Care Trusts within Coventry and Warwickshire.

She was appointed Director of Strategy and Business Support in April 2016, having served as Interim Director from 1 October 2014.

Qualifications

HNC in Business Studies

Postgraduate Diploma in Employment Relations

Post Graduate Diploma in Management Studies

Tracey Wrench

Chief Nurse and Director of Operations

The Chief Nurse and Director of Operations is responsible for the professional leadership and standards of care for nursing and Allied Health Professionals, safety and quality governance. Tracey was appointed interim Chief Nurse and Director of Operations in January 2017, having previously held the position of Director of Nursing and Quality within the Trust since December 2009. Operationally, she is responsible for the day to day management of services across the Trust, and until March 2018, Tracey was also responsible for the Estates function within the Trust.

Background and Experience

Tracey is a Registered Learning Disabilities Nurse with 28 years of experience in learning disability, mental health, community and children's health and social care settings. She has also had health and social care regulatory and health education roles. In 2016 Tracey graduated as a Florence Nightingale Foundation Leadership Scholar and had the honour of carrying Florence's lamp at the annual commemoration ceremony in Westminster Abbey in that year.

Qualifications

Registered Nurse (Learning Disability)

BSc Honours Community Nursing (Learning Disability)

MSc in Health Professional Education

National Training Library (NTL) Organisational Development Certificate

Jenny Horrabin

Associate Director of Corporate Affairs

The Associate Director of Corporate Affairs is the principle advisor to the Board, the Trust Executive and the organisation as a whole on all aspects of corporate affairs, corporate governance, law and risk management. This role includes reviewing policy, legislative, regulatory and governance developments that impact on the Trust's activities and ensures that the Board is appropriately briefed on them. The Associate Director of Corporate Affairs facilitates the functioning of the Trust's corporate business processes, supporting the Board and the Trust Executive and ensuring that governance arrangements are 'fit for purpose' through the development and management of an integrated governance framework.

Background and Experience

Jenny brings to the Trust extensive governance and corporate affairs experience. She is a qualified accountant and Chartered Company Secretary with over 20 years' experience in audit and assurance within the public and private sector and, prior to joining the Trust in August 2017, worked in a senior governance and corporate affairs role within a Clinical Commissioning Group.

Jenny continues to progress her passion for continuous improvement and excellence in practice in her role and is an active member of the NHS Company Secretaries Network.

Qualifications

Chartered Institute of Public Finance and Accountancy (CIPFA) and Associate Chartered Institute of Secretaries (ACIS)

Allyson Downes

Trust Board Secretary (left Trust June 2017)

Background and Experience

Allyson brings extensive experience to the Trust from a career in the public sector, including local government, and a total of over 25 years as an NHS senior manager. She has worked in mental health, learning disability and community services, leading on the development of organisational-wide quality and clinical governance systems and processes. Most recently, she has led on project managing specific Trust-wide regulatory associated initiatives.

Allyson was Deputy Trust Secretary and Foundation Trust Project Lead before being appointed as Trust Secretary in April 2014.

Qualifications

NEBS Management Programme, Certificate in Management Studies, Diploma in Management Studies from Coventry University and Master of Science – Quality in Healthcare from the University of Birmingham

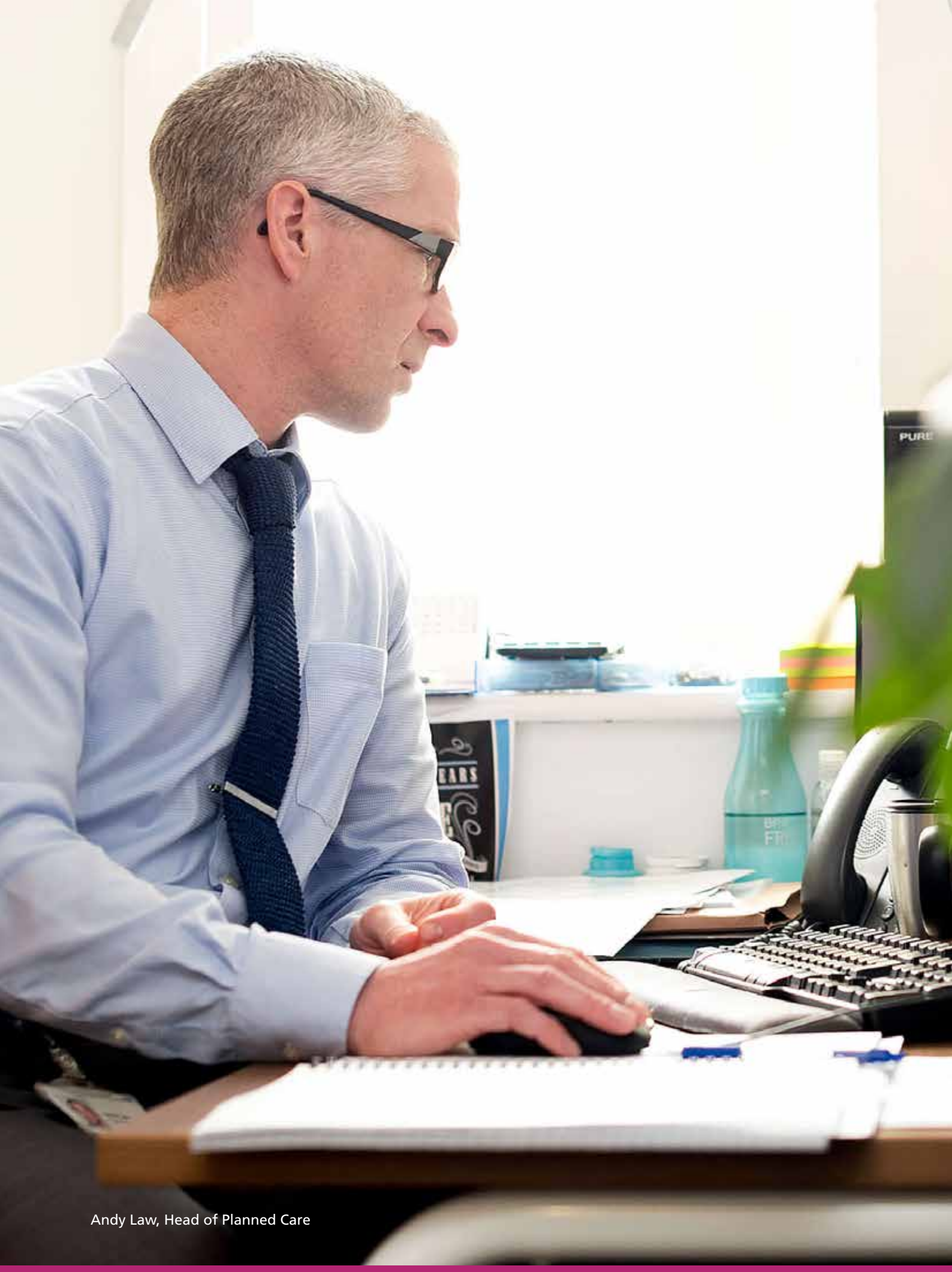
Changes to the Trust Board during 2017/18

The Trust Board has seen some changes during the past year. Josie Spencer, the Deputy Chief Executive, and Director of Operations, continued her outward secondment to NHS England returning to the Trust on 16 October 2017 as Deputy Chief Executive. Subsequently Josie started a new secondment as Deputy Chief Executive and Chief Operating Officer for Norfolk and Suffolk NHS Foundation Trust from 1 January 2018.

As a consequence Sharon Binyon continued as Deputy Chief Executive and Medical Director from 1 April 2017 until 16 October 2017 and from 1 January 2018 to date. Whilst Tracey Wrench remained as Chief Nurse and Director of Operations throughout.

Doreen McCollin became a Non-Executive Director from 1 July 2017, following a period as an Associate Non-Executive Director.

On 29 June 2017 Allyson Downes retired from the Trust as Trust Board Secretary and was replaced by Jenny Horrabin, Associate Director of Corporate Affairs who joined the Trust on 21 August 2017.



Andy Law, Head of Planned Care

Register of Members Interest – March 2018

Name	Position	Code of Conduct Date received	10 Principles of Public Life received	Declaration of Interests received	Interests Declared
Jagtar Singh	Trust Chair	23 March 2018	23 March 2018	23 March 2018	Director/CEO: Jagtar Singh Associates Ltd. Chairman: Audit and Risk Bedford Police. Independent Member: Architect Registration Board Independent Specialist Advisor: CQC Advisor: AFSA (Asian Fire Service Association) Advisor: Bedford Business Associates
Simon Gilby	Chief Executive	23 March 2018	23 March 2018	2 April 2018	NIL
Sharon Binyon	Deputy Chief Executive and Medical Director	23 March 2018	23 March 2018	30 April 2018	As Executive Director for Research and Innovation, I can confirm that we receive research income from a variety of commercial and non-commercial sources to conduct our research. I undertake this as part of my core role as Medical Director for the Trust. A detailed list is available if requested.
Guy Daly	Non-Executive Director	23 March 2018	23 March 2018	23 March 2018	Employer: Coventry University Group (including Coventry University Services (CUS) and Coventry University Social Enterprise (CUSE)) which educates, trains and researches into and for the Trust. Chair and Trustee: (i) Human City Institute – Housing and Social Policy Think Tank. Trustee: (ii) Human City Institute RESEC (Research in Elderly and Specialist Care). Executive member of Council of Deans of Health and Social Services Research Group. Board Member: West Midlands Clinical Senate
Zulfiqar Darr	Non-Executive Director	27 March 2018	27 March 2018	27 March 2018	NIL
Alan Dodds	Non-Executive Director and Trust Vice Chair	23 March 2018	23 March 2018	23 March 2018	Director ADBC Ltd Registered Number 04981898. Provision of marketing services. Trustee: Fair for You. Fair For You is established to alleviate poverty and financial hardship through tailored lending solutions, tailored to meet the modern borrowing needs of lower income family households. Leading the challenge to high impact, predatory high cost lending in modern Britain. Registered Charity Number 1161809. Company limited by Guarantee number 08991099

Name	Position	Code of Conduct Date received	10 Principles of Public Life received	Declaration of Interests received	Interests Declared
Gale Hart	Director of Finance, Performance and Information	23 March 2018	23 March 2018	23 March 2018	NIL
Jane Hodge	Non-Executive Director	27 March 2018	27 March 2018	27 March 2018	Employed by the University of Warwick
Doreen McCollin	Non-Executive Director	27 March 2018	27 March 2018	10 April 2018	NIL
Justine Richards	Director of Strategy and Business Development	23 March 2018	23 March 2018	23 March 2018	NIL
Josie Spencer	Director of Operations and Deputy Chief Executive (outward secondment till 16 October 2017 and new secondment from 1 January 2018)	23 March 2018	23 March 2018	26 April 2018	NIL
Dianne Whitfield	Non-Executive Director	27 March 2018	27 March 2018	27 March 2018	Co-Chair of Rape Crises England and Wales (RCEW) Trustee of West Mercia Rape Crises Centre CEO: Coventry Rape and Sexual Abuse Centre (CRASAC)
Michael Williams	Non-Executive Director	23 March 2018	23 March 2018	23 March 2018	Trustee and Board member: Midlands Arts Centre. Trustee: Badley Memorial Trust Chair and Director: Warwickshire Cricket Board
Tracey Wrench	Chief Nurse and Director of Operations	3 April 2018	3 April 2018	25 April 2018	NIL

Committees and their make-up include all members (past and present)

Committee memberships at 31 March 2018

Trust business is conducted in six major committees, each of which is chaired by a Non-Executive Director and has Non-Executive and Executive membership. Each committee regularly reports to Trust Board, during the year the effectiveness of each committee we evaluated and reported to the Trust Board. The illustration shows the committee arrangements in place by the end of the year.

Integrated Workforce Committee

Jane Hodge
Chair

Zulfiqar Darr
Vice Chair

Michael Williams
Non-Executive Director

Dianne Whitfield
Non-Executive Director

Dr Sharon Binyon
Deputy Chief Executive and Medical Director

Justine Richards
Director of Strategy and Business Development

Tracey Wrench
Chief Nurse and Director of Operations

Integrated Performance Committee

Alan Dodds
Chair

Guy Daly
Vice Chair

Dianne Whitfield
Non-Executive Director

Simon Gilby
Chief Executive

Gale Hart
Director of Finance, Performance and Information

Tracey Wrench
Chief Nurse and Director of Operations

Safety and Quality Committee

Guy Daly
Chair

Dianne Whitfield
Vice Chair

Jane Hodge
Non-Executive Director

Dr Sharon Binyon
Deputy Chief Executive and Medical Director

Simon Gilby
Chief Executive

Tracey Wrench
Chief Nurse and Director of Operations

(L-R) Chris Matthews, Senior Therapist, Fern Mayo, Psychotherapist and Camilla Matthews, Service Manager (Integrated Community Services)

Financial Planning and Investment Committee

Zulfiqar Darr
Chair

Michael Williams
Vice Chair

Alan Dodds
Non-Executive Director

Gale Hart
Director of Finance, Performance and Information

Justine Richards
Director of Strategy and Business Development

Tracey Wrench
Chief Nurse and Director of Operations

Audit Committee

Michael Williams
Chair

Alan Dodds
Vice Chair

Zulfiqar Darr
Non-Executive Director

Remuneration and Terms of Service Committee

Dianne Whitfield
Chair

Jane Hodge
Vice Chair

Guy Daly
Non-Executive Director

Alan Dodds
Non-Executive Director

Jagtar Singh
Trust Chair

Zulfiqar Darr
Non-Executive Director

Michael Williams
Non-Executive Director

Directors statement

Through various checks and measures each director knows of no information which would be relevant to the Trust Auditors in order for them to undertake and complete their official duties regarding the audit report of the Trust.

Meet our Governors

The Council of Governors met formally three times during 2017/18.

The Trust has a Council of 24 governors who represent our staff members and our stakeholders.

Staff and public governors were originally elected to their roles. Their main purpose is to represent the views and opinions of the organisations' members and its stakeholders. The Trust Board has made a commitment to the principle of the Council of Governors, whilst continuing to support and develop the Governors in order to maintain and strengthen the links to our public and staff members, its key partners and stakeholders.

Six stakeholder organisations appoint one governor each. These organisations are:

Clinical Commissioning Groups (CCGs), Coventry City Council, Warwickshire County Council, Solihull Metropolitan Borough Council, Coventry University and the University of Warwick.

At the 31 March 2018 the following position stood:

Public Governors – Coventry

Rajveer Athwal

Debs Walton

Colin Tysall

Brian Loftus

Shashi Carter

Public Governors – Warwickshire

Keith Ward

Christine Claridge

Annie Davies

Dr Andrew Entwistle

Deb Smith

Barry Carter

Public Governors – Rest of England

Carol Stanton

Staff Governors

John Edwards

Phil Noyes

Helen Youds

Appointed Governors

Kamran Caan

Dave Shilton

Diane Holl-Allen

Sarah Baxter

Margaret Bell

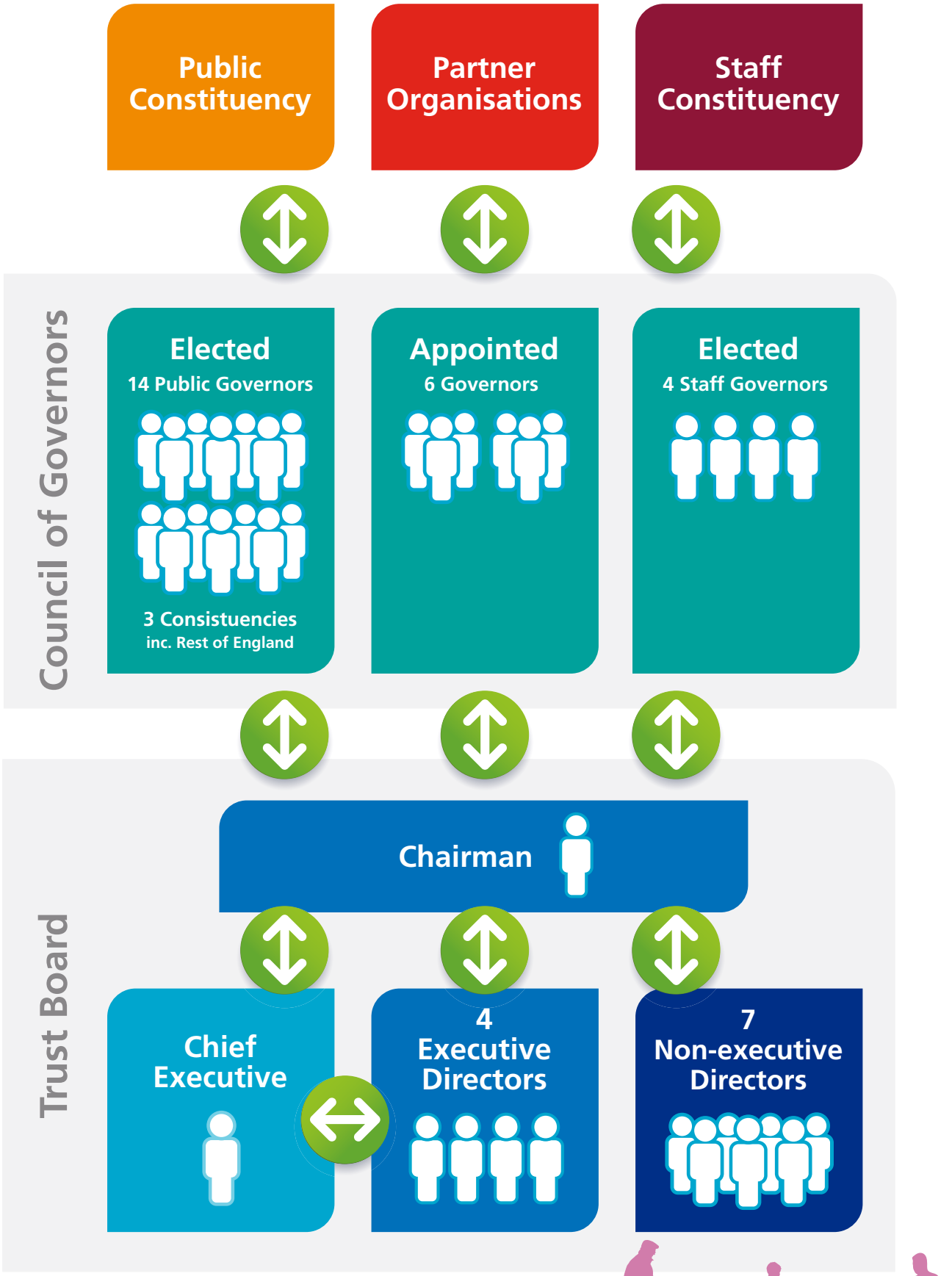
During the period 2017/18 the following Governors officially left the Trust:

Dave Shilton Appointed Governor Left Trust July 2017	**Debs Walton** Public Governor Left Trust 31 March 2018	**Helen Youds** Staff Governor Left Trust 31 March 2018

The following joined during the same period:

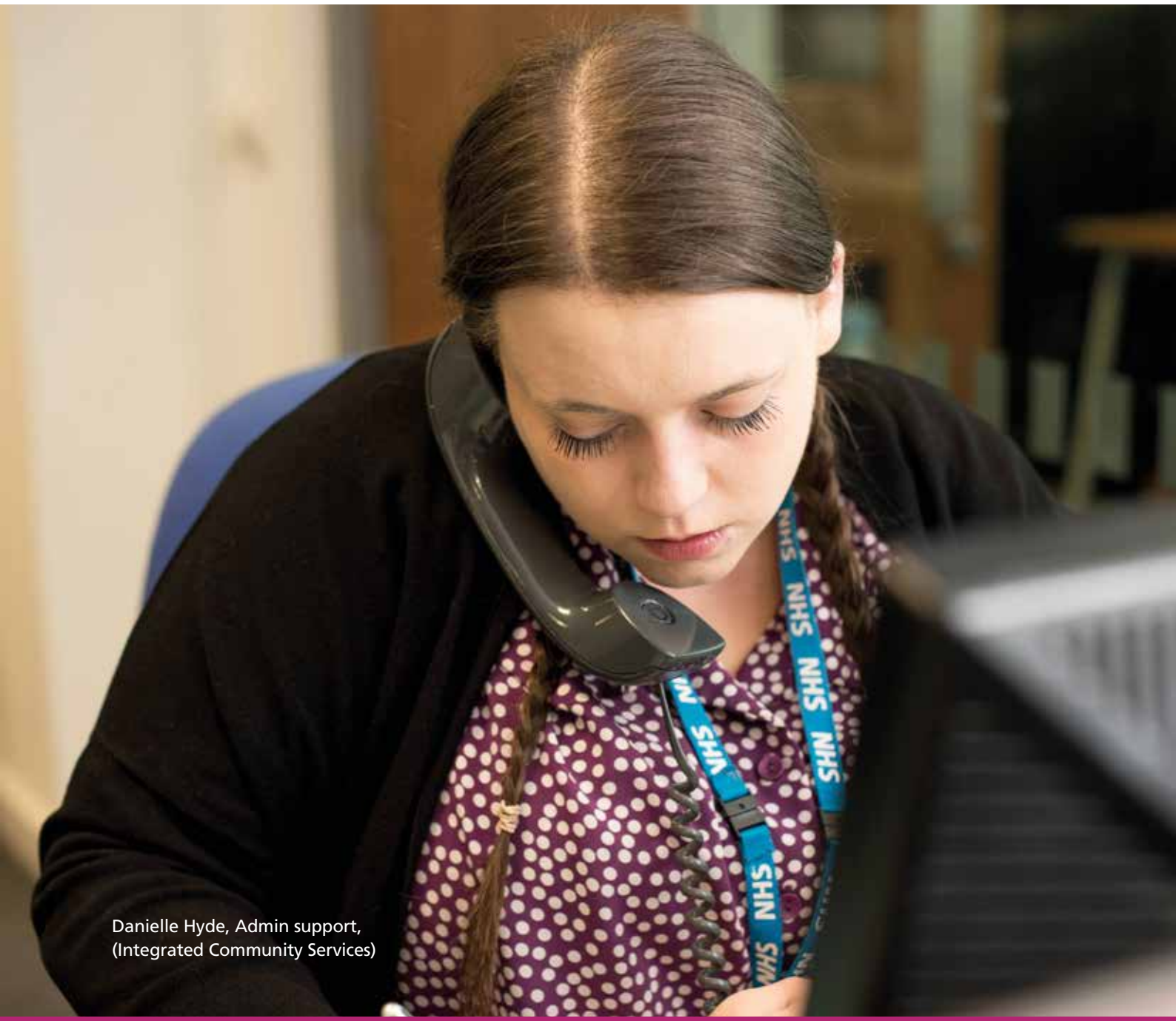
Cllr Margaret Bell
Appointed Governor, Warwickshire County Council from July 2017

Governance structure at 31 March 2018



Information Security Breaches Risk – Overall Score 2 or above (1 April 2017- 31 March 2018)

Summary of IG SIRIs Breaches Involving Personal Data as Reported to the Information Commissioner's Office in 2017-2018				
Date of Incident (month)	Nature of Incident	Nature of Data Involved	Number of People Potentially Affected	Notification Steps
March 2018	Clinical letter sent to previous address and opened by another person creating a potential safety risk.	Clinical Information	1	Notified Information Commissioners Office, escalated as a Serious Incident to commissioners. Investigation commenced but not yet concluded.



Danielle Hyde, Admin support, (Integrated Community Services)

Statement of Chief Executive's responsibilities as the accountable officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

Signed

Simon Gilby, Chief Executive

Date: 22 May 2018

Simon Gilby

Remuneration and staff report

Salary Disclosures 2017/18

Director's remuneration is set by national standards, also validated by the Trusts' Remuneration Committee and in line with the corresponding policy.

Name and title	2017-18 Salary (bands of £5,000) £000	2016-17 Salary (bands of £5,000) £000
Dr S Binyon – Medical Director – Acting Deputy Chief Executive from Jan 2017 to Oct 2017	160 - 165	155 - 160
Prof G Daly – Non Executive Director	5 - 10	5 - 10
Mr Z Darr – Non Executive Director	5 - 10	5 - 10
Mr A Dodds – Non Executive Director	5 - 10	5 - 10
Mr S Gilby – Chief Executive	155 - 160	155 - 160
Mrs G Hart – Director of Finance, Performance and Information	115 - 120	115 - 120
Mrs J Hodge – Non Executive Director	5 - 10	5 - 10
Mrs D McCollin – Non Executive Director – From Oct 2016	5 - 10	0
Mrs J Richards – Director of Strategy and Business Development	105 - 110	105 - 110
Mr J Singh – Trust Chair	35 - 40	35 - 40
Mrs J Spencer – Deputy Chief Executive/Director of Operations – Outward secondment from Jan 2017 to Oct 2017 and Jan 2018	125 - 130	120 - 125
Mrs C Waring – Non Executive Director – Left Oct 2016	0	0 - 5
Mrs D Whitfied – Non Executive Director – From Apr 2016	5 - 10	0
Mr M Williams – Non Executive Director	5 - 10	5 - 10
Mrs T Wrench – Chief Nurse/Director of Operations – And Director of Operations from Jan 2017	115 - 120	105 - 110

The Trust's policy for the remuneration of directors is for all matters to be resolved by the Remuneration Committee.

Salary Disclosures 2017/18 cont.

	(a) Salary (bands of £5000) £000	(b) Expense payments (taxable) total to nearest £100 £000	(c) Performance pay and bonuses (bands of £5000) £000	(d) Long term Performance pay and bonuses (bands of £5000) £000	(e) All pension related benefits (bands of £2500) £000	(f) TOTAL (a to e) (bands of £5000) £000
Dr S Binyon – Medical Director	160 - 165	0	0	0	67.5 - 70	230 - 235
Prof G Daly – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr Z Darr – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr A Dodds – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr S Gilby – Chief Executive	155 - 160	0	0	0	25 - 27.5	185 - 190
Mrs G Hart – Director of Finance, Performance and Information	115 - 120	0	0	0	15 - 17.5	135 - 140
Mrs J Hodge – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs D McCollin – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs J Richards – Director of Strategy and Business Development	105 - 110	0	0	0	25 - 27.5	130 - 135
Mr J Singh – Trust Chair	35 - 40	0	0	0	0	35 - 40
Mrs J Spencer – Deputy Chief Executive/Director of Operations	125 - 130	0	0	0	27.5 - 30	155 - 160
Mrs C Waring – Non Executive Director	0	0	0	0	0	0
Mrs D Whitfied – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr M Williams – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs T Wrench – Chief Nurse/ Director of Operations	115 - 120	0	0	0	62.5 - 65	180 - 185

Salary Disclosures 2016/17 cont.

	(a) Salary (bands of £5000) £000	(b) Expense payments (taxable) total to nearest £100 £000	(c) Performance pay and bonuses (bands of £5000) £000	(d) Long term Performance pay and bonuses (bands of £5000) £000	(e) All pension related benefits (bands of £2500) £000	(f) TOTAL (a to e) (bands of £5000) £000
Dr S Binyon – Medical Director	155 - 160	0	0	0	27.5 - 30	185 - 190
Prof G Daly – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr Z Darr – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr A Dodds – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr S Gilby – Chief Executive	155 - 160	0	0	0	115 - 117.5	270 - 275
Mrs G Hart – Director of Finance, Performance and Information	115 - 120	0	0	0	22.5 - 25	140 - 145
Mrs J Hodge – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs D McCollin – Non Executive Director	0 - 5	0	0	0	0	0 - 5
Mrs J Richards – Director of Strategy and Business Development	105 - 110	0	0	0	90 - 92.5	195 - 200
Mr J Singh – Trust Chair	35 - 40	0	0	0	0	35 - 40
Mrs J Spencer – Deputy Chief Executive/Director of Operations	120 - 125	0	0	0	0	120 - 125
Mrs C Waring – Non Executive Director	0 - 5	0	0	0	0	0 - 5
Mrs D Whitfied – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr M Williams – Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs T Wrench – Chief Nurse/ Director of Operations	105 - 110	0	0	0	32.5 - 35	140 - 145

Pension Benefits 2017/18

	Real increase in pension at age 60 (bands of £2,500) £000	Real Increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2017 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2017 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2017 £000	Cash Equivalent Transfer Value at 31 March 2016 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Dr S Binyon – Medical Director	2.5 - 5	10 - 12.5	50 - 55	155 - 160	1111	967	135	69
Mr S Gilby – Chief Executive	0 - 2.5	5 - 7.5	60 - 65	185 - 190	0	1381	-1395	26
Mrs G Hart – Director of Finance, Performance and Information	0 - 2.5	2.5 - 5	30 - 35	100 - 105	791	718	66	17
Mrs J Richards – Director of Strategy and Business Development	0 - 2.5	0 - 2.5	25 - 30	70 - 75	452	401	46	25
Mrs J Spencer – Deputy Chief Executive/Director of Operations	0 - 2.5	0 - 2.5	50 - 55	155 - 160	1053	961	82	29
Mrs T Wrench – Chief Nurse/Director of Operations	2.5 - 5	10 - 12.5	30 - 35	90 - 95	490	490	-5	65

Pension Benefits 2016/17 (audited)

	Real increase in pension at age 60 (bands of £2,500) £000	Real Increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2016 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2016 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2016 £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Dr S Binyon – Medical Director	0 - 2.5	5 - 7.5	45 - 50	140 - 145	967	900	67	0
Mr S Gilby – Chief Executive	5 - 7.5	15 - 17.5	60 - 65	180 - 185	1,381	1,214	167	0
Mrs G Hart – Director of Finance, Performance and Information	0 - 2.5	5 - 7.5	30 - 35	95 - 100	718	661	57	0
Mrs J Richards – Director of Strategy and Business Development	5 - 7.5	2.5 - 5	25 - 30	65 - 70	401	336	66	0
Mrs J Spencer – Deputy Chief Executive/Director of Operations	0 - 2.5	£0	50 - 55	155 - 160	961	953	8	0
Mrs T Wrench – Chief Nurse/Director of Operations	0 - 2.5	5 - 7.5	25 - 30	80 - 85	490	439	51	0

Reporting of compensation schemes – exit packages 2017/18

Exit package cost band (inc any special payment element)	*Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000	2	14	16
£10,001 to £25,000	0	3	3
£25,001 to £50,000	0	0	0
£50,001 to £100,000	0	0	0
£100,001 to £150,000	0	0	0
£150,001 to £200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	**2**	**17**	**19**
Total Resource cost (£)	**£11,000**	**£84,000**	**£95,000**

Reporting of compensation schemes – exit packages 2016/17

	*Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Less than £10,000	0	26	26
£10,001 to £25,000	2	1	3
£25,001 to £50,000	1	2	3
£50,001 to £100,000	0	0	0
£100,001 to £150,000	1	0	1
£150,001 to £200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	**4**	**29**	**33**
Total Resource cost (£)	**£215,379**	**£187,424**	**£402,803**

Reporting of other compensation schemes – exit packages (audited)

Exit packages: other (non-compulsory) departure payments	Payments agreed 2017/18 Number	Total Value of agreements 2017/18 £000s	Payments agreed 2016/17 Number	Total Value of agreements 2016/17 £000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice *	16	74	26	85
Exit payments following Employment Tribunals or court orders	1	10	3	102
Non-contractual payments requiring HMT approval **	0	0	0	0
Total	**17**	**84**	**29**	**187**
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Exit Packages Note which shows the number of individuals.

* any non-contractual payments in lieu of notice are disclosed under "non-contractual payments requiring HMT approval".

** includes any non-contractual severance payment made following judicial mediation.

No non-contractual payments were made to individuals where the payment value was more than 12 months' of their annual salary.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

The expenditure on consultancy in 2017/18 was £88,000 (£60,000 in 2016/17).

For all off-payroll engagements as of 31 March 2018, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2018	
Of which, the number that have existed:	
for less than one year at the time of reporting	**0**
for between one and two years at the time of reporting	**0**
for between 2 and 3 years at the time of reporting	**0**
for between 3 and 4 years at the time of reporting	**0**
for 4 or more years at the time of reporting	**0**

For all new off-payroll engagements between 1 April 2017 and 31 March 2018, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	**0**
Number of new engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	
Number for whom assurance has been requested	**0**
Of which:	
assurance has been received	**0**
assurance has not been received	
engagements terminated as a result of assurance not being received	
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	**0**
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	**0**

Fair Pay Review
Ratio of Highest Paid Director to Median pay in year

	2017/18	2016/17
Band of highest paid Director (£000s) (Includes payment in lieu of car lease)	**160-165**	155-160
Lowest salary payscale (£s)	**15,404**	15,251
Median total remuneration (£s)	**22,683**	22,548
Ratio between the median staff remuneration and mid-point of the highest paid director	**7.15**	6.97

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/Member in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Coventry and Warwickshire Partnership NHS Trust in the financial year 2017/18 was £160-165,000 (2016/17, £155-160,000). This was 7.15 times (6.97 in 2016/17) the median remuneration of the workforce, which was £22,683 (22,548 in 2016/17).

In 2017/18, 1 (0 in 2016/17) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £15,404 to £160,000-165,000 (£15,251 to £155,000-160,000 in 2016/17).

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

Our people

We know that our people are as important as the patients and populations that we serve. Our vision of making our Trust a Great Place is simple: to create a great place for care, a great place to care and a great place to work, where all of our people are supported and developed to deliver high quality care to enhance the lives of the patients and public that we serve.

Our People Strategy is a key enabler which aims to bring together all that we do to attract, retain and support our people to deliver competent and compassionate care, and to ensure they feel valued and enjoy their working lives. We know that we are on a journey of transformation to create a culture that is continuously improving, reflects the values of the NHS Constitution and is demonstrated in all that we do.

We acknowledge that significant challenges remain around our ability to attract, recruit and retain a high calibre and skilled workforce in certain occupations, for example, medical staffing, registered nursing and therapists. Our focus therefore for 2018/19 is to be recognised as an employer of choice through creative recruitment and retention strategies that are built on our values and support our aspiration of being a great place to work.

We will implement our strategy together with our people, through effective communication, high engagement and forward planning to help us to create the organisation and culture needed to achieve our vision. Our commitment to our people is to make improvements in the way we recruit, retain and develop staff within our organisation. Our aim is for our people to know that we believe in them and to believe that their contribution is valued and makes a difference.

We strive to create a transparent organisational culture where our collective leadership behaviours are transformational and inclusive, improving our people's experience of working for the Trust and showing that we are truly living our values.

During 2017/18 we commenced the implementation of the 'Our People' Workforce and Organisational Development Strategy. Our strategy recognises that it is the people that deliver and support the delivery of care that distinguish our Trust from being ordinary to being great.

Through the implementation of Our People strategy, we have delivered a number of pieces of work, including:

- Developed a cultural improvement plan with three main priorities being an inclusive and empowering culture, a capable skilled and sustainable workforce and engaging with our people through collective leadership.
- The impact of our cultural improvement plan is evaluated through a culture and outcomes dashboard that makes use of a wide range of national and Trust data.
- We have deployed an 'our people' survey that asks our workforce to feed back on the issues that matter 'the way that we do things in our Trust', what we do well and how we can improve together.
- We have held a series of interviews and workshops with our extended executive team to define the collective leadership behaviours that will help shape our future leadership approach across the Trust.

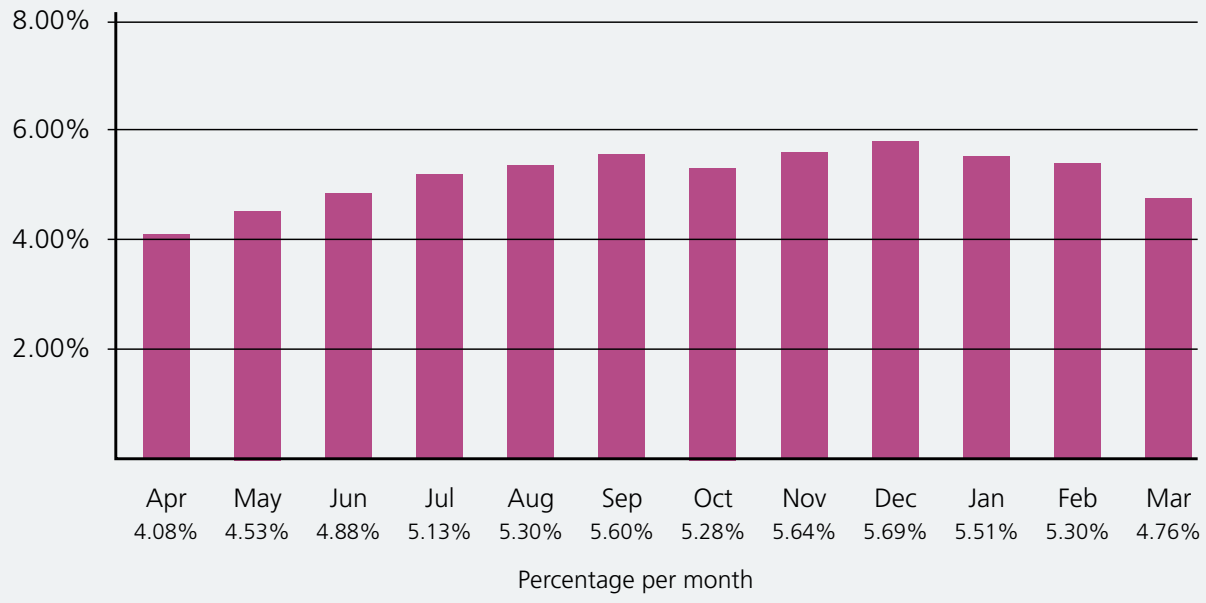
- We have promoted the role of Freedom to Speak up Guardian and Raising Concerns processes to promote greater openness and transparency across the Trust.
- We have established effective partnership working arrangements that enable us to work collaboratively with partners across STP and MERIT Vanguard in joint ventures to develop our workforce.
- We have developed a recruitment and retention strategy titled 'Our People Proposition' which clearly sets out our intentions and means of achieving our recruitment and retention challenges.
- We have introduced a new online TRAC recruitment system that will improve our recruitment processes and make it quicker and easier to recruit staff.
- We have reviewed our statutory and mandatory training programme and induction and introduced e-learning modules to enable a blended learning approach, better orientation to the Trust and an overall improved learner experience.
- We have completed a thorough evaluation of our existing leadership training and are in the process of refreshing our leadership offer based on a collective leadership approach and a Trust-wide coaching culture.
- We have seen continued growth in our Great Place to Work network as a mechanism for cultural improvement that harnesses the energy and enthusiasm of staff at all levels of the organisation.
- We are hosting a STP-wide Black, Asian, and Minority Ethnic (BAME) Leadership Programme to support regional NHS staff from a BAME background to realise their full potential and develop into leadership roles.
- Our newly established 'Wellbeing Group' has developed the 'Our People' health and wellbeing resource to ensure our people access the support available to them to improve their working lives.

Heath Education England recognises Coventry and Warwickshire Partnership NHS Trust as a top 20 NHS Trust for employing apprentices with a learning disability and / or difficulty. This has led to the Trust speaking at a disability UK conference to share our approach. The Trust has implemented the Workforce Disability Equality Standard (WDES) and the data for the Trust is in line with the workforce and the likelihood of appointing disabled applicants has increased by 1% compared to 2015 - 2016. The implementation of the WDES will enable the Trust to understand the experiences of their disabled staff, support positive change for existing employees, and enable a more inclusive environment for disabled people working for the Trust. The Trust is also a Disability Confident Employer (previously known as the Disability 2-tick Award) and has also gained the Mindful Employers Charter.

We have made significant progress during year one of our strategy, and there is much to feel positive about and build upon as we enter 2018/19. The Workforce and Organisational Development team remain fully committed to continue our momentum to support, retain and grow our people through effective workforce development and planning.

Sickness Absence

Coventry and Warwickshire Partnership NHS Trust Sickness % 2017-2018

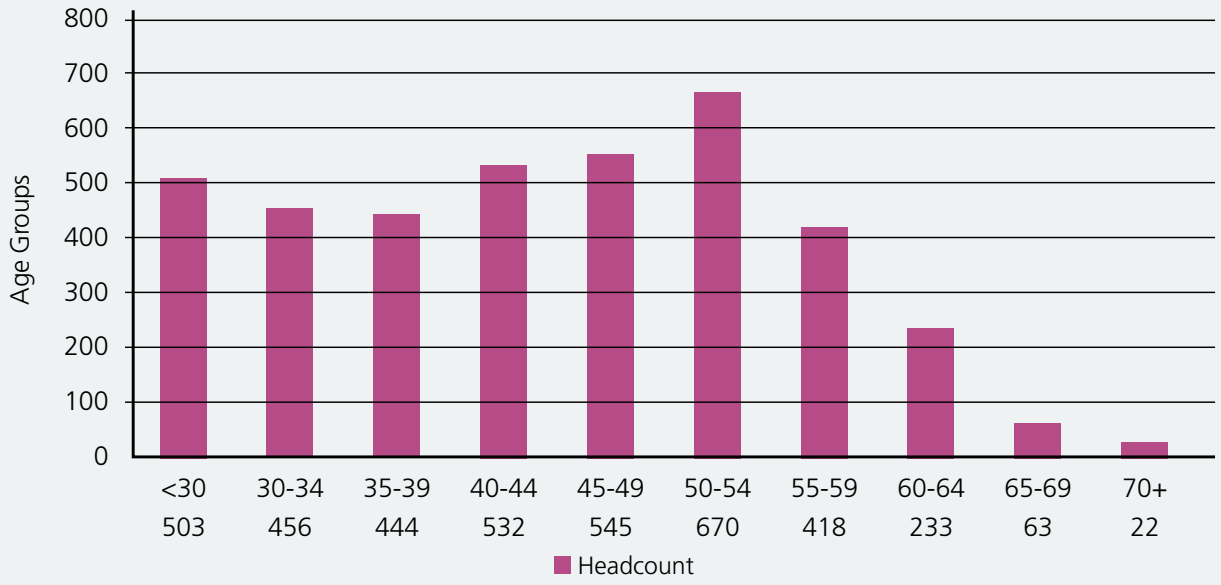


The table below indicates sickness absence figures, reported on a calendar year basis, rather than for the financial year, as instructed by DHSC. The disclosure requires only the total number of Full Time Equivalent (FTE) staff years, total days lost and a calculated average absences per staff year.

Table staff sickness absence	**2017/18**	**2016/17**
Total days lost	38,492	42,178
Total staff years	3,392	3,420
Average working days lost (per WTE)	**11**	**12**

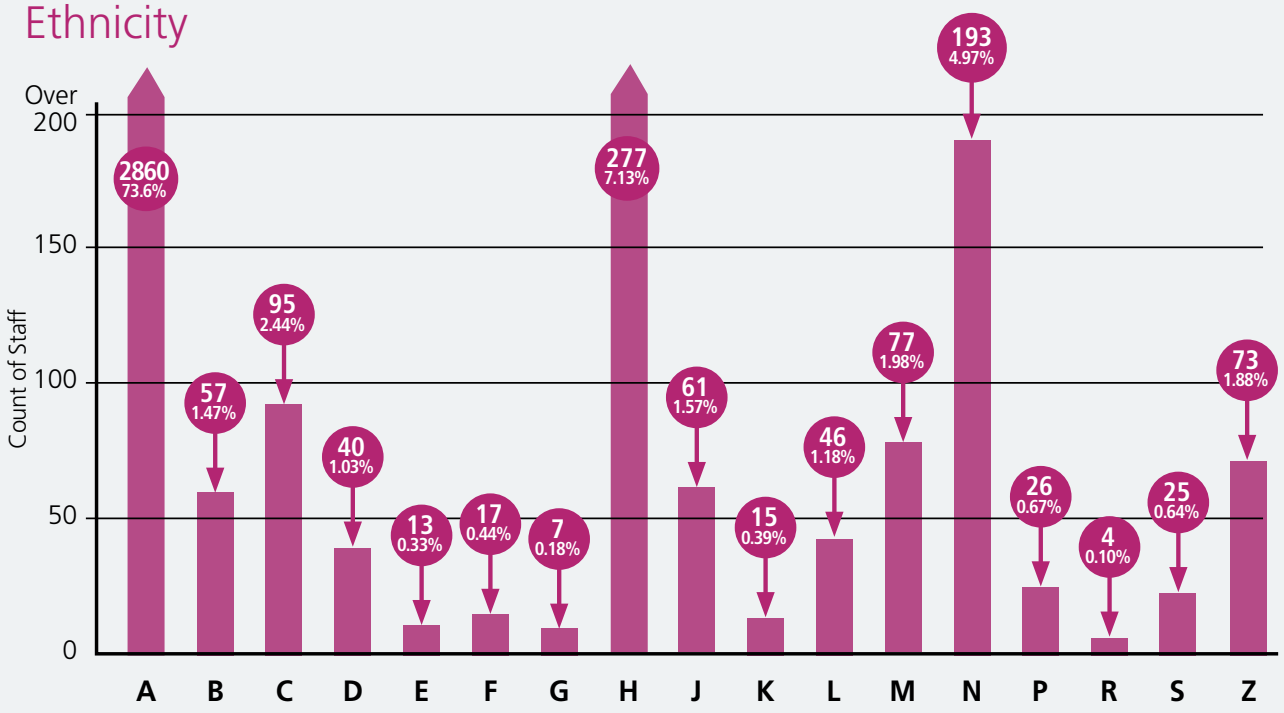
Age Profile

Coventry and Warwickshire Partnership NHS Trust Age Profile March 2018



(L) Justine Richards and North Warwickshire Early Intervention in Psychosis Service (Q Award winners 2017 – Research and Innovation)

Ethnicity



TOTAL: 3886

Key:

- **A** White - British
- **B** White - Irish
- **C** White - Other
- **D** Mixed - White and Black Caribbean
- **E** Mixed - White and Black African
- **F** Mixed - White and Asian
- **G** Mixed - Any other mixed background
- **H** Asian or Asian British - Indian
- **J** Asian or Asian British - Pakistani
- **K** Asian or Asian British - Bangladeshi
- **L** Asian or Asian British - Any other Asian background
- **M** Black or Black British - Caribbean
- **N** Black or Black British - African
- **P** Black or Black British - Any other Black background
- **R** Chinese
- **S** Any Other Ethnic Group
- **Z** Not Stated

Staff groups in post

Staff Group	WTE
Medical and Dental	159.84
Managers and Senior Managers	142.35
Administration and Estates	637.88
Health Care Assistants and Other Support Staff	915.83
Nursing Midwifery and Health Visiting Staff	1070.87
Scientific Therapeutic and Technical Staff	421.89
Others	15.00
All Staff Groups	**3363.67**

Peace Ama Mintah, Health Care Assistant, attending Professional Development training session

Employee Costs

Average number of employees (WTE basis)	Permanent Number	Other Number	2017/18 Total Number	2016/17 Total Number
Medical and dental	160	39	**199**	182
Ambulance staff	0	0	**0**	0
Administration and estates	903	39	**942**	853
Healthcare assistants and other support staff	787	271	**1,058**	1,350
Nursing, midwifery and health visiting staff	1,091	104	**1,195**	1,046
Nursing, midwifery and health visiting learners	20	0	**20**	29
Scientific, therapeutic and technical staff	423	11	**434**	423
Healthcare science staff	0	0	**0**	0
Social care staff	0	0	**0**	0
Other	0	0	**0**	0
Total average numbers	**3,384**	**464**	**3,848**	**3,883**

Staff costs	Permanent £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	106,611	1,431	**108,042**	107,904
Social security costs	9,468	0	**9,468**	9,457
Apprenticeship levy	512	0	**512**	0
Employer's contributions to NHS pensions	13,971	0	**13,971**	13,972
Pension cost – other	5	0	**5**	4
Other post employment benefits	0	0	**0**	0
Other employment benefits	0	0	**0**	0
Termination benefits	349	0	**349**	(177)
Temporary staff		19,649	**19,649**	19,379
Total gross staff costs	130,916	21,080	**151,996**	150,539
Recoveries in respect of seconded staff	0	0	**0**	0
Total staff costs	**130,916**	**21,080**	**151,996**	150,539
Of which				
Costs capitalised as part of assets	**88**	**0**	**88**	84

Gender analysis

All Staff	Number	Percentage
Female	3169	81.5%
Male	717	18.5%
Grand Total	**3886**	

Directors	Number	Percentage
Female	5	83.3%
Male	1	16.7%
Grand Total	**6**	

Band 8+ and Directors

Senior Managers	Number	Percentage
Female	121	72.0%
Male	47	28.0%
Grand Total	**168**	

Management roles

Band	Count	FTE
Band 8a	97	91.46
Band 8b	31	29.21
Band 8c	16	15.40
Band 8d	18	17.10
Director	6	6.00
Grand Total	**168**	**159.17**

Staff from the Snowdon Unit, Brooklands Hospital site

Annual Governance Statement

1. Scope of responsibility

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

2. 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 the Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The capacity of the Trust to handle risk is achieved through the delegated responsibilities in place as defined in the Risk Management Strategy. The Risk Management Strategy sets out the Trust's approach to risk and the accountability arrangements, including the responsibilities of the Board and its Committees, Directors, managers and individual employees. The Scheme of Delegation sets out individuals' authority to act. As the Accountable Officer, I have overall responsibility for ensuring implementation of the Risk Management Strategy and achieving national standards through agreed policies, processes and strategies endorsed by the Board.

The Executive Directors have specific roles within the Trust to lead on control and assurance in areas of clinical quality and safety, risk management, climate change adaption, emergency planning, corporate governance, equality, diversity and human rights legislation, information governance and financial governance.

Appropriate risk management training, information and support is given to all staff as part of their induction to enable them to undertake their work safely and regular updates are also provided. Additional training is provided in specific areas including: fire safety; infection control and; moving and handling, with training tailored according to individual roles in the organisation.

4. The risk and control framework

4.1 Risk Management Arrangements

4.1.1 The Risk Management Strategy

I am accountable for the risk management across the activities within the Trust and have delegated this to the Chief Nurse and Director of Operations who has responsibility at Board level.

A Risk Management Strategy has been in place for the year end 31 March 2018. This strategy is subject to annual review.

This Risk Management Strategy sets out a systematic approach to the strategic management of risk and the supporting infrastructure which enables informed management decisions in the identification, assessment, treatment and monitoring of the risk environment. The aim is to reduce risks that impact on service user and staff safety or have potential for an adverse effect on the Trust's reputation, financial or operational performance.

The strategy sets out:

- A systematic, consistent and coordinated approach to the management of risk across all of its activities;

- How new and existing activities are assessed for risk and managed and reported dependent on the level of risk;
- Common terminology and scoring in relation to risk issues which is replicated across the Board Assurance Framework (BAF) and Risk Register;
- The structures for gaining assurance about the management of risk;
- The way in which the risk register, assurance framework and risk evaluation criteria will be regularly reviewed.

Risk management is embedded in the activity of the organisation through the above measures and also through assessments of specific risks. The Risk Management Strategy is available to all staff. The Risk Registers and other systems of internal control are a continuous process designed to identify and prioritise the risks to the delivery of aims and objectives, evaluate the likelihood of those risks occurring and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Trust will not normally accept risks that have a net risk score of 12 and above. Where the Trust is unable to mitigate the risk to a level that is within our risk appetite, these risks are subject to Board oversight and active management. There are specific risks that the Board will not accept and these are detailed in the Risk Management Strategy.

Control measures are in place to ensure that all the Trust obligations under equality, diversity and human rights legislation are complied with. For example, all Trust policies are required to include an Equality Statement and have undertaken either impact assessment screening or full assessment as part of core business.

4.1.2 Risk Registers

The Trust identifies risks across its workforce and structures including:

- **Strategic Level** – The Trust Board annually reviews the Strategic Risks that are considered to have the greatest impact on the achievement of the Trust's strategic objectives. The mitigation/ controls and actions for the Strategic Risks are reviewed at each meeting of the Board and are reported to the Audit Committee and Board through the Board Assurance Framework (BAF). The BAF is designed to provide the Trust with a comprehensive method for the effective and focused management of the principal risks to meeting the corporate objectives. Each strategic risk is owned by a named Executive Director.
- **Organisational Level** – Strategic and operational risks are recorded in the Risk Register which informs the business planning process. The Risk Register is routinely reviewed by the Safety and Quality Operational Group, Safety and Quality Committee and the Trust Board. A senior officer is assigned responsibility for the management of each risk. Any necessary work programmes are implemented to address actions determined to bring about greater control of an existing risk or to support eradication of the risk.
- **Local (Directorate/Departmental/Functional) Level** – The service Safety and Quality Forums and Corporate Senior Management Teams are responsible for managing risks that impact on the delivery of local objectives. Services are supported by a number of specialist advisors. The service Safety and Quality Forums and Corporate functions report into the Safety and Quality Operational Group, and subsequently the Safety and Quality Committee.
- **Individual Level** – This includes patients, staff and visitors. Where risks are identified relating to patients, these are recorded in risk assessments and risk management plans, which form a part of individual care plans.

4.1.3 Board Assurance Framework

The Audit Committee has oversight of the Board Assurance Framework (BAF) in line with its responsibility for assessing the overall system of internal control. The Internal Audit Plan is driven by the BAF and provides an independent source of assurance around the effectiveness of the key controls that are in place. The BAF is reported to the Audit Committee and the Board on a bi-monthly basis. The Board approves any changes in scores as mitigating actions take effect during the year. Independent assurance in relation to the BAF is provided by Internal Audit. In 2017/18 an interim and final review was undertaken, both of which concluded that the 2017/18 BAF met its requirements (level A) and provided reasonable assurance that there was an effective system of internal control to manage the risks identified.

4.2 The Governance Framework

The Trust has a robust governance framework in place, which ensures that there are clear reporting lines from operational areas through to the Board. The structures that are in place ensure that the responsibilities of the Board as a corporate body are effectively executed and the Board conducts its business with openness and transparency commensurate with a public body.

The Standing Orders, incorporating Standing Financial Instructions and the Scheme of Reservation of Powers, form the central part of this framework. The Scheme of Delegation, as set out in the Standing Orders, sets out the responsibilities reserved for the Board and those delegated to the Committees. The Standing Financial Instructions are part of the Trust's control environment for managing the Trust's financial affairs. These policies contribute to good corporate governance, internal control and the management of risk. They also enable sound administration, reduce the risk of irregularities and support the delivery of safe, effective and efficient services. The Standing Orders were subject to a comprehensive review in the first part of 2017/18, with a further review in March 2018 which focused primarily on the Terms of Reference for the Committees, the work of which is detailed below.

4.2.1 Board Effectiveness

The Board has an ongoing role in reviewing the governance arrangements to ensure that the Trust continues to reflect the principles of good governance. Membership and attendance of the Board and the committees is detailed, is routinely monitored and attendance for the period can be found as follows:

Attendance at 10 Trust Board Meetings – Year Ending 31 March 2018

Board Member Name	Title	Attendance
Sharon Binyon	Medical Director and Interim Deputy Chief Executive (from 16 January 2017 – 16 October 2017 and 1 January 2018 to date)	9/10
Guy Daly	Non-Executive Director	8/10
Zulfiqar Darr	Non-Executive Director and Senior Independent Director	9/10
Alan Dodds	Non-Executive Director and Vice Chair	10/10
Simon Gilby	Chief Executive	10/10
Gale Hart	Director of Finance, Performance and Information	9/10
Jane Hodge	Non-Executive Director	9/10
Doreen McCollin	Associate Non-Executive Director (from 1 October 2016 – 1 July 2017) Non-Executive Director (from 1 July 2017)	7/10
Justine Richards	Director of Strategy and Business Development	8/10
Jagtar Singh	Chair	9/10
Josie Spencer	Deputy Chief Executive 16 October 2017 – 31 December 2017 (Seconded to NHS England and STP from 16 January 2017 – 16 October 2017) Seconded to Norfolk and Suffolk NHS Foundation Trust 1 January 2018 – to date)	1/2
Dianne Whitfield	Non-Executive Director	10/10
Michael Williams	Non-Executive Director	10/10
Tracey Wrench	Chief Nurse and Director of Operations	8/10

The Board held ten meetings in public during the year, with the agenda, paper and minutes published on the Trust's website. During the year the agendas for the Board have been focused on the key areas of Safety and Quality and Safety; Strategy; Performance and; Governance. The Board also hears 'patient stories' at each public Board meeting. Plans for further regular service visits within a governance framework are planned for 2018/19.

Public accountability is further enhanced by the Council of Governors, comprised of elected and appointed Governors who represent the wider membership, and the Equal Partners Assembly comprised of patients and carers. Regular Council of Governors meetings have been held throughout the year, providing the opportunity for the Governors to hold Non-Executive Directors to account.

The Board has seen some changes during the year, due to two separate secondments of the Director of Operations (as detailed in the table above). Interim arrangements were in place throughout the year, with the Director of Nursing and Quality taking on the responsibilities of the Director of Operations, to become Chief Nurse and Director of Operations. In addition the Medical Director acted as the Deputy Chief Executive during the periods of secondment. Regular updates on Board Capacity have been provided to the Board to provide assurance that these arrangements have not compromised the effectiveness of the organisation.

There have been two developments in our Non-Executive structure during the year which have further strengthened the Board. In July 2017 Doreen McCollin, previously an Associate Non-Executive Director, was appointed as a substantive Non-Executive Director. From April 2018 the term of Dianne Whitfield has been extended for a further term.

On recruitment, all Board members are subject to the Fit and Proper Person Test, and annually all Board members are subject to the review of the Test, to provide assurance on suitability.

All Board members receive an annual appraisal review undertaken by the Chief Executive and the Chair as appropriate.

A Register of Interests is maintained for all Board members and, at each Board committee meeting, members are required to declare any potential conflicts that may arise. Annually, Board members confirm their commitment to the Code of Conduct.

Throughout the year the Board have participated in regular Board Seminars which provided the opportunity to focus on issues of strategic importance including the Estates Strategy and the development of the strategic ambitions. This has been complemented by Board Development sessions. The development programme has featured a range of topics including risk management and Board Assurance Framework and participation in the Advancing Quality Alliance (AQuA) programme where the approach to quality improvement was considered. Following this a review of the approach to Quality Improvement (QI), governance structures and reporting has been undertaken to ensure that the Board continues to be focused on the key issues.

The approach to Board Development, in the context of the well-led framework and the Integrated Care System (ICS), is being considered for 2018/19. This will ensure that the Board are equipped to deal with the scale of change required both internally and externally.

4.2.2 Committees Structure

The work of the Board is supported by the following formal Committees that it has established. Each Committee is chaired by a Non-Executive Director, with the duties and responsibilities of each Committee clearly articulated in the Terms of Reference that include explicit accountability arrangements and reporting relationships. The Terms of Reference are publicly available on the Trust's website. During the year the effectiveness of each Committee has been evaluated, with the results reported to the Committee and the Board. A detailed review of the Terms of Reference and business cycle of each Committee has also been undertaken, with revisions to take effect from April 2018.

Committee	Chair
Audit Committee *	Mike Williams
Remuneration Committee*	Dianne Whitfield
Financial Planning and Investment Committee	Zulfiqar Darr
Integrated Workforce Committee	Jane Hodge
Integrated Performance Committee	Alan Dodds
Safety and Quality Committee	Guy Daly

*Statutory Committee

These and other Committees keep the Board informed of significant risks, and provide both myself and the Board with necessary assurance, playing a critical role in ensuring that risk management systems and processes are in place and are effective.

Following each meeting the Chair of each Committee reports to the Board and outlines the most important aspects of the agenda and any issues that need to be brought to the attention of the Board. Each Committee also provides the Board with an annual report summarising the main areas of business conducted during the year and providing assurance on the discharge of the responsibilities delegated to the Committee.

4.2.3 Highlights of Board Committee Reports

The following table summarises the primary purpose of the six key board committees with a high level summary of key tasks undertaken in year.

Board Committee	Met	Primary Purpose	Example Highlights of Board Committee Activity
Audit Committee	7	Provide assurance to the Trust Board on the continued effectiveness of the Trust's system of integrated governance, risk management, financial reporting and internal control.	• Reviewed and supported Board approval of all required disclosure statements • Provided assurance to the Board regarding the Board Assurance Framework (BAF) • Reviewed completeness of the risk management system • Reviewed accounting policies, the accounts, and the management's Letter of Representation • Reviewed and approved write off losses, special payments and waive tender documentation • Received and considered Internal Audit Reports and the Head of Internal Audit Opinion and approved the Internal Audit Plan
Financial Planning and Investment Committee	11	Consider in detail all aspects of financial arrangements (including investment) within the Trust and financial planning and the performance management framework providing the Board of Directors and others with assurance on financial probity and investments.	• Received bids against contingency reserves, contracting reports, capital reports, investment reports, competitor analysis, business developments and tenders and highlight reports on projects such as clinical system benefits realisation project. • Received drafts of the Financial Plan and the progress of development of the plan • Received service reports/plans and environmental reports where financial impact is evident for example the Brooklands Site and the Learning Disabilities Service reconfiguration. • Considered financial and contracting reports and recommended approval of the Capital Programme • Received regular updates from the Great Place Delivery Board
Integrated Performance Committee	11	Receive, review and obtain assurance on service performance against agreed key performance indicators.	• Received monthly reports from the Executive Performance Group (EPG) and scrutinised Directorate Performance. • Received regular trust-wide performance reports through an Integrated Performance Report and Safety and Quality Dashboards • Reviewed the in-year performance of the CIP plans. • Received monthly reports on waiting lists performance and updates on the work of the Waiting List Delivery Group. • Received assurance on reference costs. • Monitor progress of implementation of the action against Central Alert System (CAS).

Board Committee	Met	Primary Purpose	Example Highlights of Board Committee Activity
Integrated Workforce Committee	11	Provide assurance that robust workforce arrangements are in place including compliance and regulation throughout the Trust, that these are working effectively and to provide assurance that the Workforce Strategy is delivered.	• Critically reviewed the Workforce and Organisational Development Strategy: 'Our People Strategy' • Considered bank pay rates, staff engagement, recruitment, retention, turnover, disciplinary investigations, sickness, training and marketing proposition, • Approved the Workforce Plan, HEE workforce commissioning plan, Medical Appraisal and Revalidation Annual Report, Guardian of Safe Working and Freedom to Speak Up proposals. • Received regular equality, diversity and inclusion updates and considered the Gender Pay Gap Report
Safety and Quality Committee	10	Scrutinise and provide assurance to the Board on the level of assurance achieved with regard to robust quality governance arrangements in place throughout the trust and that these are working effectively.	• Reviewed, ratified and sought assurance on management of Serious Incidents Requiring Investigation (SIRIs) and approved associated policies • Provided assurance to Board re clinical audit activity and the clinical audit forward programme • Oversaw the production of the Quality Account and Quality Goals • Approved on behalf of the board, the Risk Management Strategy • Managed the preparation programme, inspection and action planning process with regard to regulatory inspection (CQC) • Received reports on compliments, PALS and complaints and Ombudsman investigation • Received and reviewed the Learning from Deaths Policy
Remuneration and Terms of Service Committee	3	Be responsible for the review and evaluation of the structure, size and composition of the Board; to oversee Board talent management and succession planning arrangements and to consider and determine on matters of executive remuneration, other payments and Board members collective and individual evaluation.	• Received Chair appraisal of the Chief Executive; Received NHSI appraisal highlights of the Chair; Received highlights of Executive Directors appraisals by the Chief Executive • Received updates on remuneration rates for Executives • Considered proposals for changes in the structure of the Executive Team

4.3 Performance Management and Quality Governance Framework

4.3.1 Performance Management and Data Quality

The Trust has a Performance Management Strategy in place.

The Integrated Performance Committee has delegated responsibility for oversight of Trust wide performance. The Committee provides an assurance report to the Board each month, providing details of where it is assured or not assured in respect of performance.

During the year the Committee has had a focus on waiting times relevant to a mental health and community trust and since November 2017 a Waiting Lists Report has been provided to the Committee each month. In addition to providing details on the trends in waiting lists across the Trust, the report has also provided details of the objectives of the Waiting Times Delivery Group and the progress made during the year.

A challenge, closely associated with the waiting list issue, will remain the increased demand we have seen on key areas of our service offer in recent years, particularly in respect of our integrated community physical and mental health services. Our ability to respond to these is dependent, in part, on ensuring that our services are configured appropriately and that we can recruit and retain the right numbers of trained staff. In part, it will be a factor of our success in agreeing with our commissioners appropriate funding levels in the context of overall system financial sustainability.

A rolling programme of data quality audits is carried out as part of the Internal Audit Programme each year and the reports are presented to the Audit Committee. Assurance is provided in each of the following areas; accuracy, validity, reliability, timelines and relevance. During the year data quality audits have been undertaken in the following areas:

IAPT Referral to Treatment (C12)	CAMHS Referral to treatment less than 18 weeks	Friends and Family – Staff (OF8b)
IAPT Referral to Treatment (C13)	Waiting times for Memory Assessment Clinic – 12 weeks (C17)	Friends and Family – Patients (PE3)
Percentage of patients with a crisis plan agreed (C20)		Friends and Family (OF8a)

4.3.2 Quality Governance

The Board is responsible for the quality of services provided. Executive responsibility rests with the Chief Nurse and Director of Operations and the Medical Director.

The Trust has a series of Quality Improvement Goals that are reviewed annually and progress against these goals is reported quarterly to the Board.

During the year the approach to Quality Improvement (QI) has been under review, with regular updates provided to the Safety and Quality Committee on the direction of travel and the progress made.

4.3.3 Clinical Audit

The Trust recognises the importance of the clinical audit and a programme of activity is agreed and is monitored throughout the year. The Trust continues to participate in the required national clinical audits. The delivery of the programme is monitored by the Clinical Audit and Effectiveness Group which reports to the Safety and Quality Operational Group, with an annual report presented to the Safety and Quality Committee which provides assurance on completion of the plan.

4.3.4 The Learning Organisation

The Trust Board places great importance on learning from incidents, and a process is in place which enables all incidents to be reviewed and for the dissemination of lessons throughout the organisation. Where necessary and appropriate, external support is engaged to undertake reviews and investigations.

4.3.5 Management of Serious Incidents Requiring Investigation (SIRI)

The Trust has robust arrangements in place for the identification, management, reporting and learning from SIRI's. The Trust has in place a Significant Incident Group (SIG) which manages the activity on behalf of the Trust Board via its report to the Safety and Quality Committee.

Attendance at SIG is multi-disciplinary and has commissioner representation. The Trust reports all new SIRIs to Trust Board and has reported action taken where appropriate, culminating in a Trust wide Learning Alert issued to all staff through the Core Brief process. The Trust has recorded no Never Events in year.

4.3.6 CQC Registration

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

4.4 Risk Profile

Throughout the year, the risks have been documented in the Risk Register and these, together with the Board Assurance Framework, were the methods used to address the issues that could disrupt the Trust's achievement of its objectives. Where gaps were identified in either the assurance or the controls, the Board required that further action be taken to mitigate the risks. Furthermore, all papers presented to the Board or a Committee include a section that highlights the risks associated with the information being presented and where appropriate this is cross referenced to the Board Assurance Framework.

The Anti-Fraud specialist undertakes a programme of work for the Trust which includes awareness / deterrence training; fraud detection and prevention and investigations. The Audit Committee receives regular reports relating to the anti-fraud plan and the Trust actively considers redress and legal sanctions where appropriate.

4.5 Strategic Risks

In the context of this statement the major risks have been identified as those that could impact on the achievement of the Trust's objectives and are detailed in the Board Assurance Framework. These were as follows:

- If the Trust cannot maintain expenditure within income levels whilst maintaining quality and safety then an effective and quality service will not be delivered to patients.
- If the Trust fails to work collaboratively and flexibly with key partners then the Trust will not be able to adequately deliver the services it is commissioned to deliver.
- If the Trust is unable to achieve the cultural change required to sustain effective team working then there will not be an improvement in patient outcomes and patient experience.
- If the Trust is not able to play its role in leadership, partnership working and the collaboration required within our STP footprint (and other national developments) then the Trust will be unable to sustain its current service portfolio and fail to acquire new business.
- If the Trust is unable to recruit and retain staff with appropriate qualifications, skills and competence then the Trust will not be able to adequately deliver the services it is commissioned to provide.

There are other risks that are included on the risk register that score 12 and above and these are monitored by the Safety and Quality Committee and reported to the Board each month.

4.6 Data Security Risks

The Trust places high importance on ensuring there is robust information governance systems and processes in place to help protect patient and corporate information. The Trust has established an information governance management framework and developed information governance processes and procedures in line with the information governance toolkit. The Trust ensures that staff undertake annual information governance training to ensure that our staff are aware of their information governance responsibilities. Risks to data security are assessed and monitored by the Information Governance Group, with reporting to the Safety and Quality Committee via the Safety and Quality Operational Group.

4.7 Well-Led Framework

In 2016/17 the Trust undertook a comprehensive assessment of performance against the Well Led framework, with an independent review by Internal Audit. In 2017/18 this has been further developed and the Trust has commissioned external support to develop and embed collective leadership across the senior leaders of the organisation. The Trust is also undertaking a self-assessment against NHS Improvement Well Led Framework, which was updated in June 2017; this will be shared with the Trust Leadership Team and the Board, demonstrating commitment to collective leadership. From this the Trust will develop a comprehensive plan in response to any identified gaps. In addition the Trust is considering the most appropriate timing for an externally led developmental review of the Well-Led Framework in 2018/19.

4.8 NHS Pension Scheme

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

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

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

Each member of the Board is aware of their responsibility to spend public money effectively. This message has also been communicated throughout the organisation so that all staff are aware of their responsibilities.

The Trust's Internal Auditors have undertaken a programme of work to provide independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas including those identified in the Board Assurance Framework. All Internal Audit Reports have been reported to the Audit Committee throughout the year and are reflected in the Head of Internal Audit's annual opinion which is included within this report.

The Head of Audit Opinion has concluded that:

My overall opinion is that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

Within my opinion I have noted that:

- The Trust has an effective Assurance Framework.
- Whilst a number of reviews received Significant Assurance a small number received Moderate Assurance: Patient Sleepovers, Medicines Reconciliations, Compliance with Hospital Food Standards, Erostering, Waiting List Management and one review received Limited Assurance: Searches. In addition, examples of poor record keeping were found in the Paper Records Audit.
- The Trust needs to continue with its focus on all outstanding actions to ensure it maintains a good record of effective implementation of agreed actions.

I have not identified any Significant Internal Control Issues (as defined by HM Treasury) that must be reported within your Annual Governance Statement.

External Audit also reports on value for money concerns as part of their ISA 260 report to the Audit Committee each year. There were no matters to report about the Trusts arrangements to secure economy, efficiency and effectiveness in its use of resources.

NHSI reviews the Trust in accordance with the Single Oversight Framework (SOF). The SOF monitors the Trust's performance under five key themes: quality of care; finance and use of resources; operational performance; strategic change and; leadership and improvement capability. The Trusts use of performance rating is reported to the Board each month in the Finance and Contracting Report.

The Financial Planning and Investment Committee and the Integrated Performance Committee have provided scrutiny on the overall financial management of the Trust. This has included the assessment of the financial planning of the organisation and delivery of the Cost Improvement Programme. In turn the Committees have provided updates to the Board each month.

6. Information governances

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular personal identifiable information. The NHS Information Governance Framework is supported by an information governance toolkit and the annual submission process provides assurances to the Trust, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively. The Trust has an annual work plan to enable it to systematically review its compliance and gather evidence for the Information Governance Toolkit.

The Director of Finance, Performance and Information is the Trust's Senior Information Risk Owner (SIRO) and the Medical Director is the Caldicott Guardian. The Trust's IG status is reviewed by the Information Governance Group with regular reporting to the Safety and Quality Operational Group and regular performance reporting to the Board.

The Trust has submitted the Information Governance Toolkit Version 14.1 The Trust's Information Governance Assessment Report overall score for 2017/18 was 73% and was graded Green.

12 of the 45 standard within the IG Toolkit Version 14.1 (2017-18) are mapped to the recommendations within the Caldicott2 report. These 12 standards should be at attainment level 3 in order for the Trust to be "fully implemented" in regard to the Caldicott2 report requirements. These are mainly around the Trust's compliance with Data Protection and Confidentiality issues but also Breach reporting. As at the end of March 2018, the Trust will not have reached "fully implemented" as one of the standards requires there to be a "patient portal" for electronic patient records and this is not yet available. The standards will be at the correct level for the Toolkit submission to be "satisfactory".

The Trust has achieved ISO/IEC 27701:2013 in regard to its Information Technology Department Information Security procedures.

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 in line with the Health and Social Care Information Centre (HSCIC) requirements, with lessons learnt shared through the Information Governance Group.

In the financial year 2017-18 there have been 84 incidents reported at level 1 and 1 incident at level 2 or above which was required to be reported via the Information Governance Incident reporting tool to the Information Commissioner's Office (ICO).

The table below shows the IG SIRI Level 1 breaches that have not been reported on the Incident Reporting Toolkit/to the Information Commissioner but have been dealt with in line with local Incident procedures within the Trust.

Breach TYPE	Overall score 1	Overall score 2 or above	Totals
A - Corruption or inability to recover electronic data			
B - Disclosed in error	34	1	35
C - Lost in Transit	1		1
D - Lost or stolen Hardware	2		2
E - Lost or stolen Paperwork	26		26
F - Non-secure Disposal - hardware			
G - Non-secure Disposal - paperwork			
H - Uploaded to website in error			
I - Technical security failing (including hacking)			
J - Unauthorised access/disclosure	6		6
K - other	15		15
Totals	**84**	**1**	**85**

7. Annual Quality Account

The Board approves a Quality Account each year and this Account is published along with the Trust's Annual Report. The Account helps the Board, senior clinicians, managers and the general public to assess quality across the healthcare services provided.

It reviews the Trust performance towards the delivery of quality priorities and demonstrates how the Trust is using its resources to drive quality improvements. The Quality Account is subject to independent scrutiny by the Trust auditors and comment from key partner organisations including Health Overview and Scrutiny Committees.

Details of the Trust's approach to quality and accuracy of waiting time data is provided earlier in this statement.

8. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and the Safety and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The BAF provides me with evidence of the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives have been reviewed. Internal Audit provided me with an opinion on the effectiveness of the BAF and the internal controls reviewed as part of a risk based audit plan. Internal Audit reports are considered by the Audit Committee, with key issues highlighted to the Board both through the bi-monthly assurance reports and the Annual Report from the Audit Committee to the Board. The BAF is reviewed by the Audit Committee and the Board on a bi-monthly basis and provided me and the Board with evidence of the effectiveness of the controls in place to manage risks.

My review is also informed by the opinion of external audit, and inspections undertaken by the CQC and other external inspections, accreditation and review.

I have detailed below the key challenges during the year which, whilst not significant control issues, have required a high degree of focus in the period.

In June 2017 the Trust was subject to a Care Quality Commission (CQC) inspection. The CQC concluded the overall rating for the Trust was 'Requires Improvement'. In response to the findings the CQC issued four requirement notices. Enforcement action in the form of issuing a Warning Notice was taken in relation to the Trusts older adult inpatient wards and this was subsequently rescinded in February 2018 following a re-inspection of these wards. The Trust has developed an action plan in response to the concerns raised by the CQC and this has been reported through the Trusts governance structures and has been shared with the CQC and NHS Improvement (NHSI). All actions within the plan are scheduled to be completed by July 2018. In addition to this the Trust is developing its approach to continuous improvement to support the move from a culture of assurance to improvement.

Whilst the majority of services formally commissioned against national or local waiting times continue to be met, there are some areas where patients are waiting longer than expected for their treatment. This is particularly the case in Child and Adolescent Mental Health Services (CAMHs) Follow-Up Waits. We are working closely with our commissioners to reduce waiting times and agree trajectories for improvement through a range of measures including additional funding and transformation of our services. Waiting times performance is closely monitored through the Integrated Performance Committee and is included on the risk register.

A challenge, closely associated with the waiting list issue, will remain the increased demand we have seen on key areas of our service offer in recent years, particularly in respect of our integrated community physical and mental health services. Our ability to respond to these is dependent, in part, on ensuring that our services are configured appropriately and that we can recruit and retain the right numbers of trained staff. In part, it will be a factor of our success in agreeing with our commissioners appropriate funding levels in the context of overall system financial sustainability.

A key challenge we have faced during the year is the delivery of our Cost Improvement Plan (CIP). At the end of 2017/18 there was a year to date shortfall in CIP of £1.071 million against planned delivery of £12.950 million. However, this shortfall was offset through underspends against budget in other areas of the Trust, and we have benefited from some non-recurrent income in year. As a result, at year-end the Trust has delivered a control total surplus of £4.678 million. This position was due to the receipt of Sustainability and Transformation Funding (STF) monies of £3.308 million. The Trust delivery of CIP has been subject to clear and transparent reporting and robust discussion via the Great Place Delivery Board and the Integrated Performance Committee through to Trust Board. The Trust has also commissioned an external review of its future Cost Improvement Plans, to support the Trust to identify and deliver on future efficiency targets.

Based upon these inspections, reviews and the opinions issued by our auditors on the system of internal control, I can confirm that the arrangements the Trust has in place for the discharge of statutory functions are effective.

Conclusion

My review confirms that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. I can confirm that no significant internal control issues have been identified.

Chief Executive: Date: 22 May 2018

Simon Gilby, Chief Executive

(L-R) Cleo Maynard (mental health nurse) and Hazel Crane (facilitating Venepuncture training)

3 – Financial Statements

Cash holding at 31 March 2018 was £57.564 million.

The total value of debtors at 31 March 2018 owed for longer than three months has increased from £0.805 million at 31 March 2017 to £0.842 million at 31 March 2018.

Capital expenditure at 31 March 2018 was £3.585 million, against our capital programme for the year of £3.609 million.

Further details of the Trust's financial performance are reported in the summary financial statements that are extracted from our accounts and published in this Annual Report.

The Trust generates its income mainly from the provision of healthcare in community and acute settings from its Mental Health, Learning Disability, and Community services, and due to the nature of its contracts cannot be specifically analysed by product or service.

The information provided to the Board for the period 31 March 2018 is shown in the table below:

Service	2017/18	2016/17
	£000	£000
Acute services	**48,849**	50,517
Child and family services	**23,270**	21,727
Integrated community services	**66,176**	62,340
Director of operations	**14,298**	13,556
Total patient services	**152,593**	148,140
Corporate services	**18,953**	19,613
Trustwide operational services	**25,508**	25,029
Reserves and capital charges	**6,605**	4,007
Public Dividend Capital (PDC)	**2,062**	2,129
Total expenditure	**205,721**	198,918
Total income	**213,700**	205,472
Operating surplus before interest	**(7,979)**	(6,554)
	2017/18 £000s	2016/17 £000s
Operating surplus before interest	**(7,979)**	(6,554)
Interest payable	**3,508**	3,455
Interest receivable	**(165)**	(161)
(Profit)/loss on disposal	**(87)**	(106)
Impairment on revaluation	**9,018**	78
Retained (surplus)/deficit for the year *	**4,295**	(3,288)

All revenues from external customers are derived from the United Kingdom.

* The retained surplus in 2016/17 differs from the figure in the Statement of Comprehensive Income, due to additional Sustainability and Transformation Funding (STF) of £2,385,000 that was notified on 24 April 2017, after Trust Board papers had been dispatched. The additional STF was verbally reported to Board on 25 April 2017.

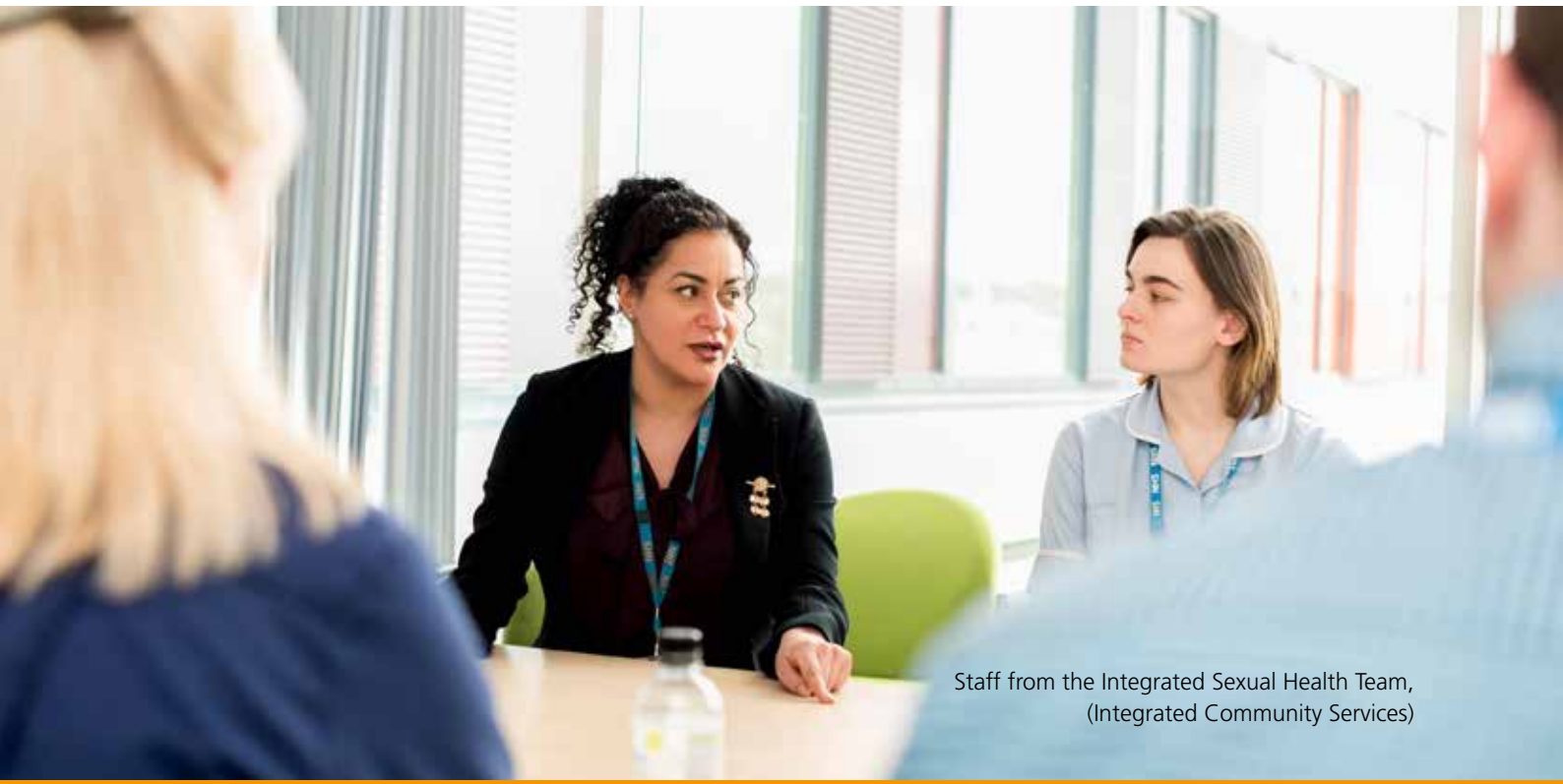
Statement of Comprehensive Income for year ended

31 March 2018	31 March 2018	31 March 2017
	£000s	£000s
Revenue from patient care activities	**194,213**	191,605
Other operating revenue	**19,487**	16,252
Operating expenses	**(212,677)**	(196,867)
Operating surplus/(deficit) from continuing operations	**1,023**	10,990
Investment revenue	**165**	161
Finance costs	**(3,508)**	(3,455)
Public Dividend Capital dividends payable	**(2,062)**	(2,129)
Net finance costs	**(5,405)**	(5,423)
Other gains and (losses)	**87**	106
Share of profit / (losses) of associates / joint arrangements	**0**	0
Gains / (losses) arising from transfers by absorption	**0**	0
Surplus/(deficit) for the financial year	**(4,295)**	5,673
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	**0**	0
Retained surplus/(deficit) for the year	**(4,295)**	5,673

Other comprehensive income	31 March 2018	31 March 2017
	£000s	£000s
Will not be reclassified to Retained Earnings Reserve:		
Impairments and reversals taken to the Revaluation Reserve	**(7,619)**	(359)
Net gain on revaluation of property, plant and equipment	**12,365**	3,440
Share of comprehensive income from associates and joint ventures	**0**	0
Other recognised gains and losses	**0**	0
Remeasurements of the net defined benefit pension scheme liability / asset	**0**	0
Other reserve movements	**0**	0
May be reclassified to Retained Earnings Reserve when certain conditions are met:		
Fair value gains / (losses) on available-for-sale financial investments	**0**	0
Recycling gains / (losses) on available-for-sale financial investments	**0**	0
Total comprehensive income for the year	**451**	8,754

Financial performance for the year cont.

	31 March 2018	31 March 2017
Retained surplus/(deficit) for the year	**(4,295)**	5,673
Prior period adjustment to correct errors and other performance adjustments	**(58)**	0
Impairments (excluding IFRIC 12 impairments)	**9,018**	78
Adjustments in respect of Donated Asset/Government Grant Reserve elimination	**13**	15
Adjustment regarding absorption accounting	**0**	0
Adjusted financial performance surplus (control total basis)	**4,678**	5,766
NHS Trusts have a statutory requirement to break even taking one year with another (see notes 49 and 50). The Department of Health and Social Care has determined that some items can be excluded from the surplus/deficit of Trusts when considering this statutory requirement. A Trust's reported NHS financial performance position is derived from its retained surplus, but adjusted for the following: a) Impairments to property, plant and equipment – An impairment charge is not considered part of the organisation's operating position, as deemed by the Department of Health and Social Care. b) Adjustments in respect of the elimination of Donated Asset and Government Grant Reserves. c) From 2017/18 onward, adjustments are no longer made regarding IFRIC12 amounts. The 2016/17 column now excludes the £306,000 adjustment shown last year.		
PDC dividend: balance receivable at 31 March 2018	**18**	
PDC dividend: balance receivable at 1 April 2017	**118**	



Staff from the Integrated Sexual Health Team, (Integrated Community Services)

Statement of Financial Position as at 31 March 2018	31 March 2018	31 March 2017
Non-current assets	**£000s**	£000s
Intangible assets	**1,583**	1,787
Property, plant and equipment	**109,331**	114,421
Investment property	**0**	0
Investments in associates and joint ventures	**0**	0
Other financial assets	**0**	0
Trade and other receivables	**0**	0
Other assets	**0**	0
Total non-current assets	**110,914**	116,208
Current assets		
Inventories	**256**	277
Trade and other receivables	**8,553**	8,863
Other financial assets	**0**	0
Other current assets	**0**	0
Non-current assets held for sale / assets in disposal groups	**281**	0
Cash and cash equivalents	**57,564**	50,257
Total current assets	**66,654**	59,397
Total assets	**177,568**	175,605
Current liabilities		
Trade and other payables	**(22,533)**	(17,748)
Borrowings	**(514)**	(490)
Other financial liabilities	**0**	0
Provisions	**(1,448)**	(1,875)
Other liabilities	**(100)**	(162)
Liabilities in disposal groups	**0**	0
Total current liabilities	**(24,595)**	(20,275)
Total assets less current liabilities	**152,973**	155,330
Non-current liabilities		
Trade and other payables	**0**	0
Borrowings	**(27,853)**	(28,367)
Other financial liabilities	**0**	0
Provisions	**(1,112)**	(3,406)
Other liabilities	**0**	0
Total non-current liabilities	**(28,965)**	(31,773)
Total assets employed:	**124,008**	123,557
Financed by:		
Taxpayers' equity		
Public dividend capital	**88,754**	88,754
Revaluation Reserve	**35,614**	30,962
Other reserves	**0**	0
Retained earnings	**(360)**	3,841
Total taxpayers' equity:	**124,008**	123,557

The financial statements on pages 2 to 51 were approved by the Board on 22 May 2018 and signed on its behalf by:

Signature:  Chief Executive, Simon Gilby

Date: 22 May 2018

Statement of changes in taxpayers' Equity For the year ending 31 March 2018	Public dividend capital	Revaluation Reserve	Other reserves	Retained Earnings Reserve	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2017	**88,754**	**30,962**	**0**	**3,841**	**123,557**
Changes in taxpayers' equity for 2017/18					
Retained deficit for the year	**0**	**0**	**0**	**(4,295)**	**(4,295)**
Transfers by absorption: transfers between reserves	**0**	**0**	**0**	**0**	**0**
Transfer from Revaluation Reserve to Retained Earnings Reserve for impairments arising from consumption of economic benefits	**0**	**0**	**0**	**0**	**0**
Other transfers between reserves	**0**	**0**	**0**	**0**	**0**
Impairments (Note 7)	**0**	**(7,619)**	**0**	**0**	**(7,619)**
Revaluations	**0**	**12,365**	**0**	**0**	**12,365**
Transfer to retained earnings on disposal of assets	**0**	**(94)**	**0**	**94**	**0**
Other recognised gains and losses	**0**	**0**	**0**	**0**	**0**
Public dividend capital received	**0**	**0**	**0**	**0**	**0**
Public dividend capital repaid	**0**	**0**	**0**	**0**	**0**
Public dividend capital written off	**0**	**0**	**0**	**0**	**0**
Other movements in public dividend capital in year	**0**	**0**	**0**	**0**	**0**
Other reserve movements	**0**	**0**	**0**	**0**	**0**
Taxpayers' equity at 31 March 2018	**88,754**	**35,614**	**0**	**(360)**	**124,008**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017	Public dividend capital	Revaluation Reserve	Other reserves	Retained Earnings Reserve	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	88,754	27,892	0	(1,843)	**114,803**
Retained surplus for the year	0	0	0	5,673	**5,673**
Transfers by absorption: transfers between reserves	0	0	0	0	**0**
Transfer from Revaluation Reserve to Retained Earnings Reserve for impairments arising from consumption of economic benefits	0	0	0	0	**0**
Other transfers between reserves	0	(11)	0	11	**0**
Impairments	0	(359)	0	0	**(359)**
Revaluations	0	3,440	0	0	**3,440**
Transfer to retained earnings on disposal of assets	0	0	0	0	**0**
Other recognised gains and losses	0	0	0	0	**0**
Public dividend capital received	0	0	0	0	**0**
Public dividend capital repaid	0	0	0	0	**0**
Public dividend capital written off	0	0	0	0	**0**
Other movements in public dividend capital in year	0	0	0	0	**0**
Other reserve movements	0	0	0	0	**0**
Taxpayers' equity at 31 March 2017	**88,754**	**30,962**	**0**	**3,841**	**123,557**

Information on reserves

Public dividend capital

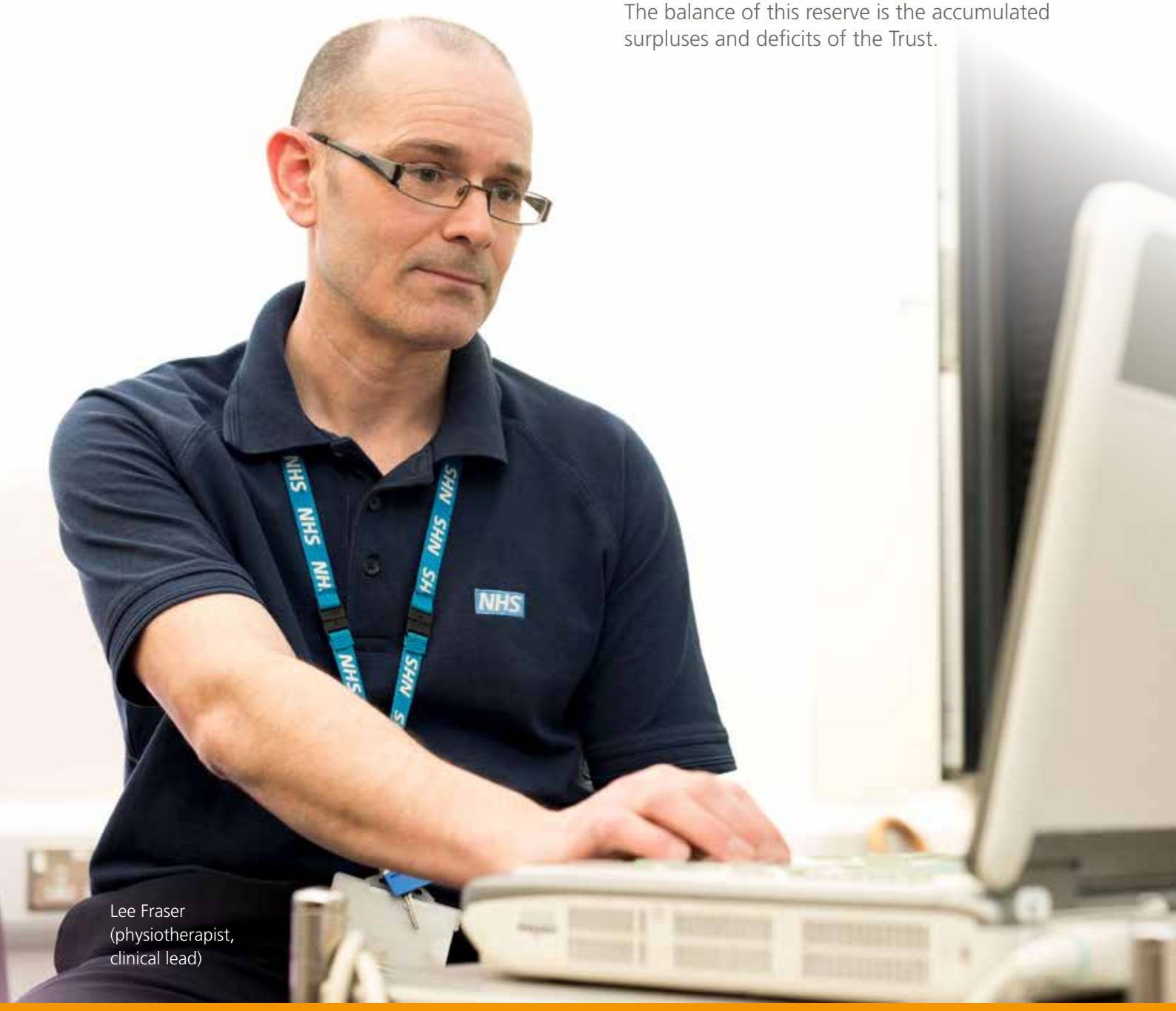
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost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

Revaluation Reserve

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

Retained Earnings Reserve

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



Lee Fraser
(physiotherapist,
clinical lead)

Statement of cash flows for the year ended 31 March 2018	31 March 2018	31 March 2017
	£000s	£000s
Cash flows from operating activities		
Operating surplus	**1,023**	10,990
Non-cash income and expense:		
Depreciation and amortisation	**4,298**	4,052
Net impairments	**9,018**	78
Income recognised in respect of capital donations	**0**	0
Amortisation of PFI deferred credit	**0**	0
Non-cash movements in on-SoFP pension liability	**0**	0
(Increase)/decrease in trade and other receivables	**217**	(691)
(Increase)/decrease in inventories	**21**	32
Increase / (decrease) in payables and other liabilties	**5,226**	20
Increase / (decrease) in provisions	**(2,727)**	(262)
Tax (paid) / received	**0**	0
Operating cash flows from discontinued operations	**0**	0
Other movements in operating cash flows	**0**	0
Net cash inflow from operating activities	**17,076**	14,219
Cash flows from investing activities		
Interest received	**158**	161
Purchase and sale of financial assets / investments	**0**	0
Purchase of intangible assets	**(685)**	(441)
Sales of intangible assets	**0**	0
Purchase of property, plant, equipment and investment property	**(3,403)**	(2,215)
Sales of property, plant, equipment and investment property	**115**	921
Receipt of cash donations to purchase capital assets	**0**	0
Prepayment of PFI capital contributions	**0**	0
Investing cash flows of discontinued operations	**0**	0
Cash movement from acquisitions/disposals of subsidiaries	**0**	0
Net cash outflow from investing activities	**(3,815)**	(1,574)
Cash flows from financing activities		
Public dividend capital received	**0**	0
Public dividend capital repaid	**0**	0
Movement on loans from the Department of Health and Social Care	**0**	0
Movement on other loans	**0**	0
Other capital receipts	**0**	0
Capital element of finance lease rental payments	**0**	0
Capital element of PFI, LIFT and other service concession payments	**(490)**	(435)
Interest paid on finance lease liabilities	**0**	0
Interest paid on PFI, LIFT and other service concession obligations	**(3,495)**	(3,402)
Other interest paid	**(7)**	0
PDC dividend paid	**(1,962)**	(2,133)
Financing cash flows of discontinued operations	**0**	0
Cash flows from other financing activities	**0**	0
Net cash outflow from financing activities	**(5,954)**	(5,970)
Net increase in cash and cash equivalents	**7,307**	6,675

Cash and cash equivalents at 1 April – brought forward	**50,257**	43,582
Prior period adjustments	**0**	0
Cash and cash equivalents at 1 April – restated	**50,257**	43,582
Net increase in cash and cash equivalents	**7,307**	6,675
Cash and cash equivalents transferred under absorption accounting	**0**	0
Unrealised gains / (losses) on foreign exchange	**0**	0
Cash and cash equivalents at 31 March	**57,564**	50,257

Better Payment Practice Code

	2017-18	2017-18	2016-17	2016-17
Non-NHS payables	Number	£000s	Number	£000s
Total Non-NHS trade invoices paid in the year	**16,503**	**66,298**	20,653	63,246
Total Non-NHS trade invoices paid within target	**14,823**	**62,055**	18,900	60,128
Percentage of Non-NHS trade invoices paid within target	**89.82%**	**93.60%**	91.51%	95.07%
NHS payables	Number	£000s	Number	£000s
Total NHS trade invoices paid in the year	**622**	**9,389**	577	8,591
Total NHS trade invoices paid within target	**523**	**8,392**	429	7,407
Percentage of NHS trade invoices paid within target	**84.08%**	**89.38%**	74.35%	86.22%

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

Prompt Payments Code

The Trust has signed up to the Prompt Payments Code.

Counter fraud activity

If you are concerned about fraud in the NHS report to the confidential NHS Fraud and Corruption Reporting Line on 0800 028 4060. The Trust has actively promoted this helpline, and the work of the Local Counter Fraud Specialist, who undertakes a broad range of work to reduce and combat fraudulent activity. Every health body in the NHS has to appoint a Local Counter Fraud Specialist (LCFS), as required by Secretary of State's Directions on Countering Fraud in the NHS.

Audit arrangements

The Partnership Trust's external auditor is Deloittes LLP, appointed by the Trust.

Audit Services

Total audit fees for 2017/18 are £76,000, which include the provision of assurance services with respect to the Quality Account.

Principles for remedy

The Parliamentary and Health Services Ombudsman is a government body set up to provide an independent review for people who have complained about an NHS organisation and who are not satisfied with the response. The Ombudsman has produced a guide that organisations are expected to follow: 'Principles for Remedy'. A copy of this can be obtained from: www.ombudsman.org.uk/about-us/our-principles/principles-remedy

The Trust aims to meet the Principles and relevant policies and procedures support this aim. Further information about the Trust's activity regarding complaints during the year can be found in our Quality Account 2017/18.

Charging Overseas Visitors

The Trust is in the process of developing robust processes for identifying overseas visitors. A pilot has been undertaken in the 'Wheelchair Service' and the findings will be used to develop a policy to be implemented across all services. A working group will support the development of this policy and rollout across the Trust. There is also a national focus on implementing this initiative in Mental Health Trust and Community Trusts and support being provided in terms of sharing best practice, learning and training that the Trust is utilising.

Emergency Preparedness, Resilience and Response (EPRR)

The Trust has a Major Incident Plan, and all other associated Emergency Plans which are compliant with requirements of the NHS England Emergency Preparedness, Resilience and Response Framework 2015 and all associated guidance.

NHS Core Standards for Emergency Preparedness, Resilience and Response (EPRR)

Following self-assessment, the Trust was able to declare partial compliance with the EPRR Core Standards assessment for 2017/2018. This was confirmed in September 2017.

Following the completion of some actions on the rectification plan, the Trust was able to upgrade compliance with the Core Standards to Substantially Compliant in January 2018. The Trust has a rectification plan to address the standards that are not fully compliant.

Charging for information

The Trust has complied with Treasury guidance on setting charges for information.

Quality Account 2017/18

A fuller account of our performance in relation to the quality of care provided can be found in our Quality Account 2017/18.

Further copies

To obtain further copies of this Annual Report, please contact the Associate Director of Corporate Affairs at the headquarters address on the back cover of this publication.

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year.

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year.

The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board

Signed

Simon Gilby,
Chief Executive

Date: 22 May 2018

Signed

Gale Hart,
Director of Finance, Performance and Information

Date: 22 May 2018

Simon Gilby

Gale Hart

Glossary

Carbon footprint	The total set of environmental impact caused by an organisation.
Care Quality Commission (CQC)	The CQC is the independent regulator of health and adult social care services in England. It also protects the interest of people whose rights are restricted under the Mental Health Act.
Chair	The Chair is a Non-Executive Director, and not a full time NHS employee. It is his role to Chair our Trust Board, and help ensure the organisation has the leadership it needs.
Clinical Commissioning Groups (CCGs)	CCGs are the organisations that buy health services on behalf of the communities they serve.
Co2e – Carbon footprint	Carbon dioxide equivalent. This is a standard unit for measuring carbon footprints. T = tonnes. tCO2e stands for tonnes of CO2 equivalent. The idea is to express the impact of each different greenhouse gas in terms of the amount of CO2 that would create the same amount of warming. That way, a carbon footprint consisting of lots of different greenhouse gases can be expressed as a single number.
Commissioners	Commissioners have responsibility for assessing the needs of their local population and purchasing services to meet these needs. They commission services, including acute care, primary care and mental healthcare) for the whole of their local population with a view to improving their health.
Commissioning for Quality and Innovation (CQUIN)	CQUINs is a payment framework that is a compulsory part of the NHS contract. It allows local health communities to develop local schemes to encourage quality improvement and recognise innovation by making a proportion of the organisation's income conditional on demonstrating improvements in quality and innovation in specified areas of patient care.
DHSC	The Department of Health Social Care supports ministers in leading the nation's health and social care to help people live more independent, healthier lives for longer.
Equal Active Partners	Equal Active Partners is the Trust's staff engagement initiative, designed to help bring staff together and so support delivery of high quality care.
Equal Partners	Equal Partners is the Trust's patient and carer engagement initiative, designed to ensure we do all we can to involve people in the services we provide, and so support delivery of high quality care.

Healthwatch	Each local authority area has a Healthwatch group which is a network of local people, groups and organisations from the local community who want to make care services better. The aim of Healthwatch is to ensure local people have a say in the planning, design, commissioning and provision of health and social care services.
Information Governance (IG) Toolkit	The IG toolkit is an online tool that allows organisations to measure their performance against information governance standards. The information governance standards encompass legal requirements, central guidance and best practice in information handling.
Integrated Practice Unit	An Integrated Practice Unit (IPU) is the grouping of staff and resources by which services will be provided to individual patients.
MERIT	Mental Health Alliance for Excellence, Resilience, Innovation and Training (MERIT). Merit is the name given to the Vanguard programme the Trust operates under.
National Institute of Health and Clinical Excellence (NICE)	NICE provides guidance, sets quality standards and manages a national database to improve people's health and prevent and treat ill health. It makes recommendations to the NHS on new and existing medicines, treatments and procedures; treating and caring for people with specific diseases and conditions and how to improve people's health and prevent illness and disease.
NHS Improvement	The body responsible for overseeing Foundation Trusts and NHS Trusts, as well as independent health providers that delivers NHS-funded care (since 1 April 2016).
Non-Executive Director	Non-Executive Directors, including the Chair, are not full-time NHS employees. They are people who live or work in the area and have shown a keen interest in helping to improve the health of local people. They are all members of the Trust Board, which meets monthly in public.
PFI	A private finance initiative (PFI) is a method of providing funds for major capital investments where private firms are contracted to complete and manage public projects.
Sustainability and Transformation Plan (STP)	NHS England has asked every local health and care system to work together to produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years and ultimately delivering the Five Year Forward View vision for the NHS.
Vanguard	These sites are meant to lead the way for better integration of health and social care. A new model of care bringing a number of NHS providers together to work on specific areas to make health services more accessible, more effective for patients, improving both their experiences and their outcomes.

Why not volunteer for the Trust

We recognise the value volunteers bring to the organisation through their skills and experience and through this publication we want to highlight their enormous contribution.

Tariro Gumbo

The volunteer service at the Coventry and Warwickshire Partnership Trust was launched in July 2016 in response to increased interest from volunteers within the community. If you want to get involved, please contact us.

Tariro Gumbo
Volunteer Service Manager

Coventry and Warwickshire Partnership NHS Trust
The Caludon Centre
Clifford Bridge Road
Coventry CV2 1QA

Telephone: 024 7693 2470
Email: volunteer@covwarkpt.nhs.uk

www.covwarkpt.nhs.uk/volunteer-with-us
@CWPT_Volunteers
CWPT Volunteers

Sangita Kavia,
support worker

Become a member

You can become a member of our Trust, and we will keep in touch with you. You will be able to get involved in our services and let us know what is important to you about what we do. Please complete the membership form below, and return this to us.

Please register me as a member of Coventry and Warwickshire Partnership NHS Trust. I understand the Trust will let me know when my membership becomes active. Please use block capitals only:

Section 1: Your personal details

Title: _____

Name: _____

Address: _____

_____

_____

Postcode: _____

How do you prefer to be contacted?

☐ Phone ☐ Post ☐ Email ☐ Don't mind

Tel: Home:_____ Mobile:_____

Email Address: _____

Section 2: About You

a. Are you male or female? ☐ Male ☐ Female

b. Date of Birth _____ _____

You must be at least 14 years old to apply

It would be very helpful to us if you could complete this section. This will tell us how well our membership represents the local community.

Section 3: Your ethnic group please tick one box as appropriate

White: ☐ British ☐ Irish ☐ Other White

Mixed: ☐ White and Black Caribbean ☐ White and Black African

☐ White and Asian ☐ Other Mixed

☐ Asian or Asian British: Indian ☐ Pakistani ☐ Other Asian

☐ Black or Black British: Caribbean ☐ African ☐ Other Black

☐ Chinese or other ethnic group: Chinese ☐ Other ethnic group

☐ Rather not say

Section 4: Special Requirements

Do you have any special requirements that will help us to communicate with you better? If you are happy to share these details please tell us here.

_____

_____

Section 5: Service user and carer issues

Are you interested in service user or carer issues ☐ Yes ☐ No

Section 6: Your Involvement

We understand that everyone will want to be able to choose how they are involved in our services. We would like to send you a newsletter every few months.

Please tick here ☐ to receive the newsletter in your preferred method of communication. Please tick all that apply

☐ Take part in surveys and consultation

☐ Comment on our plans for services

☐ Attend meetings and discussions

☐ Comment on our plans for services

☐ Review patient and carer information

If you are interested in a particular service please say here.

☐ Adult mental health ☐ Learning disabilities

☐ Older people's mental health ☐ Eating disorders

☐ Child and adolescent mental health ☐ Community services

Any other service area _____

Section 7: Declaration

I would like to be a member of Coventry and Warwickshire Partnership NHS Trust. NHS Foundation Trust,

Signature _____

Date (day/month/year)_____

Parent/Guardian if aged 14 or 15 years.

We are required to keep a public register of our members. If you do not want your name to be included on this register please tick the box ☐

How did you hear about being a member of our Trust?

☐ Media coverage ☐ Newsletter ☐ Trust website

☐ Relative/Friend ☐ Mail or phone call ☐ Trust Employee

Employee's Name:_____

Other (please specify) _____

I consent for my details to be held on a secure database so the Trust can communicate with me for the purposes of my membership. The information I give will be treated confidentially and in accordance with the Data Protection Act 2018 and General Data Protection Regulation (GDPR). Tick to confirm ☐ see privacy notice www.covwarkpt.nhs.uk/become-a-member

To return your application, please post back to us

FREEPOST. RSSK-JLJL-ZAHJ
Coventry and Warkwickshire Partnership NHS Trust
Membership Office
Wayside House
Wilsons Lane
Coventry CV6 6NY

Notes

Contact us

Coventry and Warwickshire Partnership NHS Trust
Headquarters, Wayside House,
Wilsons Lane, Coventry CV6 6NY

Tel: 024 7636 2100
Email: enquires@covwarkpt.nhs.uk
Web: www.covwarkpt.nhs.uk

Twitter: @cwpt_nhs

Equality statement

If you require this publication in a different format or language, please contact our Equality and Diversity department on 024 7653 6802, or write to the address below.

Our vision

*"To improve the **wellbeing** of the **people** we serve and to be recognised for **always** doing the **best** we can"*

Our values

- **Compassion in action**
- **Working together**
- **Respect for everyone**
- **Seeking excellence**

OUR GREAT PLACE
*Our **People** Our **Passion** Our **Pride***

NHS
Coventry and Warwickshire Partnership
NHS Trust

ANNUAL ACCOUNTS

FOR THE PERIOD APRIL 2017 TO MARCH 2018

Jagtar Singh OBE - Chair
Simon Gilby - Chief Executive

Coventry and Warwickshire Partnership NHS Trust
Wayside House, Wilsons Lane, Coventry, CV6 6NY
Tel: 024 7636 2100 Fax: 024 7636 8949

MINDFUL EMPLOYER

disability confident EMPLOYER

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

Signed.....  .....Chief Executive

Date 22 May 2018

Statement of directors' responsibilities in respect of the accounts

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

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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

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

By order of the Board

Date 22 May 2018 Signed.....Chief Executive

Date 22 May 2018 Signed.....Finance Director

Independent auditor's report to the Directors of Coventry and Warwickshire Partnership NHS Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Coventry and Warwickshire Partnership NHS Trust (the 'Trust'):

- give a true and fair view of the financial position of the Trust as at 31 March 2018 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of HM Treasury as relevant to the National Health Service in England (the 'Accounts Direction').

We have audited the financial statements of the Trust which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Taxpayers' Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 50.

We have also audited the information in the Remuneration and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on pages 34 and 35;
- the table of pension benefits of senior managers and related narrative notes on pages 37 and 38; and
- the table of pay multiples and related narrative notes on page 43.

The financial reporting framework that has been applied in their preparation is applicable law and the 'Accounts Direction'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Local Audit and Accountability Act 2014 (the 'Act') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

Opinions on other matters

In our opinion:

- the parts of the Remuneration Report subject to audit has been prepared properly in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report in respect of the following matters if:

- in our opinion the governance statement does not comply with the NHS Trust Development Authority's (NHS Improvement) guidance;
- we refer the matter to the Secretary of State under section 30 of the Act because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Act (2014).

We have nothing to report in respect of these matters.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to report to you if, in our opinion the Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in December 2017, we are satisfied that, in all significant respects, Coventry and Warwickshire Partnership NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018.

Respective responsibilities of the accounting officer and auditor

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a) of the Act to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Comptroller & Auditor General requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Comptroller & Auditor General in December 2017.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of Coventry and Warwickshire Partnership NHS Trust in accordance with requirements of the Act and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Directors of Coventry and Warwickshire Partnership NHS Trust in accordance with Part 5 of the Act and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Gus Miah (Engagement Lead)
For and on behalf of Deloitte LLP
Appointed Auditor
Birmingham, United Kingdom
24 May 2018

Coventry and Warwickshire Partnership NHS Trust

Annual accounts for the year ended 31 March 2018

Statement of Comprehensive Income for year ended 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Revenue from patient care activities	3	**194,213**	191,605
Other operating revenue	4	**19,487**	16,252
Operating expenses	6	**(212,677)**	(196,867)
Operating surplus/(deficit) from continuing operations		**1,023**	10,990
Investment revenue	11	**165**	161
Finance costs	12	**(3,508)**	(3,455)
Public Dividend Capital dividends payable		**(2,062)**	(2,129)
Net finance costs		**(5,405)**	(5,423)
Other gains and (losses)	13	**87**	106
Share of profit / (losses) of associates / joint arrangements	20	**0**	0
Gains / (losses) arising from transfers by absorption		**0**	0
Surplus/(deficit) for the financial year		**(4,295)**	5,673
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	**0**	0
Retained surplus/(deficit) for the year		**(4,295)**	5,673

Other comprehensive income

		31 March 2018 £000	31 March 2017 £000
Will not be reclassified to Retained Earnings Reserve:			
Impairments and reversals taken to the Revaluation Reserve	7	**(7,619)**	(359)
Net gain on revaluation of property, plant and equipment	16	**12,365**	3,440
Share of comprehensive income from associates and joint ventures	20	**0**	0
Other recognised gains and losses		**0**	0
Remeasurements of the net defined benefit pension scheme liability / asset	37	**0**	0
Other reserve movements		**0**	0
May be reclassified to Retained Earnings Reserve when certain conditions are met:			
Fair value gains / (losses) on available-for-sale financial investments	13	**0**	0
Recycling gains / (losses) on available-for-sale financial investments	13	**0**	0
Total comprehensive income for the year		**451**	8,754

Financial performance for the year

		31 March 2018	31 March 2017
Retained surplus/(deficit) for the year		**(4,295)**	5,673
Prior period adjustment to correct errors and other performance adjustments		**(58)**	0
Impairments (excluding IFRIC 12 impairments)	7	**9,018**	78
Adjustments in respect of Donated Asset/Government Grant Reserve elimination		**13**	15
Adjustment regarding absorption accounting		**0**	0
Adjusted financial performance surplus (control total basis)		**4,678**	5,766

NHS Trusts have a statutory requirement to break even taking one year with another (see notes 49 and 50).

The Department of Health and Social Care has determined that some items can be excluded from the surplus/deficit of Trusts when considering this statutory requirement.

A Trust's reported NHS financial performance position is derived from its retained surplus, but adjusted for the following:-
a) Impairments to property, plant and equipment - An impairment charge is not considered part of the organisation's operating position, as deemed by the Department of Health and Social Care.
b) Adjustments in respect of the elimination of Donated Asset and Government Grant Reserves.
c) From 2017/18 onward, adjustments are no longer made regarding IFRIC12 amounts. The 2016/17 column now excludes the £306,000 adjustment shown last year.

PDC dividend: balance receivable at 31 March 2018	**18**
PDC dividend: balance receivable at 1 April 2017	118

The notes on pages 6 to 51 form part of this account.

Statement of Financial Position as at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	15	**1,583**	1,787
Property, plant and equipment	16	**109,331**	114,421
Investment property	19	**0**	0
Investments in associates and joint ventures	20	**0**	0
Other financial assets	21	**0**	0
Trade and other receivables	24	**0**	0
Other assets	25	**0**	0
Total non-current assets		**110,914**	116,208
Current assets			
Inventories	23	**256**	277
Trade and other receivables	24	**8,553**	8,863
Other financial assets	21	**0**	0
Other current assets	25	**0**	0
Non-current assets held for sale / assets in disposal groups	26	**281**	0
Cash and cash equivalents	27	**57,564**	50,257
Total current assets		**66,654**	59,397
Total assets		**177,568**	175,605
Current liabilities			
Trade and other payables	28	**(22,533)**	(17,748)
Borrowings	31	**(514)**	(490)
Other financial liabilities	29	**0**	0
Provisions	33	**(1,448)**	(1,875)
Other liabilities	30	**(100)**	(162)
Liabilities in disposal groups	26.1	**0**	0
Total current liabilities		**(24,595)**	(20,275)
Total assets less current liabilities		**152,973**	155,330
Non-current liabilities			
Trade and other payables	28	**0**	0
Borrowings	31	**(27,853)**	(28,367)
Other financial liabilities	29	**0**	0
Provisions	33	**(1,112)**	(3,406)
Other liabilities	30	**0**	0
Total non-current liabilities		**(28,965)**	(31,773)
Total assets employed:		**124,008**	123,557
Financed by :			
Taxpayers' equity			
Public dividend capital		**88,754**	88,754
Revaluation Reserve	16.1	**35,614**	30,962
Other reserves		**0**	0
Retained earnings		**(360)**	3,841
Total taxpayers' equity:		**124,008**	123,557

The notes on pages 6 to 51 form part of this account.

The financial statements on pages 2 to 51 were approved by the Board on 22 May 2018 and signed on its behalf by:-

Chief Executive:  Date: 22 MAY 2018

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Public dividend capital	Revaluation Reserve	Other reserves	Retained Earnings Reserve	Total reserves
	£000	£000	£000	£000	£000
Balance at 1 April 2017	**88,754**	**30,962**	**0**	**3,841**	**123,557**
Changes in taxpayers' equity for 2017/18					
Retained deficit for the year	**0**	**0**	**0**	**(4,295)**	**(4,295)**
Transfers by absorption: transfers between reserves	**0**	**0**	**0**	**0**	**0**
Transfer from Revaluation Reserve to Retained Earnings Reserve for impairments arising from consumption of economic benefits	**0**	**0**	**0**	**0**	**0**
Other transfers between reserves	**0**	**0**	**0**	**0**	**0**
Impairments (note 7)	**0**	**(7,619)**	**0**	**0**	**(7,619)**
Revaluations	**0**	**12,365**	**0**	**0**	**12,365**
Transfer to retained earnings on disposal of assets	**0**	**(94)**	**0**	**94**	**0**
Other recognised gains and losses	**0**	**0**	**0**	**0**	**0**
Public dividend capital received	**0**	**0**	**0**	**0**	**0**
Public dividend capital repaid	**0**	**0**	**0**	**0**	**0**
Public dividend capital written off	**0**	**0**	**0**	**0**	**0**
Other movements in public dividend capital in year	**0**	**0**	**0**	**0**	**0**
Other reserve movements	**0**	**0**	**0**	**0**	**0**
Taxpayers' equity at 31 March 2018	**88,754**	**35,614**	**0**	**(360)**	**124,008**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

	Public dividend capital	Revaluation Reserve	Other reserves	Retained Earnings Reserve	Total reserves
	£000	£000	£000	£000	£000
Balance at 1 April 2016	88,754	27,892	0	(1,843)	114,803
Retained surplus for the year	0	0	0	5,673	5,673
Transfers by absorption: transfers between reserves	0	0	0	0	0
Transfer from Revaluation Reserve to Retained Earnings Reserve for impairments arising from consumption of economic benefits	0	0	0	0	0
Other transfers between reserves	0	(11)	0	11	0
Impairments	0	(359)	0	0	(359)
Revaluations	0	3,440	0	0	3,440
Transfer to retained earnings on disposal of assets	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0
Public dividend capital received	0	0	0	0	0
Public dividend capital repaid	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0
Other reserve movements	0	0	0	0	0
Taxpayers' equity at 31 March 2017	88,754	30,962	0	3,841	123,557

Information on reserves

Public dividend capital

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

Revaluation Reserve

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

Retained Earnings Reserve

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

Statement of Cash Flows for the Year ended 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Cash flows from operating activities			
Operating surplus		**1,023**	10,990
Non-cash income and expense:			
Depreciation and amortisation	6	**4,298**	4,052
Net impairments	7	**9,018**	78
Income recognised in respect of capital donations	4	**0**	0
Amortisation of PFI deferred credit		**0**	0
Non-cash movements in on-SoFP pension liability		**0**	0
(Increase)/decrease in trade and other receivables		**217**	(691)
(Increase)/decrease in inventories	23	**21**	32
Increase / (decrease) in payables and other liabilities		**5,226**	20
Increase / (decrease) in provisions	33	**(2,727)**	(262)
Tax (paid) / received		**0**	0
Operating cash flows from discontinued operations		**0**	0
Other movements in operating cash flows		**0**	0
Net cash inflow from operating activities		**17,076**	14,219
Cash flows from investing activities			
Interest received		**158**	161
Purchase and sale of financial assets / investments		**0**	0
Purchase of intangible assets		**(685)**	(441)
Sales of intangible assets		**0**	0
Purchase of property, plant, equipment and investment property		**(3,403)**	(2,215)
Sales of property, plant, equipment and investment property		**115**	921
Receipt of cash donations to purchase capital assets		**0**	0
Prepayment of PFI capital contributions		**0**	0
Investing cash flows of discontinued operations		**0**	0
Cash movement from acquisitions/disposals of subsidiaries		**0**	0
Net cash outflow from investing activities		**(3,815)**	(1,574)
Cash flows from financing activities			
Public dividend capital received		**0**	0
Public dividend capital repaid		**0**	0
Movement on loans from the Department of Health and Social Care		**0**	0
Movement on other loans		**0**	0
Other capital receipts		**0**	0
Capital element of finance lease rental payments		**0**	0
Capital element of PFI, LIFT and other service concession payments	38.3	**(490)**	(435)
Interest paid on finance lease liabilities		**0**	0
Interest paid on PFI, LIFT and other service concession obligations	38.3	**(3,495)**	(3,402)
Other interest paid		**(7)**	0
PDC dividend paid		**(1,962)**	(2,133)
Financing cash flows of discontinued operations		**0**	0
Cash flows from other financing activities		**0**	0
Net cash outflow from financing activities		**(5,954)**	(5,970)
Net increase in cash and cash equivalents		**7,307**	6,675
Cash and cash equivalents at 1 April - brought forward		**50,257**	43,582
Prior period adjustments		**0**	0
Cash and cash equivalents at 1 April - restated		**50,257**	43,582
Net increase in cash and cash equivalents		**7,307**	6,675
Cash and cash equivalents transferred under absorption accounting		**0**	0
Unrealised gains / (losses) on foreign exchange		**0**	0
Cash and cash equivalents at 31 March	27.1	**57,564**	50,257

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation
The Department of Health and Social Care has directed that the financial statements of the NHS 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 2017/18 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 accounts.

Note 1.1.1 Accounting convention
These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.1.2 Going concern
These accounts have been prepared on a going concern basis.
The level of financial risks associated with the 2018/19 financial plan were detailed in reports to the Financial Planning and Investment Committee (FPIC) and Board. These set out a number of risks, mainly relating to achieving the significant level of Cost Improvement Plan (CIP) savings, contracting risks (due to the overall challenged NHS Financial framework, and addressing existing service cost pressures. Whilst there are some significant risks, action plans are underway to address these. Therefore the Trust does not believe that these risks would put the Trust's going concern status in doubt in addition, the Trust has cash balances exceeding £50 million which could be used to mitigate any short to medium term financial risks.

Note 1.2 Critical judgements in applying accounting policies
The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Property values of land and buildings have been revalued on the basis of market value determined from market based evidence by appraisal undertaken by professionally qualified valuers. For operational assets the market value is based on the assumption that the property is sold as part of the continuing enterprise in occupation. For non-operational assets the market value is based on the assumption that the property is sold following a cessation of the existing operations.
- The PFI contract has been assessed under IFRIC 12 and is included in the "Statement of Financial Position".
- Classification of non-current assets held for sale have been reviewed in line with IFRS 5 and assessed against relevant criteria to ensure compliance with the standard.
- Judgement in assessing whether relevant criteria (IAS 37) necessary to establish provisions as a result of the Trust restructuring programme was met. Reference note 33.
- Inter NHS property usage arrangements have been assessed against the criteria in IFRIC 4, where arrangements are deemed to have the substance of a lease, these have been further reviewed in line with IAS 17 and accounted for on the "Statement of Comprehensive Income" as operating leases.
- Segmental reporting assessed against standard IFRS 8, as detailed in note 2.
- Leases have been reviewed in line with IAS 17 and are accounted for on the "Statement of Comprehensive Income" as operating leases.

Note 1.2.1 Sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.
- Land and property were MEA valued as at 31 March 2018 by the Trust's appointed valuer - Cushman and Wakefield. The revaluations undertaken in 2017/18 materially affected the land and property values, which are shown in the "Statement of Financial Position", as values have been adjusted in line with current market conditions. Should these values change by 1%, then the financial impact of this would be £1,052,000 on the value of the Trust's asset base.

Note 1.3 Interests in other entities

Associates
Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g. share dividends are received by the Trust from the associate. Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell". The Trust has no material entities over which it has the power to exercise significant influence so as to obtain economic or other benefits.

Joint ventures
Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The Trust has no joint ventures.

Joint operations
Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses. The Trust has no joint operations.

Note 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the Trust is from commissioners for healthcare services. Trust patient Income is calculated and recorded on a length of stay basis, not on finished consultant episodes.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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.

Revenue grants and other contributions to expenditure
Government grants are grants from government bodies other than income from commissioners or Trust's for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

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

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the 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 the 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 schemes are accounted for as though they are defined contribution schemes.

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.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and are 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 if:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and
- The item has a cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Note 1.7.2 Measurement

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Subsequent expenditure

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

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis 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.

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

Revaluation gains and losses

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

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

Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

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 Derecognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

• The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• The sale must be highly probable i.e.:

- Management are committed to a plan to sell the asset;
- An active programme has begun to find a buyer and complete the sale;
- The asset is being actively marketed at a reasonable price;
- The sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
- The actions needed to complete the plan indicate it is unlikely that the plan will be dropped 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 economic 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.

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Donated income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

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

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 and the charges for services.

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

The element of the annual unitary payment allocated to lifecycle replacement is 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 accrual 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.

Note 1.7.6 Useful economic lives of property, plant and equipment
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	0	80
Dwellings	26	26
Plant and machinery	0	20
Transport equipment	0	1
Information technology	0	5
Furniture and fittings	0	9

Land is assumed to have an infinitive life.
Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

• The project is technically feasible to the point of completion and will result in an intangible asset for sale or use
• The Trust intends to complete the asset and sell or use it;
• The Trust has the ability to sell or use the asset;
• How the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
• Adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset ;
• The Trust can measure reliably the expenses attributable to the asset during development.

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

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 or IFRS 5.

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

Note 1.8.3 Amortisation
Intangible assets are amortised on a straight-line basis over their expected useful economic lives, in a manner consistent with the consumption of economic or service delivery benefits.
For all categories of intangible assets, the Trust considers that amortised historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the amortisation methods used reflect the consumption of the asset.

Note 1.8.4 Useful economic lives of intangible assets
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	**Max life Years**
Software licences	0	5

Note 1.9 Inventories
Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 Cash and cash equivalents

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

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

Note 1.11 Financial assets and financial liabilities

Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss, held to maturity investments, available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets
Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the Revaluation Reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition. Fair value is determined by reference to an active market.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities
Financial liabilities are recognised on the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

Note 1.12 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The Trust as lessee
Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.
The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.
The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. 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 and building components are separated and individually assessed as to whether they are operating or finance leases.

Note 1.12.2 The Trust as lessor
Finance leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trusts' net investment outstanding in respect of the leases.

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

Note 1.13 Provisions
Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.10% (2016/17: positive 0.24%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date:

- A short term rate of negative 2.42% (2016/17: negative 2.70%) for expected cash flows up to and including 5 years;
- A medium term rate of negative 1.85% (2016/17: negative 1.95%) for expected cash flows over 5 years up to and including 10 years;
- A long term rate of negative 1.56% (2016/17: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical negligence costs
The 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. The contribution is charged to expenditure. 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 33.1. As the provisions for clinical negligence claims are included in the accounts of NHS Resolution, they are not included in the accounts of Coventry and Warwickshire Partnership NHS Trust.

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 as and when they become due.

Note 1.14 Contingencies

A contingent asset (disclosed in note 34) is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

A contingent liability (disclosed in note 34) is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

Where the time value of money is material, contingencies are disclosed at their present value.

Note 1.15 Public dividend capital

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

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.

Note 1.16 Value added tax

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

Note 1.17 Corporation tax

Coventry and Warwickshire Partnership NHS Trust has no requirement to pay Corporate Tax.

Note 1.18 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. Details of third party assets are given in Note 27.2 to the accounts.

Note 1.19 Losses and special payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS 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.

Note 1.20 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.21 Transfers of functions to / from other NHS bodies / local government bodies

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

Note 1.22 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

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

The following list contains recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to this Trust in 2017/18.

IFRS 9 Financial instruments
Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 14 Regulatory deferral accounts
Not yet EU-endorsed.
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to Department of Health and Social Care group bodies.

IFRS 15 Revenue from contracts with customers
Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 16 Leases
Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 17 Insurance contracts
Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC 22 Foreign currency transactions and advance consideration
Application required for accounting periods beginning on or after 1 January 2018.

IFRIC 23 Uncertainty over income tax treatments
Application required for accounting periods beginning on or after 1 January 2019.

These standards are not expected to have a material impact on the accounts of this Trust. Though with the release of the 2018/19 Department of Health and Social Care Group Accounting Manual in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS 15 (and the adaptations included in the GAM).

Note 2 Operating Segments

The Trust Board is the chief operating decision maker for the Trust as it has responsibility for approving the allocation of resources.

The Trust Board has determined that the Trust should include all of its operations under the provision of healthcare and therefore does not report a complete segmental breakdown of its financial performance. The Board receive and monitor business unit expenditure and consider these to be reportable segments under IFRS 8.

The Trust Board receives and monitors detailed information in relation to its corporate services which include Trust management, Finance, Business Development, service level agreements and capital charges. These have been aggregated where the nature of the expenditure is similar and meet the aggregation criteria under IFRS 8.

Due to the nature of the provision of services all corporate expenditure (e.g. depreciation, rental costs, utilities, estates and IT functions) is not able to be produced by business unit and therefore is reported under corporate services to the chief operating decision maker. There is no inter segmental charging, all expenditure is direct pay and non-pay costs.

Income is analysed by commissioner due to the nature of the Trust's contracts which are on a block contract basis and therefore are not analysed or reported by the business units as disclosed in the table below. The majority of the Trust's income is received from Coventry and Rugby Clinical Commissioning Group £98,165,000, Warwickshire North Clinical Commissioning Group £19,954,000, South Warwickshire Clinical Commissioning Group £29,846,000 and NHS England £28,861,000 this represents 84% of the Trusts total income.

The Trust generates its income mainly from the provision of healthcare in community and acute settings from its Mental Health, Learning Disability, and Community services, and due to the nature of its contracts cannot be specifically analysed by product or service.

The information provided to the Board for the period 31 March 2018 is shown in the table below:-

Service	**2017/18**	2016/17
	£000s	£000s
Acute services	**48,849**	50,517
Child and family services	**23,270**	21,727
Integrated community services	**66,176**	62,340
Director of operations	**14,298**	13,556
Total patient services	**152,593**	148,140
Corporate services	**18,953**	19,613
Trustwide operational services	**25,508**	25,029
Reserves and capital charges	**6,605**	4,007
Public Dividend Capital (PDC)	**2,062**	2,129
Total expenditure	**205,721**	198,918
Total income	**213,700**	205,472
Operating surplus before interest	**(7,979)**	(6,554)

	2017/18	2016/17
	£000s	£000s
Operating surplus before interest	**(7,979)**	(6,554)
Interest payable	**3,508**	3,455
Interest receivable	**(165)**	(161)
(Profit)/loss on disposal	**(87)**	(106)
Impairment on revaluation	**9,018**	78
Retained (surplus)/deficit for the year *	**4,295**	(3,288)

All revenues from external customers are derived from the United Kingdom.

* The retained surplus in 2016/17 differs from the figure in the Statement of Comprehensive Income, due to additional Sustainability and Transformation Funding (STF) of £2,385,000 that was notified on 24 April 2017, after Trust Board papers had been dispatched. The additional STF was verbally reported to Board on 25 April 2017.

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	31 March 2018 £000	31 March 2017 £000
Mental health services		
Cost and volume contract income	**3,544**	4,744
Block contract income	**130,618**	127,372
Community services		
Community services income from clinical commissioning groups and NHS England	**48,567**	47,682
Income from other sources (e.g. local authorities)	**11,484**	11,807
Total income from activities	**194,213**	191,605

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	31 March 2018 £000	31 March 2017 £000
NHS England	**24,361**	22,474
Clinical commissioning groups	**154,093**	155,865
Department of Health and Social Care	**0**	0
Other NHS providers	**425**	443
NHS other	**0**	0
Local authorities	**14,641**	12,054
Non-NHS: private patients	**0**	0
Non-NHS: overseas patients (chargeable to patient)	**0**	0
NHS injury scheme	**0**	0
Non NHS: other	**693**	769
Total income from activities	**194,213**	191,605
Of which:		
Related to continuing operations	**194,213**	191,605
Related to discontinued operations	**0**	0

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

	31 March 2018 £000	31 March 2017 £000
Income recognised this year	**0**	0
Cash payments received in-year	**0**	0
Amounts added to provision for impairment of receivables	**0**	0
Amounts written off in-year	**0**	0

Note 4 Other operating income

	31 March 2018 £000	31 March 2017 £000
Research and development	**496**	464
Education and training	**6,462**	7,199
Receipt of capital grants and donations	**0**	0
Charitable and other contributions to expenditure	**6**	20
Non-patient care services to other bodies	**709**	1,014
Support from the Department of Health and Social Care for mergers	**0**	0
Sustainability and transformation fund income	**3,308**	3,585
Rental revenue from operating leases	**349**	344
Rental revenue from finance leases	**0**	0
Income in respect of staff costs where accounted on gross basis	**1,150**	1,594
Other income*	**7,007**	2,032
Total other operating income	**19,487**	16,252
Of which:		
Related to continuing operations	**19,487**	16,252
Related to discontinued operations	**0**	0

*Other Income for 2017/18 includes one-off amounts of £4.847 million relating to compensation and rebates received in year.

Note 5 Fees and charges

The Trust had no income generation activities whose full cost exceeded £1 million or was otherwise material in 2017/18.

Note 6 Operating expenses

	31 March 2018	Restated 31 March 2017
	£000	£000
Purchase of healthcare from NHS and Department of Health and Social Care bodies	**465**	939
Purchase of healthcare from non-NHS and non-Department of Health and Social Care bodies	**598**	209
Purchase of social care	**0**	0
Staff and executive directors costs	**151,123**	150,249
Remuneration of non-executive directors	**82**	81
Supplies and services - clinical (excluding drugs costs)	**7,569**	6,577
Supplies and services - general	**2,548**	2,619
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**7,194**	6,968
Inventories written down	**0**	0
Consultancy costs	**88**	60
Establishment	**3,328**	3,427
Premises	**10,423**	8,736
Transport (including patient travel)	**3,098**	3,098
Depreciation of property, plant and equipment	**3,805**	3,739
Amortisation of intangible assets	**493**	313
Net impairments	**9,018**	78
Increase/(decrease) in provision for impairment of receivables	**(79)**	180
Increase/(decrease) in other provisions	**411**	134
Change in provisions discount rate(s)	**0**	157
Audit fees payable to the external auditor:-		
Audit services- statutory audit	**64**	64
Other auditor remuneration (external auditor only)	**12**	12
Internal audit costs	**172**	167
Clinical negligence	**714**	568
Legal fees	**961**	1,250
Insurance	**55**	54
Research and development	**503**	405
Education and training	**608**	836
Rentals under operating leases	**5,099**	5,125
Early retirements	**0**	0
Redundancy	**349**	(177)
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	**1,766**	321
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	**0**	0
Car parking and security	**146**	144
Hospitality	**37**	29
Losses, ex gratia and special payments	**12**	33
Grossing up consortium arrangements	**0**	0
Other services, e.g. external payroll	**204**	208
Other	**1,811**	264
Total	**212,677**	196,867
Of which:		
Related to continuing operations	**212,677**	196,867
Related to discontinued operations	**0**	0

Other expenditure relates to:	**2017/18 £000**	2016/17 £000
- Provisions and stock movements	**429**	134
- Miscellaneous expenditure	**1,382**	297

2016/17 operating expenses have been restated for revised classification of expense heading as per requirements of group accounting manual.

Note 6.1 Other auditor remuneration

	31 March 2018	31 March 2017
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the Trust	**0**	0
2. Audit-related assurance services	**12**	12
3. Taxation compliance services	**0**	0
4. All taxation advisory services not falling within item 3 above	**0**	0
5. Internal audit services	**0**	0
6. All assurance services not falling within items 1 to 5	**0**	0
7. Corporate finance transaction services not falling within items 1 to 6 above	**0**	0
8. Other non-audit services not falling within items 2 to 7 above	**0**	0
Total	**12**	12

Note 6.2 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2017/18 or 2016/17.

Note 7 Impairment of assets

	31 March 2018	31 March 2017
	£000	£000
Impairments and reversals taken to SoCI		
Loss or damage resulting from normal operations	**0**	0
Over-specification of assets	**0**	0
Abandonment of assets in the course of construction	**0**	0
Unforeseen obsolescence	**0**	0
Loss as a result of catastrophe	**0**	0
Changes in market price	**8,935**	78
Other - Transfer to assets held for sale	**83**	0
Total net impairments charged to operating surplus / deficit	**9,018**	78
Impairments charged to the Revaluation Reserve	**7,619**	359
Total net impairments	**16,637**	437

	31 March 2018	31 March 2017
Donated and government granted assets, included above	**£000**	£000
PPE - donated and government granted asset impairments: amount charged to SoCI - DEL	**0**	0
Intangibles - donated and government granted asset impairments: amount charged to SoCI - DEL	**0**	0

The Trust had an optimised MEA valuation carried out on the 31 March 2018, which applied to all land and property held by the Trust, in accordance with IAS 16. This has resulted in some large impairments within 2017/18.

At the point of reclassification of operational assets to non-current held for sale assets, the Trust undertook a fair value market valuation which identified £83,000 (£0 in 2016/17) impairment of assets. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses in accordance with IFRS 5.

The Trust's MEA valuation identified an additional £16,554,000 (31 March 2017 £437,000) impairment of assets, of which £8,935,000 (£78,000 in 2016/17) was charged to the Statement of Comprehensive Income (SoCI) as an operating expense and £7,619,000 (£359,000 in 2016/17) was charged to the Revaluation Reserve.

The most significant impairments relate to land and buildings at the following properties:

	SoCI	**Reserves**
	£	**£**
2017/18		
Hawkesbury Lodge, total of £631,817 charged to:	**0**	**631,817**
Jepson, total of £690,760 charged to:	**200,655**	**490,105**
2 Sycamore, total of £701,192 charged to:	**531,336**	**169,856**
Jade Unit, total of £819,568 charged to:	**511,592**	**307,976**
Avenue Clinic, total of £874,001 charged to:	**53,108**	**820,893**
Rosewood Terrace, total of £1,119,335 charged to:	**417,300**	**702,035**
Amber Unit, total of £1,141,845 charged to:	**677,343**	**464,502**
Mirah House, total of £1,232,931 charged to:	**566,732**	**666,199**
Janet Shaw Unit, total of £2,358,366 charged to:	**2,034,726**	**323,640**
Brian Oliver Centre, total of £2,368,136 charged to:	**2,301,323**	**66,813**
	7,294,115	**4,643,836**

	SoCI	Reserves
	£	£
2016/17		
1 Ivy Lodge, total of £113,291 charged to:	23,589	89,702
2 Ivy Lodge, total of £98,848 charged to:	3,493	95,355
3 Ivy Lodge, total of £116,652 charged to:	11,998	104,654
	39,080	289,711

Note 8 Employee benefits

	31 March 2018	31 March 2017
	£000	£000
Salaries and wages	**108,042**	107,904
Social security costs	**9,468**	9,457
Apprenticeship levy	**512**	0
Employer's contributions to NHS pensions	**13,971**	13,972
Pension cost - other	**5**	4
Other post-employment benefits	**0**	0
Other employment benefits	**0**	0
Termination benefits	**349**	(177)
Temporary staff (including agency)	**19,649**	19,379
Total gross staff costs	**151,996**	150,539
Recoveries in respect of seconded staff	**0**	0
Total staff costs	**151,996**	150,539
Of which		
Employee costs capitalised as part of assets	**88**	84

Note 8.1 Retirements due to ill-health

During 2017/18 there were 4 early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £394,000 (£113,000 in 2016/17).

The cost of these ill-health retirements will be 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, General 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 scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers.
The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The scheme regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direct assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

c) National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 automatic enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement.
For those staff not entitled to join the NHS Pension Scheme, the Trust uses an alternative pension scheme called NEST, which is a defined contribution pension scheme, to fulfil its automatic enrolment obligations.

For 2017/18, the Trust paid over £4,522 in NEST employer contributions (£3,716 in 2016/17).

Note 10 Operating leases

Note 10.1 Coventry and Warwickshire Partnership NHS Trust as a lessor

Rental revenue relates to income received for the following premises:-
- Mulberry Creche
- The Manor GP Practice, Nuneaton
- Locke House Ground Floor, The Railings, Rugby
- Hunter House First Floor, The Railings, Rugby
- 16 Court Street, Leamington Spa
- Stratford Health Care Building 2

Details in the table below relate to information held for these assets on the asset register for 2017/18.

	Gross carrying value	Revaluation increase	Accumulated depreciation	Accumulated impairment loss	Depreciation charge for period
	£000	£000	£000	£000	£000
Mulberry Creche	**989**	**75**	**0**	**(375)**	**13**
The Manor GP Practice	**811**	**0**	**0**	**(370)**	**19**
Locke House Ground Floor, The Railings	**540**	**0**	**0**	**(109)**	**12**
Hunter House, First Floor, The Railings	**290**	**0**	**0**	**(44)**	**6**
Totals	**2,630**	**75**	**0**	**(898)**	**50**

This note discloses income generated in operating lease agreements where Coventry and Warwickshire Partnership NHS Trust is the lessor.

	31 March 2018	31 March 2017
	£000	£000
Recognised as income		
Rental revenue	**349**	344
Contingent rents	**0**	0
Other	**0**	0
Total	**349**	344

	31 March 2018	31 March 2017
	£000	£000
Future minimum lease receipts due:		
- Not later than one year	**79**	318
- Later than one year and not later than five	**36**	548
- Later than five years	**0**	504
Total	**115**	1,370

Note 10.2 Coventry and Warwickshire Partnership NHS Trust as a lessee

Lease cars are leased for a period of three years and are not linked to the Retail Price Index (RPI), and are returned to the lessor on expiry of the lease. No new leases have been taken out in year and previous leases have now ended

Fleet vehicles are leased for a period of three or four years and are not linked to RPI, and are returned to the lessor on expiry of the lease.

Leased equipment relates mainly to photocopying equipment, they are leased for 3 to 5 years, and are not linked to RPI.

Lease payments for equipment relate to the following assets:-

Lease cars £5,834 (standard length of lease is three years).

Fleet vehicles £91,848 (standard length of lease is three or four years).

Equipment rentals £184,301 (standard length of lease is three to five years).

Annual lease payments for premises mainly relate to the following buildings:-

City of Coventry Health Centre £2,131,832 (lease remains with NHS Property Services and is recharged, occupation is aligned with commissioned service provision).

Paybody Unit, Coventry £291,690 (lease remains with NHS Property Services and is recharged, occupation is aligned with commissioned service provision).

Stratford Healthcare, Stratford £884,000 building 2 (30 year lease cancellable in 2031).

Longford Resource Centre, Coventry £224,694 (lease remains with NHS Property Services and is recharged).
Aspen Centre, Warwick £95,112 (lease ends in 2053).
Newfield House and Annexe, Coventry £225,936 (lease remains with NHS Property Services and is recharged).
Tile Hill Health Centre, Coventry £343,587 (lease remains with NHS Property Services and is recharged).
Willenhall Primary Care Centre, Coventry £100,314 (lease remains with NHS Property Services and is recharged).
Wayside House £258,500 (five year lease ending in 2021).

The Trust has not disclosed lease information for premises where the individual value is considered to be insignificant.

Contingent rent is determined as being the portion of a lease payment that is not fixed in amount at lease inception, but is based on the future amount of a factor that changes other than with the passage of time.

This note discloses costs and commitments incurred in operating lease arrangements where Coventry and Warwickshire Partnership NHS Trust is the lessee.

	31 March 2018	31 March 2017
	£000	£000
Payments recognised as an expense		
Minimum lease payments	**4,528**	4,697
Contingent rents	**571**	428
Less sublease payments received	**0**	0
Total	**5,099**	5,125

	Land	**Buildings**	**Other**	**31 March 2018**	31 March 2017
	£000s	**£000s**	**£000s**	**£000**	£000
Future minimum lease payments due:					
- Not later than one year;	**0**	**4,877**	**128**	**5,005**	4,609
- Later than one year and not later than five	**0**	**3,140**	**182**	**3,322**	3,535
- Later than five years.	**0**	**6,214**	**0**	**6,214**	6,824
Total	**0**	**14,231**	**310**	**14,541**	14,968

Total future sublease payments expected to be received:	**(78)**	(735)

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	31 March 2018 £000	31 March 2017 £000
Interest on bank accounts	**22**	4
Interest on impaired financial assets	**0**	0
Interest income on finance leases	**0**	0
Interest on other investments / financial assets	**143**	157
Other finance income	**0**	0
Total	**165**	161

Note 12 Finance expenditure

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

	31 March 2018 £000	31 March 2017 £000
Interest expense:		
Loans from the Department of Health and Social Care	**0**	0
Other loans	**0**	0
Overdrafts	**0**	0
Finance leases	**0**	0
Interest on late payment of commercial debt	**0**	0
Main finance costs on PFI and LIFT schemes obligations	**2,219**	2,254
Contingent finance costs on PFI and LIFT scheme obligations	**1,276**	1,148
Total interest expense	**3,495**	3,402
Unwinding of discount on provisions	**6**	35
Other finance costs	**7**	18
Total finance costs	**3,508**	3,455

Note 12.1 The Late Payment of Commercial Debts (interest) Act 1998 / Public Contract Regulations 2015

	31 March 2018 £000	31 March 2017 £000
Total liability accruing in year under this legislation as a result of late payments	**0**	0
Amounts included within interest payable arising from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0

Note 13 Other gains and losses

	31 March 2018 £000	31 March 2017 £000
Gains on disposal of assets	**87**	106
Losses on disposal of assets	**0**	0
Total gains / (losses) on disposal of assets	**87**	106
Gain/(loss) on foreign exchange	**0**	0
Fair value gains / (losses) on investment properties	**0**	0
Fair value gains / (losses) on financial assets / investments	**0**	0
Fair value gains / (losses) on financial liabilities	**0**	0
Recycling gains / (losses) on disposal of available-for-sale financial investments	**0**	0
Total other gains / (losses)	**87**	106

Note 14 Discontinued operations

Coventry and Warwickshire Partnership NHS Trust has no discontinued operations to disclose.

Note 15 Intangible assets

Note 15.1 Intangible assets - 2017/18

	Software licences	Licences and trademarks	Patents	Internally generated information technology	Development expenditure	Goodwill	Websites	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - brought forward	**2,957**	**0**	**0**	**0**	**0**	**0**	**0**	**268**	**0**	**3,225**
Transfers by absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	**173**	**0**	**0**	**0**	**0**	**0**	**0**	**116**	**0**	**289**
Impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversals of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revaluations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications	**384**	**0**	**0**	**0**	**0**	**0**	**0**	**(384)**	**0**	**0**
Transfers to/ from assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals / derecognition	**(10)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(10)**
Gross cost at 31 March 2018	**3,504**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,504**
Amortisation at 1 April 2017 - brought forward	**1,438**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,438**
Transfers by absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provided during the year	**493**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**493**
Impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversals of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revaluations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to / from assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals / derecognition	**(10)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(10)**
Amortisation at 31 March 2018	**1,921**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,921**
Net book value at 31 March 2018	**1,583**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,583**
Net book value at 1 April 2017	1,519	0	0	0	0	0	0	268	0	1,787

Note 15.2 Intangible assets - 2016/17

	Software licences	Licences and trademarks	Patents	Internally generated information technology	Development expenditure	Goodwill	Websites	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	2,256	0	0	0	0	0	0	0	0	2,256
Prior period adjustments	0	0	0	0	0	0	0	0	0	0
Valuation / gross cost at 1 April 2016 - restated	2,256	0	0	0	0	0	0	0	0	2,256
Transfers by absorption	0	0	0	0	0	0	0	0	0	0
Additions	816	0	0	0	0	0	0	268	0	1,084
Impairments	0	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	0	0
Disposals / derecognition	(115)	0	0	0	0	0	0	0	0	(115)
Valuation / gross cost at 31 March 2017	2,957	0	0	0	0	0	0	268	0	3,225
Amortisation at 1 April 2016 - as previously stated	1,240	0	0	0	0	0	0	0	0	1,240
Prior period adjustments	0	0	0	0	0	0	0	0	0	0
Amortisation at 1 April 2016 - restated	1,240	0	0	0	0	0	0	0	0	1,240
Transfers by absorption	0	0	0	0	0	0	0	0	0	0
Provided during the year	313	0	0	0	0	0	0	0	0	313
Impairments	0	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	0	0
Disposals / derecognition	(115)	0	0	0	0	0	0	0	0	(115)
Amortisation at 31 March 2017	1,438	0	0	0	0	0	0	0	0	1,438
Net book value at 31 March 2017	1,519	0	0	0	0	0	0	268	0	1,787
Net book value at 1 April 2016	1,016	0	0	0	0	0	0	0	0	1,016

Intangible assets relate entirely to purchased software licences.

The Trust has adopted a cost model for measurement of all intangible assets as there is no active market relating to software licences. Regard has been given to the materiality and short life span of these assets when considering carrying fair value at the reporting period date.

Note 16 Property, plant and equipment

Note 16.1 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - brought forward	**23,321**	**86,980**	**93**	**1,532**	**2,735**	**84**	**4,742**	**964**	**120,451**
Transfers by absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	**0**	**1,540**	**0**	**1,041**	**149**	**0**	**533**	**33**	**3,296**
Impairments	**(5,525)**	**(11,029)**	**0**	**0**	**0**	**0**	**0**	**0**	**(16,554)**
Reversals of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revaluations	**2,734**	**6,345**	**2**	**0**	**0**	**0**	**0**	**0**	**9,081**
Reclassifications	**0**	**1,185**	**0**	**(1,981)**	**0**	**0**	**796**	**0**	**0**
Transfers to/ from assets held for sale	**(124)**	**(263)**	**0**	**0**	**0**	**0**	**0**	**0**	**(387)**
Disposals / derecognition	**0**	**0**	**0**	**0**	**(242)**	**(14)**	**(501)**	**(1)**	**(758)**
Valuation/gross cost at 31 March 2018	**20,406**	**84,758**	**95**	**592**	**2,642**	**70**	**5,570**	**996**	**115,129**
Accumulated depreciation at 1 April 2017 - brought forward	**0**	**733**	**2**	**0**	**1,743**	**78**	**2,620**	**854**	**6,030**
Transfers by absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provided during the year	**0**	**2,665**	**6**	**0**	**221**	**4**	**860**	**49**	**3,805**
Impairments	**0**	**83**	**0**	**0**	**0**	**0**	**0**	**0**	**83**
Reversals of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revaluations	**0**	**(3,276)**	**(8)**	**0**	**0**	**0**	**0**	**0**	**(3,284)**
Reclassifications	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to / from assets held for sale	**0**	**(106)**	**0**	**0**	**0**	**0**	**0**	**0**	**(106)**
Disposals / derecognition	**0**	**0**	**0**	**0**	**(214)**	**(14)**	**(501)**	**(1)**	**(730)**
Accumulated depreciation at 31 March 2018	**0**	**99**	**0**	**0**	**1,750**	**68**	**2,979**	**902**	**5,798**
Net book value at 31 March 2018	**20,406**	**84,659**	**95**	**592**	**892**	**2**	**2,591**	**94**	**109,331**
Net book value at 1 April 2017	23,321	86,247	91	1,532	992	6	2,122	110	114,421

Revaluation Reserve balance for property, plant and equipment - 2017/18

	Land	Buildings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	**1,537**	**29,267**	**78**	**0**	**57**	**1**	**0**	**22**	**30,962**
Movements	**2,282**	**2,370**	**10**	**0**	**(10)**	**0**	**0**	**0**	**4,652**
At 31 March 2018	**3,819**	**31,637**	**88**	**0**	**47**	**1**	**0**	**22**	**35,614**
The movements in Revaluation Reserve balances relate to:									
Transfer in respect of modified absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revaluation gains	**2,734**	**9,620**	**10**	**0**	**0**	**0**	**0**	**0**	**12,364**
Impairments	**(452)**	**(7,167)**	**0**	**0**	**0**	**0**	**0**	**0**	**(7,619)**
Transfers on disposal to retained earnings	**0**	**0**	**0**	**0**	**(10)**	**0**	**0**	**0**	**(10)**
Transfers on impairments to retained earnings	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications as held for sale and reversals	**0**	**(83)**	**0**	**0**	**0**	**0**	**0**	**0**	**(83)**
	2,282	**2,370**	**10**	**0**	**(10)**	**0**	**0**	**0**	**4,652**

Additions to assets under construction in 2017/18

	£000
Land	**0**
Buildings excluding dwellings	**604**
Dwellings	**0**
Plant and machinery	**0**
Information Technology	**437**
Total additions	**1,041**

Note 16.2 Property, plant and equipment - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	23,315	86,051	88	30	2,599	129	4,688	957	117,857
Prior period adjustments	0	0	0	0	0	0	0	0	0
Valuation / gross cost at 1 April 2016 - restated	23,315	86,051	88	30	2,599	129	4,688	957	117,857
Transfers by absorption	0	0	0	0	0	0	0	0	0
Additions	0	719	0	1,502	175	0	592	11	2,999
Impairments	(3)	(434)	0	0	0	0	0	0	(437)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	9	741	5	0	0	0	0	0	755
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers to / from assets held for sale	0	0	0	0	0	(42)	0	0	(42)
Disposals / derecognition	0	(97)	0	0	(39)	(3)	(538)	(4)	(681)
Valuation/gross cost at 31 March 2017	23,321	86,980	93	1,532	2,735	84	4,742	964	120,451
Accumulated depreciation at 1 April 2016 - as previously stated	0	850	2	0	1,556	119	2,382	790	5,699
Prior period adjustments	0	0	0	0	0	0	0	0	0
Accumulated depreciation at 1 April 2016 - restated	0	850	2	0	1,556	119	2,382	790	5,699
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	0	2,659	6	0	226	4	776	68	3,739
Impairments	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,679)	(6)	0	0	0	0	0	(2,685)
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers to/ from assets held for sale	0	0	0	0	0	(42)	0	0	(42)
Disposals/ derecognition	0	(97)	0	0	(39)	(3)	(538)	(4)	(681)
Accumulated depreciation at 31 March 2017	0	733	2	0	1,743	78	2,620	854	6,030
Net book value at 31 March 2017	23,321	86,247	91	1,532	992	6	2,122	110	114,421
Net book value at 1 April 2016	23,315	85,201	86	30	1,043	10	2,306	167	112,158

Revaluation Reserve balance for property, plant and equipment - 2016/17

	Land	Buildings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2016	1,531	26,211	67	0	58	3	0	22	27,892
Movements	6	3,056	11	0	(1)	(2)	0	0	3,070
At 31 March 2017	1,537	29,267	78	0	57	1	0	22	30,962
The movements in Revaluation Reserve balances relate to:									
Transfer in respect of modified absorption	0	0	0	0	0	0	0	0	0
Revaluation gains	9	3,420	11	0	0	0	0	0	3,440
Impairments	(3)	(356)	0	0	0	0	0	0	(359)
Transfers on disposal to retained earnings	0	(8)	0	0	(1)	(2)	0	0	(11)
Transfers on impairments to retained earnings	0	0	0	0	0	0	0	0	0
Reclassifications as held for sale and reversals	0	0	0	0	0	0	0	0	0
	6	3,056	11	0	(1)	(2)	0	0	3,070

Additions to assets under construction in 2016/17

	£000
Land	0
Buildings excluding dwellings	1,504
Dwellings	0
Plant and machinery	0
Total additions	1,504

Note 16.3 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned - purchased	**20,406**	**54,465**	**95**	**592**	**866**	**0**	**2,591**	**94**	**79,109**
Finance leased	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
On-SoFP PFI contracts and other service concession arrangements	**0**	**30,154**	**0**	**0**	**0**	**0**	**0**	**0**	**30,154**
PFI residual interests	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Owned - government granted	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**2**
Owned - donated	**0**	**40**	**0**	**0**	**24**	**2**	**0**	**0**	**66**
NBV total at 31 March 2018	**20,406**	**84,659**	**95**	**592**	**892**	**2**	**2,591**	**94**	**109,331**

Note 16.4 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017									
Owned - purchased	23,321	58,359	91	1,532	961	0	2,122	110	86,496
Finance leased	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts and other service concession arrangements	0	27,878	0	0	0	0	0	0	27,878
PFI residual interests	0	0	0	0	0	0	0	0	0
Owned - government granted	0	0	0	0	3	0	0	0	3
Owned - donated	0	10	0	0	28	6	0	0	44
NBV total at 31 March 2017	23,321	86,247	91	1,532	992	6	2,122	110	114,421

Note 17 Donations of property, plant and equipment

There have been no donations of property, plant and equipment in year

Note 18 Revaluations of property, plant and equipment

Compliance with RICS Valuation – Global Standards

The valuation has been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"), edition current at the Valuation Date. It follows that the valuation is compliant with IVS.

Basis of valuation

The opinion of the existing use value of the property has been primarily derived using the depreciated replacement cost approach because the specialised nature of the asset means that there are no market transactions of this type of asset except as part of the business or entity.

Valuation approach

The property has been primarily derived by the Depreciated Replacement Cost (DRC) approach. In accordance with VS6.6, the DRC will be subject to the prospect and viability of the continued occupation and use by the client under VS6.7 we would confirm that the market value for readily identifiable alternative uses would not be higher than the existing use value reported herein. Upon cessation of the existing use by the client the market value would be materially lower.

The DRC approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery.

The valuation is based on a special assumption, having regard to the DRC, an assessment of market rent and undertaking a discounted cash flow appraisal over a term of 50 years to determine the existing use value.

In preparing the valuation on this basis, it is necessary to prepare a valuation on a 'special assumption'. A special assumption is referred to in the glossary in the Red Book as an assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date.

The above special assumption may be regarded as realistic, relevant and valid.

Existing use value

The value of the property has been assessed in accordance with the relevant parts of the current RICS Valuation – Professional Standards. In particular, we have assessed the existing use value of the property in owner occupation in accordance with UKVS 1.3. Under these provisions "existing use value" means "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost".

In undertaking the valuation on the basis of existing use value, we have applied the conceptual framework of market value, which is set out in IVS framework paragraphs 30-34 with the supplementary commentary which is included in items 2-5 of UK VS 1.3.

Fair value - IFRS

The value of the property has been assessed in accordance with the relevant parts of the current RICS Valuation – Professional Standards. In particular, we have assessed the fair value of the property in accordance with VPS 4.1.5. Under these provisions, the term "fair value" means "the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Taxation and costs

No adjustment has been made to reflect any liability to taxation that may arise on disposal nor for any costs associated with the disposal incurred by the owner. Furthermore, no allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

The valuation for each property is that receivable by the willing seller excluding VAT if applicable.

The existing use value attributed to the properties is the figure that is considered would appear in a contract for sale, subject to the appropriate assumptions for this basis of value. Where appropriate, an allowance has been made in respect of stamp duty and purchaser's costs.

Note 19 Investment property

Coventry and Warwickshire Partnership NHS Trust does not had no investment properties during 2017/18.

Note 20 Investments in associates and joint ventures

Coventry and Warwickshire Partnership NHS Trust does not have any Investments in associates and joint ventures to disclose.

Note 21 Other investments / financial assets

Coventry and Warwickshire Partnership NHS Trust does not have any other investments / financial assets to disclose.

Note 22 Disclosure of interests in other entities

The Trust does not have an interest in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities.

Note 23 Inventories

	Drugs	Consumables	Work in progress	Energy	Loan equipment	Other	Total	Of which held at net
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2017	**0**	**277**	**0**	**0**	**0**	**0**	**277**	**0**
Additions	**0**	**256**	**0**	**0**	**0**	**0**	**256**	**0**
Inventories recognised as an expense in the period	**0**	**(277)**	**0**	**0**	**0**	**0**	**(277)**	**0**
Write-down of inventories (including losses)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversal of write-down previously taken to SoCI	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers (to) Foundation Trusts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers (to)/from other bodies	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 31 March 2018	**0**	**256**	**0**	**0**	**0**	**0**	**256**	**0**
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	0	309	0	0	0	0	309	0
Additions	0	277	0	0	0	0	277	0
Inventories recognised as an expense in the period	0	(309)	0	0	0	0	(309)	0
Write-down of inventories (including losses)	0	0	0	0	0	0	0	0
Reversal of write-down previously taken to SoCI	0	0	0	0	0	0	0	0
Transfers (to) Foundation Trusts	0	0	0	0	0	0	0	0
Transfers (to)/from other bodies	0	0	0	0	0	0	0	0
Balance at 31 March 2017	0	277	0	0	0	0	277	0

Inventories recognised in expenses for the year were £277,000 (2016/17: £309,000). Write-down of inventories recognised as expenses for the year were £0 (2016/17: £0).

Note 24 Trade receivables and other receivables

	31 March 2018 £000	Restated 31 March 2017 £000
Current		
Trade receivables	**4,656**	4,620
Capital receivables (including accrued capital related income)	**0**	0
Accrued income	**2,365**	2,446
Provision for impaired receivables	**(117)**	(200)
Deposits and advances	**2**	2
Prepayments (non-PFI)	**1,364**	1,569
PFI prepayments - capital contributions	**0**	0
PFI lifecycle prepayments	**0**	0
Interest receivable	**7**	0
Finance lease receivables	**0**	0
PDC dividend receivable	**18**	118
VAT receivable	**249**	299
Corporation and other taxes receivable	**0**	0
Other receivables	**9**	9
Total current trade and other receivables	**8,553**	8,863
Non-current		
Trade receivables	**0**	0
Capital receivables (including accrued capital related income)	**0**	0
Accrued income	**0**	0
Provision for impaired receivables	**0**	0
Deposits and advances	**0**	0
Prepayments (non-PFI)	**0**	0
PFI prepayments - capital contributions	**0**	0
PFI lifecycle prepayments	**0**	0
Interest receivable	**0**	0
Finance lease receivables	**0**	0
VAT receivable	**0**	0
Corporation and other taxes receivable	**0**	0
Other receivables	**0**	0
Total non-current trade and other receivables	**0**	0
Of which receivables from NHS and Department of Health and Social Care group bodies:		
Current	**5,345**	6,094
Non-current	**0**	0

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

Non-NHS receivables are primarily with local government bodies and therefore no credit scoring of these entities is considered necessary.

The presentation of this note has changed and the 2016/17 amounts have been restated accordingly.

Note 24.1 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	**200**	25
Prior period adjustments	**0**	0
At 1 April - restated	**200**	25
Transfers by absorption	**0**	0
Increase in provision	**85**	193
Amounts utilised	**(4)**	(5)
Unused amounts reversed	**(164)**	(13)
At 31 March	**117**	200

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

Non-NHS receivables are primarily with local government bodies and therefore no credit scoring of these entities is considered necessary.

Note 24.2 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	**Investments and other financial assets**	Trade and other receivables	Investments and other financial assets
Ageing of impaired financial assets	**£000**	**£000**	£000	£000
0 - 30 days	**9**	**0**	12	0
30 - 60 days	**9**	**0**	12	0
60 - 90 days	**9**	**0**	12	0
90 - 180 days	**20**	**0**	61	0
Over 180 days	**70**	**0**	103	0
Total	**117**	**0**	200	0
Ageing of non-impaired financial assets past their due date				
0 - 30 days	**980**	**0**	848	0
30 - 60 days	**443**	**0**	50	0
60 - 90 days	**16**	**0**	19	0
90 - 180 days	**24**	**0**	85	0
Over 180 days	**71**	**0**	71	0
Total	**1,534**	**0**	1,073	0

The factors determining receivables impaired is the stage of debt recovery and whether any payments due are being made to reduce debts outstanding. Typically debts impaired relate to former staff, who had been overpaid on termination of contract. An impairment is also included where a formal dispute has been raised with the Trust.

Note 25 Other assets

	31 March 2018	31 March 2017
Current	**£000**	£000
EU emissions trading scheme allowance	**0**	0
Other assets	**0**	0
Short term PFI finance lease asset	**0**	0
Total other current assets	**0**	0
Non-current		
Net defined benefit pension scheme asset	**0**	0
Other assets	**0**	0
Total other non-current assets	**0**	0

Note 26 Non-current assets held for sale and assets in disposal groups

	31 March 2018	31 March 2017
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**0**	815
Prior period adjustment	**0**	0
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**0**	815
Transfers by absorption	**0**	0
Assets classified as available for sale in the year	**281**	0
Assets sold in year	**0**	(815)
Impairment of assets held for sale	**0**	0
Reversal of impairment of assets held for sale	**0**	0
Assets no longer classified as held for sale, for reasons other than disposal by sale	**0**	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	**281**	0

The asset classified as available for sale in the year of £281,000 relates to one property: Oliver House.

Oliver House, a non-residential property. The property incurred an impairment loss on reclassification of £82,887, recognised in 2017/18. The sale is expected to complete in quarter 1 of 2018/19.

Note 26.1 Liabilities in disposal groups

	31 March 2018 £000	31 March 2017 £000
Categorised as:		
Provisions	**0**	0
Trade and other payables	**0**	0
Other	**0**	0
Total	**0**	0

Note 27 Cash and cash equivalents movements

Note 27.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	31 March 2018 £000	31 March 2017 £000
At 1 April	**50,257**	43,582
Prior period adjustments	**0**	0
At 1 April (restated)	**50,257**	43,582
Transfers by absorption	**0**	0
Net change in year	**7,307**	6,675
At 31 March	**57,564**	50,257
Broken down into:		
Cash at commercial banks and in hand	**54**	52
Cash with the Government Banking Service	**57,505**	50,200
Deposits with the National Loans Fund	**0**	0
Other current investments	**5**	5
Cash and cash equivalents as in Statement of Financial Position	**57,564**	50,257
Bank overdrafts (GBS and commercial banks)	**0**	0
Drawdown in committed facility	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**57,564**	50,257

Note 27.2 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 2018 £000	31 March 2017 £000
Bank balances	**137**	171
Monies on deposit	**0**	0
Total third party assets	**137**	171

Note 28 Trade and other payables

	31 March 2018 £000	Restated 31 March 2017 £000
Current		
Trade payables	**11,750**	8,320
Capital payables	**1,785**	2,288
Accruals	**6,470**	4,624
Receipts in advance (including payments on account)	**11**	0
Social security costs	**1,437**	1,432
VAT payables	**0**	0
Other taxes payable	**1,080**	1,061
PDC dividend payable	**0**	0
Accrued interest on loans	**0**	0
Other payables	**0**	23
Total current trade and other payables	**22,533**	17,748

2016/17 trade and other payables have been restated for revised classification of deferred income heading as per requirements of group accounting manual.

Non-current		
Trade payables	**0**	0
Capital payables	**0**	0
Accruals	**0**	0
Receipts in advance (including payments on account)	**0**	0
VAT payables	**0**	0
Other taxes payable	**0**	0
Other payables	**0**	0
Total non-current trade and other payables	**0**	0

Of which payables from NHS and Department of Health and Social Care group bodies:		
Current	**7,555**	4,279
Non-current	**0**	0

The presentation of this note has changed and the 2016/17 amounts have been restated accordingly.

Note 28.1 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2018 £000	31 March 2018 Number	31 March 2017 £000	31 March 2017 Number
- To buy out the liability for early retirements over 5 years	0	0	0	0
- Number of cases involved	0	0	0	0
- Outstanding pension contributions	1,874	0	1,894	0

Note 29 Other financial liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Derivatives held at fair value through income and expenditure	**0**	0
Other financial liabilities	**0**	0
Total	**0**	0

Non-current		
Derivatives held at fair value through income and expenditure	**0**	0
Other financial liabilities	**0**	0
Total	**0**	0

Note 30 Other liabilities

	31 March 2018 £000	Restated 31 March 2017 £000
Current		
Deferred income	**100**	162
Deferred grants	**0**	0
PFI deferred income / credits	**0**	0
Lease incentives	**0**	0
Total other current liabilities	**100**	162
Non-current		
Deferred income	**0**	0
Deferred grants	**0**	0
PFI deferred income / credits	**0**	0
Lease incentives	**0**	0
Net pension scheme liability	**0**	0
Total other non-current liabilities	**0**	0

Note 31 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Bank overdrafts	**0**	0
Drawdown in committed facility	**0**	0
Loans from the Department of Health and Social Care	**0**	0
Other loans	**0**	0
Obligations under finance leases	**0**	0
PFI lifecycle replacement received in advance	**0**	0
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	**514**	490
Total current borrowings	**514**	490
Non-current		
Loans from the Department of Health and Social Care	**0**	0
Other loans	**0**	0
Obligations under finance leases	**0**	0
PFI lifecycle replacement received in advance	**0**	0
Obligations under PFI, LIFT or other service concession contracts	**27,853**	28,367
Total non-current borrowings	**27,853**	28,367

Note 32 Finance leases

Note 32.1 Coventry and Warwickshire Partnership NHS Trust as a lessor

Coventry and Warwickshire Partnership NHS Trust had no finance lease obligations in 2017/18.

	31 March 2018	31 March 2017
	£000	£000
Gross lease receivables	**0**	0
of which those receivable:		
- Not later than one year;	**0**	0
- Later than one year and not later than five years;	**0**	0
- Later than five years.	**0**	0
Unearned interest income	**0**	0
Allowance for uncollectable lease payments	**0**	0
Net lease receivables	**0**	0
of which those receivable:		
- Not later than one year;	**0**	0
- Later than one year and not later than five years;	**0**	0
- Later than five years.	**0**	0
The unguaranteed residual value accruing to the lessor	**0**	0
Contingent rents recognised as income in the period	**0**	0

Note 32.2 Coventry and Warwickshire Partnership NHS Trust as a lessee

Obligations under finance leases where Coventry and Warwickshire Partnership NHS Trust is the lessee.

	31 March 2018	31 March 2017
	£000	£000
Gross lease liabilities	**0**	0
of which liabilities are due:		
- Not later than one year;	**0**	0
- Later than one year and not later than five years;	**0**	0
- Later than five years.	**0**	0
Finance charges allocated to future periods	**0**	0
Net lease liabilities	**0**	0
of which payable:		
- Not later than one year;	**0**	0
- Later than one year and not later than five years;	**0**	0
- Later than five years.	**0**	0
Total of future minimum sublease payments to be received at the reporting date	**0**	0
Contingent rent recognised as an expense in the period	**0**	0

Note 33 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Legal claims	Restructuring	Continuing care	Equal pay (including agenda for change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	**2,550**	**143**	**306**	**0**	**0**	**0**	**2,282**	**5,281**
Transfers by absorption	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Change in the discount rate	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Arising during the year	**501**	**118**	**453**	**0**	**0**	**0**	**132**	**1,204**
Utilised during the year	**(3,057)**	**(43)**	**(2)**	**0**	**0**	**0**	**(389)**	**(3,491)**
Reclassified to liabilities held in disposal groups	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**0**	**(79)**	**(113)**	**0**	**0**	**0**	**(248)**	**(440)**
Unwinding of discount	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**6**
At 31 March 2018	**0**	**139**	**644**	**0**	**0**	**0**	**1,777**	**2,560**
Expected timing of cash flows:								
- Not later than one year;	**0**	**139**	**644**	**0**	**0**	**0**	**665**	**1,448**
- Later than one year and not later than five years;	**0**	**0**	**0**	**0**	**0**	**0**	**1,112**	**1,112**
- Later than five years.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**0**	**139**	**644**	**0**	**0**	**0**	**1,777**	**2,560**

The provision for early departure costs relate to early retirement benefits for former employees with pre 1995 pensions, and is calculated based upon the capitalisation costs for individuals who hold an NHS pension. In 2017/18 the Trust chose to capitalise the early departure costs and therefore a provision is no longer required.

The provision for legal claims relate to medical and employee liabilities currently in litigation and is the excess costs multiplied by the probability of payment.

The restructuring provisions arising in year relate to a number of team restructures. These mainly relate to: The People Development, Communications, Executive, Adult Lifestyles, and Family Nurse Partnership.

The main other provisions relate to:

£1.112 million relating to property dilapidations.

£517,000 relating to a change in treatment in working hours.

£87,000 relating to legal costs regarding potential negligence cases.

£49,000 relating to one potential employment tribunal.

Note 33.1 Clinical negligence liabilities

At 31 March 2018, £18,138,000 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Coventry and Warwickshire Partnership NHS Trust (31 March 2017: £6,144,000).

Note 34 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	**(111)**	(144)
Employment Tribunal and other employee related litigation	**0**	0
Redundancy	**0**	0
Other	**0**	0
Gross value of contingent liabilities	**(111)**	(144)
Amounts recoverable against liabilities	**0**	0
Net value of contingent liabilities	**(111)**	(144)
Net value of contingent assets	**0**	0

The Trust has a contingent liability at 31 March 2018 of £111,424 (31 March 2017 £143,978) which relates to the future excess settlement of incidents for public and employers liability cases, the timing of settlement is as advised by the NHS Litigation Authority with no element of reimbursement.

Note 35 Contractual capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	**126**	678
Intangible assets	**0**	7
Total	**126**	685

Note 36 Other financial commitments

The Trust has not entered into any non-cancellable contracts (which are not leases, private finance initiative contracts or other service concession arrangements).

	31 March 2018 £000	31 March 2017 £000
Not later than 1 year	**0**	0
After 1 year and not later than 5 years	**0**	0
Paid thereafter	**0**	0
Total	**0**	0

Note 37 Defined benefit pension schemes

Coventry and Warwickshire Partnership NHS Trust does not have any defined benefit pension schemes.

The Trust is required to account for the NHS pensions scheme as a defined contribution scheme, recognising expense each year equal to its total employer contribution. This is because the NHS pension scheme is designed in such a way that the Trust cannot identify its total share of assets or liabilities in the scheme.

Note 38 On-SoFP PFI, LIFT or other service concession arrangements

The information below is required by the Department of Heath and Social Care for inclusion in national statutory accounts:

Note 38.1 Imputed finance lease obligations

Coventry and Warwickshire Partnership NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	**64,076**	66,786
Of which liabilities are due		
- Not later than one year;	**2,695**	2,709
- Later than one year and not later than five years;	**10,572**	10,664
- Later than five years.	**50,809**	53,413
Finance charges allocated to future periods	**(35,709)**	(37,929)
Net PFI, LIFT or other service concession arrangement obligation	**28,367**	28,857
- Not later than one year;	**514**	490
- Later than one year and not later than five years;	**2,266**	2,187
- Later than five years.	**25,587**	26,180
Total	**28,367**	28,857

Note 38.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**194,116**	194,816
Of which liabilities are due:		
- Not later than one year;	**5,704**	5,479
- Later than one year and not later than five years;	**24,515**	23,322
- Later than five years.	**163,897**	166,015

Note 38.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's payments in 2017/18:

	31 March 2018 £000	31 March 2017 £000
Unitary payment payable to service concession operator	**5,751**	4,158
Consisting of:		
- Interest charge	**2,219**	2,254
- Repayment of finance lease liability	**490**	435
- Service element and other charges to operating expenditure	**1,766**	321
- Capital lifecycle maintenance	**0**	0
- Revenue lifecycle maintenance	**0**	0
- Contingent rent	**1,276**	1,148
- Addition to lifecycle prepayment	**0**	0
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**0**	0
Total amount paid to service concession operator	**5,751**	4,158

Note 39 Off-SoFP PFI, LIFT and other service concession arrangements

Coventry and Warwickshire Partnership NHS Trust has no off-SOFP PFI, LIFT and other service obligations

	31 March 2018 £000	31 March 2017 £000
Charge in respect of the off SoFP PFI, LIFT or other service concession arrangement for the period	**0**	0
Commitments in respect of off-SoFP PFI, LIFT or other service concession arrangements:		
- Not later than one year;	**0**	0
- Later than one year and not later than five years;	**0**	0
- Later than five years.	**0**	0
Total	**0**	0

The finance lease obligation represents the PFI contract between the Trust and The Coventry and Rugby Hospital Company PLC. An annual unitary payment is charged to the Trust payable quarterly in advance. Ownership of the PFI asset will transfer to the Trust at the end of the contract on 31 December 2042.

The arrangement of the contract was for the construction of a new mental health unit known as The Caludon Centre on the Walsgrave Hospital site in Coventry. The arrangement also covers the provision of facilities management services during the term of the contract.

There have been no changes in the arrangement occurring during the reported period.

The Trust remains in control of the services provided at the Caludon Centre, which are wholly provided to NHS staff and service users. The contract specifies the base price with a mechanism to increase the unitary payment by the movement in RPI in February of each year.

At the end of the contract, ownership of the Caludon Centre infrastructure asset will transfer to the Trust.

Under IFRIC 12, the Caludon Centre is recognised as an asset of the Trust at a net carrying value at 31 March 2018 of £30.2 million (31 March 2017 £27.9 million). The substance of the contract is that the Trust has a finance lease and payments are comprised of service charges and imputed finance lease charges, detailed above.

The finance lease rental was calculated after deducting the fair value of the service and lifecycle costs from the overall unitary charge. The cash flows are expressed in real terms, excluding the contingent rent element.

A constant rate of finance on the outstanding liability over the life of the contract was determined to be 7.87%, the implicit interest rate. The finance lease rental has been discounted using this interest rate to determine the present value of the minimum lease payments.

Note 40 Financial instruments

Note 40.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Commissioners and the way those Commissioning Groups are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. 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, subject to affordability as confirmed by the NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the trade and other receivables note. The credit quality of financial assets that are neither past due or impaired are with Clinical Commissioning Groups and local government bodies and therefore no credit scoring is considered necessary.

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 funds obtained within its Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has a treasury management facility which ensures liquidity is sufficient on a daily basis to manage liabilities as they arise.

Price risk
Pricing risk is geared towards market value of investments which are not relevant to Coventry and Warwickshire Partnership NHS Trust, as the Trust has limited powers to invest or borrow surplus funds. However this can impact in other ways, such as long term service contracts with price adjustments in them. The Trust has a long term service contract for the provision of its PFI, however the price variations in this contract are not material. Since the Trust's contracts are on a block basis, the Trust has no significant risk due to price changes.

Note 40.2 Carrying values of financial assets

	Loans and receivables	Assets at fair value through the profit and loss	Held to maturity	Available for sale	Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2018					
Embedded derivatives	**0**	**0**	**0**	**0**	**0**
Trade and other receivables excluding non-financial assets	**6,922**	**0**	**0**	**0**	**6,922**
Other investments / financial assets	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at bank and in hand	**57,564**	**0**	**0**	**0**	**57,564**
Total at 31 March 2018	**64,486**	**0**	**0**	**0**	**64,486**

	Restated Loans and receivables	Assets at fair value through the profit and loss	Held to maturity	Available for sale	Restated Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	0	0	0	0	0
Trade and other receivables excluding non-financial assets	6,877	0	0	0	6,877
Other investments / financial assets	0	0	0	0	0
Cash and cash equivalents at bank and in hand	50,257	0	0	0	50,257
Total at 31 March 2017	57,134	0	0	0	57,134

Note 40.3 Carrying value of financial liabilities

	Other financial liabilities	Liabilities at fair value through profit and loss	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	**0**	**0**	**0**
Borrowings excluding finance lease and PFI liabilities	**0**	**0**	**0**
Obligations under finance leases	**0**	**0**	**0**
Obligations under PFI, LIFT and other service concession contracts	**28,367**	**0**	**28,367**
Trade and other payables excluding non-financial liabilities	**20,010**	**0**	**20,010**
Other financial liabilities	**0**	**0**	**0**
Provisions under contract	**0**	**0**	**0**
Total at 31 March 2018	**48,377**	**0**	**48,377**

	Other financial liabilities	Liabilities at fair value through profit and loss	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2017			
Embedded derivatives	0	0	0
Borrowings excluding finance lease and PFI liabilities	0	0	0
Obligations under finance leases	0	0	0
Obligations under PFI, LIFT and other service concession contracts	28,857	0	28,857
Trade and other payables excluding non-financial liabilities	15,182	0	15,182
Other financial liabilities	0	0	0
Provisions under contract	0	0	0
Total at 31 March 2017	44,039	0	44,039

Note 40.4 Maturity of financial liabilities

	31 March 2018	31 March 2017
	£000	£000
In one year or less	**20,524**	15,672
In more than one year but not more than two years	**538**	490
In more than two years but not more than five years	**1,728**	1,697
In more than five years	**25,587**	26,180
Total	**48,377**	44,039

Note 41 Losses and special payments

	2017/18		2016/17	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses				
Cash losses	**2**	**0**	7	0
Fruitless payments	**0**	**0**	0	0
Bad debts and claims abandoned	**25**	**4**	17	5
Stores losses and damage to property	**4**	**8**	5	20
Total losses	**31**	**12**	29	25
Special payments				
Compensation under court order or legally binding arbitration award	**2**	**10**	4	102
Extra-contractual payments	**0**	**0**	0	0
Ex-gratia payments	**28**	**4**	22	13
Special severance payments	**0**	**0**	0	0
Extra-statutory and extra-regulatory payments	**0**	**0**	0	0
Total special payments	**30**	**14**	26	116
Total losses and special payments	**61**	**26**	55	141
Compensation payments received		**0**		0

These amounts are reported on an accruals basis but exclude provisions for future losses.

Note 42 Gifts

Disclosure of gifts is only required if the total value of gifts made exceeds £300,000. The Trust received some low value gifts in 2017/18. These did not exceed £300,000.

Note 43 Related parties

The Trust is a body corporate established by order of the Secretary of State for Health.

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 transactions with the Trust.

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies.

The most significant transactions with related parties are detailed in the table below.

Balances outstanding within the NHS relate mainly to March 2018. These are agreed with the relevant organisation as part of the NHS agreement of balances exercise.

	2017/18			
	Amounts owed to related party £000s	**Amounts due from related party £000s**	**Receipts from related party £000s**	**Payments to related party £000s**
Arden and Greater East Midlands Commissioning Support Unit	**0**	**15**	**737**	**0**
Birmingham Crosscity Clinical Commissioning Group	**0**	**87**	**1,043**	**0**
Community Health Partnerships	**445**	**0**	**0**	**3,141**
Coventry and Rugby Clinical Commissioning Group	**913**	**897**	**98,165**	**954**
Coventry City Council	**704**	**452**	**11,082**	**637**
Health Education England	**25**	**52**	**6,513**	**1**
HM Revenue and Customs	**2,518**	**0**	**973**	**9,980**
National Health Service Pension Scheme	**1,874**	**0**	**0**	**13,971**
NHS England Core	**4**	**2,452**	**3,250**	**15**
NHS Professionals	**2,644**	**134**	**0**	**20,506**
NHS Property Services	**1,912**	**34**	**99**	**2,150**
NHS Resolution (formerly NHS Litigation Authority)	**1**	**0**	**0**	**714**
NHSE - North Midlands Local Office	**0**	**25**	**690**	**0**
NHSE - South Central Local Office	**0**	**0**	**798**	**0**
NHSE - West Midlands Local Office	**22**	**639**	**4,563**	**0**
NHSE - West Midlands Specialised Commissioning Hub	**533**	**178**	**18,661**	**0**
Solihull Clinical Commissioning Group	**0**	**61**	**5,341**	**0**
South Warwickshire Clinical Commissioning Group	**890**	**80**	**29,846**	**503**
South Warwickshire NHS Foundation Trust	**499**	**102**	**195**	**690**
University Hospitals Coventry and Warwickshire NHS Trust	**1,904**	**137**	**260**	**2,576**
Warwickshire North Clinical Commissioning Group	**130**	**204**	**19,954**	**66**
Warwickshire County Council	**149**	**817**	**3,770**	**134**

	2016/17			
	Amounts owed to related party £000s	Amounts due from related party £000s	Receipts from related party £000s	Payments to related party £000s
Arden and Greater East Midlands Commissioning Support Unit	0	23	759	0
Birmingham and Crosscity Clinical Commissioning Group	0	165	1,313	0
Community Health Partnerships	42	0	98	2,961
Coventry and Rugby Clinical Commissioning Group	30	1,184	96,417	44
Coventry City Council	336	438	11,485	713
Health Education England	47	84	7,093	49
HM Revenue and Customs	2,520	299	0	9,484
National Health Service Pension Scheme	1,961	0	0	13,972
NHS England Core	6	2,685	3,585	13
NHS Litigation Authority	0	0	0	568
NHS Professionals	1,177	0	0	17,676
NHS Property Services	1,520	202	289	1,899
NHS Litigation Authority	0	0	0	568
NHSE - North Midlands Local Office	0	0	664	0
NHSE - South Central Local Office	0	0	0	0
NHSE - West Midlands Local Office	136	354	3,862	0
NHSE - West Midlands Specialised Commissioning Hub	561	344	18,262	0
North Midlands Local Office	0	0	664	0
Solihull Clinical Commissioning Group	0	29	5,218	0
South Warwickshire Clinical Commissioning Group	397	10	30,899	397
South Warwickshire NHS Foundation Trust	195	72	312	597
University Hospitals Coventry and Warwickshire NHS Trust	1,107	56	344	2,548
Warwickshire North Clinical Commissioning Group	64	137	20,820	64

Note 44 Prior period adjustments

Coventry and Warwickshire Partnership NHS Trust had no prior period adjustments.

Note 45 Events after the reporting date

Coventry and Warwickshire Partnership NHS Trust had no events after the reporting date to disclose.

Note 46 Better Payment Practice Code

	2017/18 Number	**2017/18 £000**	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	**16,503**	**66,298**	20,653	63,246
Total non-NHS trade invoices paid within target	**14,823**	**62,055**	18,900	60,128
Percentage of non-NHS trade invoices paid within target	**89.82%**	**93.60%**	91.51%	95.07%
NHS Payables				
Total NHS trade invoices paid in the year	**622**	**9,389**	577	8,591
Total NHS trade invoices paid within target	**523**	**8,392**	429	7,407
Percentage of NHS trade invoices paid within target	**84.08%**	**89.38%**	74.35%	86.22%

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

Note 47 External financing

The Trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	**(7,797)**	(7,110)
Finance leases taken out in the year	**0**	0
Other capital receipts	**0**	0
External financing requirement	**(7,797)**	(7,110)
External financing limit (EFL)	**(2,662)**	(1,849)
Underspend against external financing limit	**5,135**	5,261

Note 48 Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2017/18 £000	2016/17 £000
Gross capital expenditure	**3,585**	4,083
Less: book value of assets disposed of	**(28)**	(815)
Less: capital grants	**0**	0
Less: donations towards the acquisition of non-current assets	**0**	0
Charge against capital resource limit	**3,557**	3,268
Capital resource limit	**3,581**	3,270
Under spend against CRL	**24**	2

Note 49 Breakeven duty financial performance

	2017/18 £000	2016/17 £000
Adjusted financial performance surplus (control total basis)	**4,678**	5,766
Remove impairments scoring to Departmental Expenditure Limit	**0**	0
Add back income for impact of 2016/17 post-accounts STF reallocation	**58**	0
Add back non-cash element of On-SoFP pension scheme charges	**0**	0
IFRIC 12 breakeven adjustment	**526**	306
Breakeven duty financial performance surplus	**5,262**	6,072

Note 50 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	**2017/18**
	£000	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Turnover	142,640	147,353	148,200	207,689	205,782	206,256	203,958	204,038	207,857	**213,700**
Retained surplus/(deficit) for the year	1,863	(21,683)	1,359	3,905	5,781	3,573	2,148	3,120	5,673	**(4,295)**
Adjustment for:										
Timing/non-cash impacting distortions:	0	0	0	0	0	0	0	0	0	**0**
Pre FDL(97)24 Agreements	0	0	0	0	0	0	0	0	0	**0**
Prior period adjustments	0	0	0	0	0	0	0	0	0	**0**
Adjustments for impairments	204	13,035	1,633	603	811	3,158	1,026	459	78	**9,018**
Adjustments for impact of policy change re donated/government grants assets	0	0	0	61	16	6	9	7	15	**13**
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*	0	12,338	-56	20	93	61	195	287	306	**526**
Absorption accounting adjustment	0	0	0	0	0	0	0	0	0	**0**
Other agreed adjustments	0	0	0	0	0	0	0	0	0	**0**
Breakeven duty in-year financial performance	2,067	3,690	2,936	4,589	6,701	6,798	3,378	3,873	6,072	**5,262**
Breakeven duty cumulative position	2,343	6,033	8,969	13,558	20,259	27,057	30,435	34,308	40,380	**45,642**
Cumulative breakeven position as a percentage of operating income	1.64%	4.09%	6.05%	6.53%	9.84%	13.12%	14.92%	16.81%	19.43%	**21.36%**
Break-even in-year position as a percentage of turnover	1.45%	2.50%	1.98%	2.21%	3.26%	3.30%	1.66%	1.90%	2.92%	2.46%

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the Donated Asset and Government Grant Reserves) to maintain comparability year to year.

The amounts in the above tables in respect of financial year 2008/09 have **not** been restated to IFRS and remain on a UK GAAP basis.