

# Annual Report

## 2018 to 2019



Read about our year; meet our Trust Board and the great things we have achieved together.



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

Contents

Chair's foreword ..... 2

**1 – Performance Report**  
An overview on our Trust

Who are we .....3  
Our vision and values .....4  
Our strategic ambitions.....4  
Our locality .....5  
Chief Executive's statement .....6-7  
A year in the life .....8-20  
Performance summary .....22-25  
Sustainability report .....26-29

**2 – Accountability Report**

Trust Board structure .....30  
Meet the Trust Board members ..31-36  
Committee memberships .....38-39  
Meet our Governors ..... 40-41  
Statement of Chief Executive .....42  
Remuneration and staff report ..43-55  
Annual Governance Statement.. 56-68

**3 – Financial Statements**

Financial statements.....69  
Financial position for the year .....72  
Principles for remedy.....77  
Director's statement .....78

Glossary ..... 79-80

Membership form ..... 81

Front Cover images:  
Staff members celebrate CQC rating.

Chair's foreword  
A very warm welcome to  
our Annual Report **2018/19**



The Annual Report is an important document, it sets out what we have achieved during the year and provides key details about our organisation and its identity. This year has seen some tremendous achievements, with so many attributed to the hard work and dedication of our staff. Our staff work with a clear intention to provide the highest quality of care for our patients from across Coventry, Warwickshire and Solihull; maintaining at all times a focus on achieving the Trust's vision and values. The achievement of a 'Good' rating following our recent Care Quality Commission inspection reflects many years of improvement and hard work. I am extremely proud of all our staff who have worked extremely hard, and continue to do so on a daily basis. I am also immensely proud of staff who were recognised in the Queen's Birthday Honours in 2018; you can read more about that later in this report. Like many of our colleagues across the NHS network, we marked the NHS' 70th birthday with a number of celebrations which included many patients, carers, and families alongside our staff. As part of those celebrations, the Trust received national recognition for its partnership work on the It Takes Balls to Talk men's mental health campaign in the form of a Parliamentary Award. We continue to make strides with our strategic partnerships through the Better Health, Better Care, Better Value Health and Care partnership as we maintain our position as a key partner in the Coventry and Warwickshire health and care system. We have seen further developments across service delivery and staff welfare in order to make our organisation a great place to care, a great place for care and a great place to work. During the year we have welcomed Dominic Cox as Director of Strategy and Development and as we move forward into 2019/20 we are welcoming two new Non-Executive Directors. I would especially like to thank all the front line staff and the support staff for their work over the past year that has resulted in the progress we have made and been recognised for. Thanks for all your contributions to make Coventry and Warwickshire Partnership NHS Trust our great place; through our people, our passion, and our pride.

  
Jagtar Singh OBE  
Chair

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 provide mental health and learning disability services in Warwickshire and Solihull; and a range of specialist health services to people across the West Midlands and the rest of the UK. During the past 12 months, we had circa 3,400 contacts each day with our patients, from a catchment area of more than one million people. 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.



Rano Bains, Jagtar Singh, Uma Sharma, Prof Swaran Singh, Nyaradzo Nyamay celebrating black history month.

Our Annual Report

- Our Annual Report is a statutory document intended to present an outline of the overall performance of the Trust during the 2018/19 financial year that has just ended, in three main sections:
- an introduction to our Trust Board and its operation, indicating the checks and measures the Trust undertakes to ensure safe, high quality services are provided whilst achieving targets in section 2.
  - an indication of our services' performance during the year in section 1 of this report.
  - an overview of our financial performance for the year, as stated in section 3 of this report.





# Our vision

To be a Great Place for Care, a Great Place to Care and a Great Place to Work

A place where people are empowered to use their collective expertise, capability and motivation to deliver the best care. Where compassion and excellence go hand in hand to connect and support others to lead a fulfilled and happy life. A place where everybody counts, all contributing to help the Trust flourish, one positive team striving to be great, together.

## Our strategic ambitions 2018/19

Our Trust’s strategic ambitions for 2018/19 reflect how we focused on key issues 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.

# Our values

Compassion  
in action



Working  
together



Respect for  
everyone



Seeking  
excellence

# Our vision

- Great Place for Care means improving patient care and experience by:  
“Working together to treat and support people at the right time at home, in hospital and in their communities. We strive to prevent ill-health, connecting people to the right services to aid recovery and well-being”
- Great Place to Care means improving how and where we care by:  
“Investing in our people, research, technology and innovation to support a culture of quality improvement and to continue to create a great environment from where we can provide great care”
- Great Place to Work means improving our people’s experience by:  
“Bringing together all that the Trust does to attract, retain, and support its people to deliver high quality care, and to ensure they feel valued and enjoy their working lives”

# Strategic ambitions

- Provide the best quality of care to our patients and with our patients, to support them to achieve the outcomes that are important in their lives
- Focus on delivering safe care and reducing the risk of harm
- Improve accessibility to care and eliminate unnecessary waiting
- Be recognised as an outstanding provider of services
- Foster a culture where quality improvement and innovation flourishes
- Secure the right resources and manage them effectively
- Connect and integrate our services with our partners, to deliver better care
- Recruit and retain people who demonstrate our Trust Values, collective leadership behaviours and are representative of the communities we serve
- Focus on the health and well being of our people
- Listen to, develop and invest in our people.

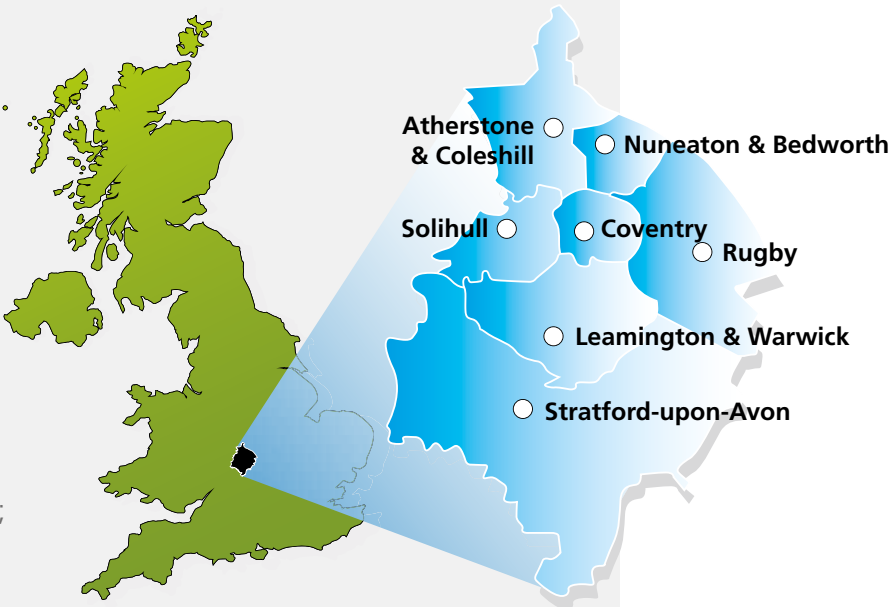
# Our locality

A large proportion of what we do is delivered from a number of key locations, as illustrated here. 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 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

**Note:** there are additional bases in Herefordshire and Worcestershire not shown on the map where an Immunisation and Vaccination service is based.

# Chief Executive's statement

Our Chief Executive Simon Gilby looks back on 2018/19



Simon Gilby

This last year saw a continuing increase in pressure on all NHS services and for our Trust it has been no different. We have a clear focus on continually improving the quality of services and our patients' experience of those services, with the need to balance the financial challenges imposed against unprecedented demand. Our Trust Board ensures it seeks to take appropriate steps to mitigate any pressure that may impact on our capacity to deliver across all our services, from inpatient mental health to physical health services in the heart of our communities. We are also continually working

hard to re-design services where possible, to meet the needs of local communities and our commissioners. You will have seen from coverage across national media that the NHS continues to face a challenging financial situation and we welcome the news of additional financial support being put into the system. We particularly welcome the recognition of the importance of more funding for mental health services, and look forward to working with commissioners on the allocation of these funds. We welcomed the Care Quality Commission (CQC)

to our Trust in 2018 to conduct their inspection of services and undertake a Well-Led inspection. The clear improvement we have made over the past 12 months resulted in a new rating of 'Good' for our Trust. This outcome reflects the amazing work of our caring, compassionate and committed staff across the organisation.

I am pleased that the CQC has recognised the improvements we have made together over the last year, including the recognition that our Trust is well led.

We know that there are areas that still need our attention and we have already made good progress since the inspections in August and September. We are continuing to improve the safety and quality of our services and are working closely with our partners across the health and social care economy.

This is an indication our Trust is better placed to ensure we not only maintain but strive for improvement in the care of our patients and the wider communities. As an organisation we are fully committed to ensuring we maintain our journey of improvement with clear plans to move our Trust forward over the coming years and we acknowledge the enormous impact our wonderful, committed staff have played in achieving this milestone rating. As with every annual report, I and my Board colleagues

need to recognise and pay tribute to all staff for their commitment, passion and effort throughout the year which is evident through the numerous examples we see and hear from all areas of our Trust. We have seen numerous examples of staff going above and beyond what is normally expected, maintaining caring and responsive services in the face of increased demand. The NHS is a truly inspirational place to work and locally this reflects the contribution of individuals and teams providing frontline care and support functions.

In this respect we also highlight our Trust's active role in Better Health, Better Care, Better Value Health and Care partnership across Coventry and Warwickshire (formerly known as the Sustainability and Transformation Partnership). Our Trust continues to play a central role in reviewing how mental health services can be improved across this large regional footprint, with a default commitment to improve the overall health of our population, help to stop

people from becoming ill wherever possible, and make sure that everyone in Coventry and Warwickshire has equal access to high quality, sustainable care. This year's annual report is a story of pride, passion and meeting the challenges with a commitment to our vision and values as a service provider. It is also a story about listening to feedback from our patients, carers, staff and partners and working together to find solutions. Above all it's a story about people sharing a commitment to making lives better. Our purpose is to provide the highest quality service that promotes recovery and hope. I hope you take the opportunity to read more about our organisation and our compassionate and caring staff.

**Simon Gilby**  
Chief Executive





# A year in the life of Our Trust



We have highlighted below some of our achievements in 2018/19. A more detailed overview of our performance is included in the performance analysis section.

Our past year...



## Veterans' mental health staff meet HRH Prince Harry and Ms Markle

**Lynne Davidson, Regional Lead for Veterans' Mental Health and Dan Barnard, Consultant Clinical Psychologist at Coventry and Warwickshire Partnership NHS Trust were invited to a private event in Colchester to meet HRH Prince Harry and Ms Markle.**

As part of the event, the Royal couple met service users who had accessed the NHS Veterans' Mental Health Transition, Intervention and Liaison (TIL) Midlands and East Service which launched last April.

They were both moved by the stories they heard and impressed by the support the service has been offering.

Lynne said "We're delighted to see the genuine interest HRH Prince Harry has for military veterans and his continued commitment to raising awareness of the mental health needs of those who have served in HM Armed Forces and their families.

"It was a pleasure to meet him and Ms Markle, and to spend time with them talking about the difference we make to veterans' lives on a daily basis."



Lynne Davidson,  
MEVS team leader

## RISE community hubs launched in Warwickshire



**Rise Community Hubs have been created for Children, Young People, Families, and our wider communities to offer support, information, and guidance on mental health.**

The first two Rise Community Hubs have now launched in the The Ratcliffe Centre in Atherstone, and Escape Arts in Stratford-upon-Avon. Developed by a host of specialist clinical and support services, the

team were seeking the support of parents or carers of Warwickshire children to attend an open event and learn about common emotional wellbeing concerns in childhood, and to find out what they can do to help.

A team of specialist mental health professionals facilitated free information sessions at the new Rise Community Hubs.





## New funding for suicide prevention in England includes money for Coventry and Warwickshire



Dr. Sharon Binyon

**Local communities worst affected by suicide were given funding to develop suicide prevention and reduction schemes, with the West Midlands region receiving cash for the Better Health, Better Care, Better Value partnership covering Coventry and Warwickshire.**

The investment (made by the Department for Health and Social Care (DHSC), Public Health England (PHE), and NHS England) marked the start of a three year programme worth £25 million, that will reach the whole country by 2021.

The funding, which was allocated to eight STPs (Sustainability and Transformation Partnerships) with a high level of need, is to ensure people know about the high quality confidential help available within their community.

Dr. Sharon Binyon, Medical Director of Coventry and Warwickshire Partnership NHS Trust and Mental Health Lead for the Coventry and Warwickshire Better Health, Better Care, Better Value Healthcare partnership, said: "We are delighted to have secured this funding which will help us build on existing plans with our partners in local authorities in Coventry and Warwickshire.

**"A key element of our focus will be men who are experiencing mental health issues and we will further develop our existing suicide prevention campaign 'It Takes Balls to Talk'.**

**"In addition, we aim to deliver new evidence based mental health awareness and suicide prevention training in our communities. This will run alongside developing a network of champions to drive our ambition towards zero suicide."**

## Three generations have 71 years of nursing in Coventry between them...

**Three generations of one family proudly celebrated 71 years of nursing between them during the NHS 70 celebrations.**



All three trained in Coventry, and have worked for Coventry and Warwickshire Partnership NHS Trust (or former organisation) during their careers.

Pat, Jane, and Rebecca are a great example of how a career in nursing can be inspirational through the generations. All three celebrated International Nurses' Day with hundreds of other nurses from across Coventry and Warwickshire at Coventry Cathedral on 11 May 2018.

Jane has worked for the NHS for 34 years in various roles from

Community Nursing in her early career, to her current role as Associate Director Operations for Safety, Quality and Professional Practice at the Trust. Jane is now responsible for the safety, quality and professional practice of clinical staff.

Jane's daughter and Pat's granddaughter Rebecca started her NHS career more recently in our Trust's Central Booking Service and she is now a Staff Nurse on a Gerontology Ward at University Hospitals Coventry and Warwickshire NHS Trust (UHCW).

Rebecca said: "I love my job caring for people, and would really like to progress my nursing career in this area."



## Staff recognised in Queen's Birthday Honours



Dr Ashok Roy



Marie Tait receiving her British Empire Medal (BEM) from Lord Lieutenant of Warwickshire, Mr Timothy Cox

**Four members of staff at Coventry and Warwickshire Partnership NHS Trust were awarded in honour in the Queen's Birthday Honours list.**

Consultant Psychiatrist **Dr Ashok Roy** received an OBE; Senior Practitioner for Street Triage Team and founder of 'It Takes Balls to Talk' Alex Cotton and General Manager for Integrated Community Services (ICS) Carol Peckham both received MBE's; and Marie Tait, a Health Care Assistant with more than 40 years' service to the NHS, was awarded a British Empire Medal (BEM).

Consultant Psychiatrist Dr Ashok Roy is a senior NHS consultant specialising in services for people with a learning disability, and he has more than 30 years public service behind him. Alongside Dr Roy's clinical work, he has worked as the Trust's Medical Director; Chair of the Intellectual Disability Faculty at the Royal College of Psychiatrists; and more recently was appointed as Clinical Advisor to Health Education England.

**Alex Cotton**, a qualified Mental Health Nurse and now a Senior Practitioner for Street Triage Team, has been awarded an MBE for her services to mental health. Alex has been an influential driver and collaborator in two major initiatives within mental health services in Coventry and Warwickshire – the mental health awareness campaign 'It Takes Balls to Talk' and the Street Triage initiative.

**Carol Peckham**, a registered Mental Health Nurse and then General Manager for Integrated Community Services, spent 35 years developing and managing integrated health and social care services to improve the lives of those often described as 'hard to reach'. Carol has given her own time to help less fortunate communities, focusing largely in deprived communities in The Gambia through multiple projects with PAGEANT (Projects Aiding Gambian Education And Natural Talent).

**Marie Tait**, a dedicated and exceptional Healthcare Assistant (HCA) who for over 40 years has made her life's work one of care and compassion for her patients and continues to do so, received a British Empire Medal (BEM). Marie is also recognised for her devotion and selfless approach in her volunteering and charity work, 'going above and beyond for people in need'.

Chair of Coventry and Warwickshire Partnership NHS Trust Jagtar Singh said: "We are immensely proud of Ashok, Alex, Carol, and Marie and the contribution they have made to patients, carers and colleagues.

"Their passion for delivering high quality care to patients has shone through, and we are so pleased this has been recognised in such a special way."



## Veterans' mental health service celebrates armed forces day by being shortlisted for award

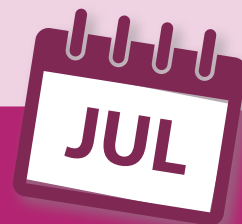
**A team of NHS staff who provide specialist support to Veterans of the nation's Armed Forces, were shortlisted in a national award scheme for mental health services.**

The team, who work at the Midlands and East NHS Veterans' Mental Health Transition, Intervention and Liaison Service (TILS), were visited by the Duke and Duchess of Sussex earlier in 2018. The Midlands and East of England TILS is delivered in partnership by three NHS trusts and two charities.

These organisations are: Coventry and Warwickshire Partnership NHS Trust, Leicestershire Partnership Foundation NHS Trust, Essex Partnership University NHS Trust, Walking with the Wounded (WWTW) and Mental Health Matters.



## July also saw the Trust mark NHS 70 with celebrations across the region



**Coventry and Warwickshire Partnership NHS Trust marked 70 years of NHS with tea parties across the region, inviting patients, carers, volunteers, and local dignitaries to celebrations organised by our staff.**

The Trust began to mark the 70 year celebrations in May with the International Nurses and Midwives day, where Trusts from across Coventry and Warwickshire joined at the Cathedral in Coventry, sharing the day with retired nurses who recounted their experiences.

The official date on 5 July 2018 saw Trust Board members dropping in on various locations to help celebrate and mark the day to visiting services. In the evening, the Trust celebrated the 10th year of its own Quality Awards, where the NHS70 celebrations also had a special mention. Simon Gilby, Chief Executive of the Trust, said: "People from all walks

of life have stories and their experiences to share when asked about the NHS – I guess we have all been touched by its services in one way or other.

"This year's anniversary is a great opportunity to celebrate the contribution of all our staff in providing exceptional care on a daily basis to the people who use our services, their families, and carers. They should be very proud of what they do. I and my board colleagues certainly are."



## NHS trust marks dedication and quality care with annual awards

**A diverse group of NHS heroes from Coventry and Warwickshire received recognition and awards for their top performance.**

Coventry and Warwickshire Partnership NHS Trust held their Quality (Q) Awards celebration on 5 July, to mark the various successes in 2017/18.

For the last ten years, the Trust has held the annual Q Awards, which celebrate the achievements of its staff and services.

This year's Q Awards saw more than 300 nominations submitted for Trust teams as diverse as community nursing; children's neurodevelopment; Talent for Care; and support services.

Palliative Care Team receiving the Chair's award 2018



## Community Learning Disability team become members of the Makaton Friendly Scheme



**The Trust's North Warwickshire and Solihull Community Learning Disability team are now certified members of the Makaton Friendly Scheme.**

Makaton is a language programme using signs and symbols to help people to communicate. It is designed to support spoken language and the signs and symbols are used with speech, in spoken word order. The Makaton Friendly Scheme recognises organisations that strive to make their services accessible to people who use Makaton to aid their communication.

Samantha Davis, Highly Specialist Speech and Language Therapist

said "It's great to see how the team have embraced Makaton as a way of communicating with service users and each other.

"Becoming Makaton Friendly has had a really positive impact across the service and on the team."

(L-R) Samantha Davis, Highly Specialist Speech and Language Therapist, Emma Zadel, Speech and Language Therapy Assistant holding the Makaton Friendly Scheme certificate.







## World Suicide Prevention Day 2018: working together to prevent suicide



**On Monday 10 September, partners throughout Warwickshire and Coventry came together to mark World Suicide Prevention Day (WSPD) in events across the region.**

The theme of this year's WSPD was 'Working Together,' recognising that collaboration is one of the most important elements in preventing suicide. Information events were held in Coventry, Leamington Spa, Nuneaton, and Rugby throughout the day, joined by different suicide and mental health support services. The aim was to raise awareness amongst communities and show that support is available for those who may be struggling to cope.

Coventry and Warwickshire Partnership NHS Trust (CWPT), which provide mental health services for people of all ages, were in Nuneaton town centre along with representatives from the Recovery and Wellbeing Academy; the Kaleidoscope Plus Group; Veterans' Mental Health service; and men's mental health campaign It Takes Balls To Talk.

Dr Sharon Binyon, Medical Director at Coventry and Warwickshire Partnership NHS Trust, said: "We have been working with our partners to raise awareness of suicide prevention plus improving access to mental health and emotional wellbeing services in the area. This has included the Recovery and Wellbeing Academy and working with MERIT NHS Trusts on providing mental health first aid training to organisations."

## Hospital gardens get makeover



Linda Fitzpatrick and Tracy Beechy



**Trustees of local charity Evelyn's Gift and a team of 20 volunteers from Jaguar Land Rover's Global Financial Services Team worked together on a collaborative project to enhance the outdoor space at St Michael's Hospital in Warwick.**

St Michael's Hospital is a purpose built facility providing age independent inpatient mental health care run by our Trust.

Three garden areas (alongside Ferndale, Cedarwood, and Willowvale wards) have been overhauled and brought to life with a range of new planters, bark, and plants. The area at the front of the hospital has also been brightened up with new plants.

Helen Smith, who founded Evelyn's Gift in memory of her daughter Evelyn, commented: "Whenever we work with Jaguar Land Rover at St Michael's we receive a warm welcome, and it

is inspirational to see different organisations working together to make a big difference."

Speaking about the renovated gardens, Team Co-ordinator at St Michael's Hospital Bev McGrory said: "It's always a pleasure to welcome Evelyn's Gift and the volunteers from Jaguar Land Rover. Over the past few years we have had different teams come to the hospital and transform the garden areas. They do this as a team building exercise, which benefits the patients, visitors and staff at the hospital."

Rehana Hayden, Jaguar Land Rover Project Lead, explained: "The project at St Michael's Hospital was a fantastic team building event. We all got a great sense of achievement carrying out the garden restoration and gained valuable lifesaving skills/ training in CPR and defibrillator use from Warwickshire Hearts."

## Extended use of innovative technology improves patient safety

**Our Trust has been working in partnership with healthcare technology organisation Oxehealth to improve patient safety in mental health using optical sensors.**

Initially centred on improving dementia care, Oxehealth technology was deployed to reduce the risk of falls on two inpatient dementia wards.

The unique solution acts as a Digital Care Assistant for frontline staff, improving the quality of care for vulnerable patients and supporting staff workflows. The new technology has been successfully adopted by staff in dementia wards to

reduce fall rates. 100% of ward staff reported that the system had improved patient safety on the ward at night, with 79% reporting it has directly enabled them to prevent a fall.

Ward Manager, Linda Fitzpatrick, said; "We have seen a significant reduction in the number of falls on the ward since adopting the Oxehealth system. It's our sixth member of staff on the ward at night."

Following the success of the programme, we agreed to roll out the Oxehealth solution across Mental Health Inpatient Services at the Caludon Centre. Since July 2018, 65 bedrooms

across the Psychiatric Intensive Care Unit (PICU) and Male and Female Acute inpatient wards have been equipped with Oxehealth technology.

Chief Nurse and Chief Operating Officer at our Trust, Tracey Wrench, said; "We are delighted with Oxehealth's unique system which has helped further improve on the great strides we have already made to reduce the risk of falls.

"This innovative technology supports our staff to manage the risk of patient safety by reporting on a number of activities and physical health markers."



# It Takes Balls To Talk wins Legal & General ‘Not a Red Card’ mental health award



Legal & General announced the winners of their inaugural ‘Not a Red Card’ Awards. The awards, hosted by Gabby Logan, were held at The Oval in London and recognised those who have tackled the issue of mental health in the workplace.

The winners included the team behind the ‘It Takes Balls to Talk’ campaign, who were successful in winning ‘The Collaboration Award’. Alex Cotton MBE, Mental Health Nurse and Founder of It Takes Balls to Talk, said:

“We are incredibly proud to receive the Collaboration Award from Legal

& General. This award recognises the dedication of the It Takes Balls to Talk team and all of our partners in raising awareness of mental health and encouraging men to openly discuss how they feel.”

It Takes Balls to Talk is a community focused campaign, run in collaboration between Coventry and Warwickshire Partnership NHS Trust; Coventry and Warwickshire Mind; Coventry Samaritans; Unite the Union; Public Health Coventry; and Public Health Warwickshire. The campaign is also supported by a cohort of volunteers, who are the heart of the campaign.



Alex also said, “We want to thank our partners for working alongside us as we look to take the campaign to more people and more places, and help provide everyone with the tools and confidence to talk about mental health.”

## National Positive Practice in Mental Health Awards 2018 – results announced

November saw the It Takes Balls To Talk campaign walk away from the Positive Practice in Mental Health Awards hosted at Anfield Stadium, Liverpool with an award for Addressing Mental Health Inequalities.

It was shortlisted for its forward-thinking approach to enhancing wellbeing and approaching previously unaddressed suicidal feelings in a high-risk group through its straightforward message to men, and to those that care about them.

Volunteers share the simple, powerful message that it’s ok to talk about how you feel at sporting events and male dominated workplaces; and encourages these men to become Listening Mates.

CEO of Coventry and Warwickshire Mind Steven Hill, who attended the awards on behalf of the campaign, said: “As a lead partner in the delivery of It Takes Balls to Talk, our organisation is proud to be closely associated with the campaign and the amazing work of all involved in raising awareness of suicide prevention within the community we serve.

“We were pleased to be shortlisted and thrilled when they announced us as the winner of this category. It is thoroughly deserved by all involved including the dedicated team of volunteers.”

## NHS trust announced top for equality, diversity, and inclusion

Our Trust celebrated coming top of a National Centre for Diversity poll of NHS Trusts.

The National Centre for Diversity recently carried out a survey of 41 NHS organisations at board level. Our Trust was found to be top for understanding and delivering on equality, diversity, and inclusion in their organisation.

Jagtar Singh, Chair at our Trust, said: “We are extremely proud to have been ranked top in the National Centre for Diversity poll of NHS Trusts. Through ‘Our People Strategy’, we are embracing diversity and inclusion in everything we do across the Trust. We are building on what we have done so far to enhance diversity in our leadership and embedding in a culture that is inclusive of everyone. For us, diversity and inclusion is core to our culture and it is simply who we are.”



# Our Trust has been rated ‘good’ by the CQC



Coventry and Warwickshire Partnership NHS Trust achieved an overall rating of ‘Good’ by the Care Quality Commission (CQC) following the recent inspection.

The CQC rated the Trust for having well-led, caring, responsive and effective mental health, learning disability and community health services following a recent inspection.

Inspectors also said in their report that staff were “compassionate, kind, caring, worked hard in their roles and put patients at the heart of the care they deliver.” Other areas highlighted by the CQC include:

- Collective leadership and developing an a culture of quality improvement and working with public, patients, and carers to design and improve services.
- Outstanding use of innovative technology to improve quality and safety for patients in our older people’s mental health wards.
- Outstanding care in our community based mental health services for older people and community health services for children and young people.
- Clear set of values, and both staff and senior leaders were focussed on delivering a ‘Great Place for Care’.

Chief Executive, Simon Gilby welcomed the report and praised the hard work of staff.

He said, “This reports reflects the amazing work of our caring, compassionate and committed staff across the organisation. I am pleased that the CQC has recognised the improvements we

Overall Good	Safe	Requires improvement
	Effective	Good
	Caring	Good
	Responsive	Good
	Well-led	Good

have made together over the last year, including the recognition that the Trust is well-led.

“Improvements are recognised across all the services inspected, and it is pleasing to see the improved ratings in our wards and community services for older people and in our crisis services. Several areas of outstanding practice are highlighted, and we have been praised for embracing effective technology in providing care for our patients and service users.

“We know that there are areas that still need our attention and we welcome the CQC’s feedback and support as a further opportunity to make positive change. We have already made good progress since the inspections in August and September. We look forward to continuing to improve the safety and quality of our services and to working closely with our partners across the health and social care economy.”

Chair of the Trust Jagtar Singh, OBE, said, “This achievement reflects many years of improvement and hard work. I’m extremely proud of all our staff who have worked extremely hard, and continue to do so. For this, I want to personally thank every single one of them.”





# New forum for perinatal mental health launched in Warwickshire

**A new forum named 'By Your Side' was launched, working with the Coventry and Warwickshire Perinatal Mental Health Team. Its aim is to help support families who have accessed the service with emotional difficulties during pregnancy or in the year following the birth of their child.**

The Coventry and Warwickshire Perinatal Mental Health Team is made up of teams across Coventry and Warwickshire Partnership NHS Trust and South Warwickshire Foundation NHS Trust.

All the attendees at the launch event had a lived experience, and have been seen by the Coventry and Warwickshire Perinatal Mental Health Team. The forum aims to help support these families through peer support as well as breaking down the stigma and barriers that prevent people seeking the help and support they need.

Sue Drewitt, Perinatal Service Manager at Coventry and Warwickshire Partnership NHS Trust, said: "This is just a wonderful opportunity for women who have been, or are being seen by the Perinatal service to come together with their children. It's a group where there is no stigma and women can just be themselves and if they choose, share how they feel whilst being at the 'stay and play'. It's a safe, friendly environment where everyone has fun and enjoys each other's company"

Diane Aldersley, Lead for Health Visiting at South Warwickshire Foundation NHS Trust, said: "It was an honour to attend the launch of the By Your Side Play and Stay Group. Whilst the group is referral only for those ladies being seen by the Perinatal Mental Health Team, what it does is raise awareness that looking after your mental and emotional health is so important."

Simon Gilby, Leanne Howlett, Sue Drewitt



## Theatre goes 'blown away' by local NHS Trust Panto

**Coventry and Warwickshire Partnership NHS Trust bought together two classic children's stories to present Red Riding Hood and the Three Little Pigs by David Crump and Paul Simcox at the Abbey Theatre in Nuneaton.**

The pantomime, in its sixth year of production, raised funds for the Trust's charitable fund which is used to pay for projects which will benefit patients. The majority of the cast was made up of Trust employees, with special appearances from the Trust's Board.

Head of Staff Engagement Liz Cathcart said "Staff from across the organisation have spent many evenings and their own time rehearsing for these shows. We are so proud of their amazing performances and all the effort put in by the cast and backstage team. The feedback to the shows has been brilliant. Knowing all the profits will be going back to charitable funds for our patients made it extra special."

Just over £1,400 was raised for the Trust's charitable funds – a fantastic achievement!



# Patient, Carer and Public Involvement events a huge hit!

**More than a hundred people with an interest in health attended an event hosted by Coventry and Warwickshire Partnership NHS Trust to gather views on good practice in patient and public involvement.**

Patients, carers, representatives from third sector organisations and community groups attended the first event held on 31 January 2019 at Coventry Methodist Central Hall, and on 4 February at Dormer Hall Conference Centre, Leamington Spa. Attendees had the chance to hear from speakers and took part in a range

of interactive workshops.

The event was chaired by Assistant Director of Communications and Engagement Hardeep Dhillon, and opened by Simon Gilby,

Chief Executive of the Trust. Trust Chair Jagtar Singh closed the event and shared his thanks to those who attended. Presentation topics included why involvement matters; how the Trust involves carers; the importance of volunteers; and information about the Recovery and Wellbeing Academy.

Also in attendance was Isobel Jonas from Healthwatch Warwickshire, who said: "It is great to know that the Trust is taking steps to ensure that patients and carers are listened to and involved in the shaping of future plans."



## Mayor of Solihull goes back to school... for an official opening

**Mayor of Solihull Cllr Flo Nash made a special return visit to the Brooklands Hospital site run by Coventry and Warwickshire Partnership NHS Trust to officially open the Jade School: a new purpose built specialist support unit for children with learning disabilities and/or associated specialist needs.**

The Mayor was welcomed by a number of staff, including school staff alongside clinical and medical team members from the services, and Chief Executive of the Trust Simon

Gilby. Together they took part in a tour of the Jade Unit, the school and the grounds.

During the Mayor's visit, School Teacher Sue Baigent provided an account of the history of Jade School, the need for the new building and the resources available to the children and staff. Mayor Cllr Nash, said: "I am so pleased the Trust invited me back to open this wonderful new school building and see first-hand the importance it plays in the lives of the children and the staff. All those involved should be proud in having



L-R Cllr Flo Nash, Simon Gilby and Gale Hart

achieved such a wonderful, colourful and inviting school, and most importantly the children for creating such wonderful pieces of work for us to look at."

The Jade School forms part of the Trust's Learning Disabilities and Autism services across Solihull, Coventry and Warwickshire.



## Staff support local organisations by providing suicide prevention and awareness training



**As part of the training offer through the Better Health, Better Care, Better Value partnership, trained staff have been co-ordinating the delivery of the Suicide Prevention programme.**

This includes the provision of suicide prevention and awareness training packages to organisations across Coventry and Warwickshire. As part of this training offer, and to fulfil our aim of making our communities more suicide aware, we invited various organisations back to a Suicide Prevention Champion training and awareness day on 29 March 2019 at the Butts Arena in

Coventry. The training is designed to help support those individuals with translating the suicide awareness message throughout their organisations and beyond.

The training covers several key elements including:

- How to deliver a training package
- What a suicide prevention champion is
- How to further spread the message about suicide awareness both within organisations and beyond them
- A pledge to take this forward and be a Suicide Prevention Champion!



Anne Prendergast, Lead for Clinical Risk and Suicide Prevention

## Coventry and Warwickshire Collaboration is meeting its triple challenge head on



**The NHS and local authorities in Coventry and Warwickshire are working together to meet the triple challenge of providing better health, transformed quality of care, and sustainable finances as part of the Better Health, Better Care, Better Value programme.**

The aims are to improve the overall health of the local population; to help stop people becoming ill in the first place wherever possible; and to make sure that everyone receives the same high-quality care.

Since our local plan was originally published in December 2016, local health and care partners

have been working hard to bring about improvements through the programme's nine workstreams.

In January 2019, Professor Sir Chris Ham took up his role as Independent Chair of Better Health, Better Care, Better Value. *Chris brings a wealth of experience and knowledge to Coventry and Warwickshire and will play an important role as we look to integrate services more closely across our health and care system.*

The new NHS Long Term Plan, launched in January this year, gives us an opportunity to review our local plan to consider the additional funding the NHS will receive over the next five years. We expect a revised version of our local plan to be published later on in 2019.

To ensure our plan meets the needs of local people we will be engaging with those who know health and care services the best – patients, staff, and the public. We will be seeking their views on how to improve health and care, and how we can best use our combined resources. This will include working closely with our local authorities, and with local voluntary and community groups.

Patients, staff and local residents can find out more about opportunities to get involved by emailing [info@bettercarecovwarks.org.uk](mailto:info@bettercarecovwarks.org.uk); liking Better Health, Better Care, Better Value on Facebook; or by following the programme on Twitter at @BetterCareCW.





# Performance Summary

The Trust Board monitors performance against 96 key performance indicators. In overall terms the Trust is maintaining sound performance against 12 of the 14 NHS Improvement targets (compared to 13 in the previous year). Only two of the new Health Check indicators are below target and red. The Trust is on target and green for all of the national regulatory targets, with the exception of the staff engagement indicator and the Completion of MHSDS Ethnicity Coding for detained and informal service users which has breached for the last two months of the current year. At the end of the year we were on target for seven out of 16 targets set by commissioners. This is compared to 18 out of 20 in the previous year. 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 reducing the percentage of work hours filled through agencies. 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 £4.495m (compared to £4.678m in 2017/18). A more detailed analysis of these and other targets is provided in the Performance Analysis section.

# Our Performance Analysis 2018/19



## Progress against Service Performance Targets

Each month, the 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 against any or all of the 96 performance indicators. The report displays a red, amber, and green (RAG) colour method of rating current performance against each indicator. A red indicator shows that current performance is below target. Amber indicates that it

is close to target. Green shows 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 14 NHS Improvement Targets, with all being on target at year end, aside from two new annual Health Check indicators.**

Care Programme Approach (CPA) 7 Day Follow Up has been consistently above target all year, with 100% of patients receiving a Care Programme Approach (CPA) 7 Day Follow Up in March compared to the target of 95%. This provides assurance that we are delivering quality care to people who use our services, as we are having contact with all of our patients within 7 days of them being discharged from our inpatient units.



**14/14 on target**

## Regulatory Targets

There are 14 indicators within the Regulatory Targets section of the report, of which two of these are Friends and Family Test (FFT) staff indicators, intended for information only and do not have a target. Out of the 12 indicators that are RAG rated, we are green and on target for 10 at the end of the year.



The only indicators that are breaching at the end of 2019 are for the 'Completion of Mental Health Services Data Set (MHSDS) Ethnicity Coding for detained and informal service users indicator, which is below target and red, and the NHS Staff Engagement indicator which is below target and amber at a score of 6.8, compared to the national average of 7.0. Safer Staffing levels have been above the required target levels throughout all of 2018/19 and 0% of patients have waited longer than six weeks for a diagnostic test. Recovery Following Completion of Psychological Therapy (IAPT) is above target and green at the end of the year, reporting 58.89% against a target of 50%.

## Patient Experience Targets

The NHS Friends and Family Test for Patients shows that 89.74% of the 234 patients taking part in the survey in March 2019 rated their satisfaction levels as 'very satisfied' or 'satisfied'.

**89.74% of patients satisfied or very satisfied**



## Commissioning Targets

There are 16 indicators agreed with our Commissioners, of which one has no target and is for information only. Of the 15 indicators with targets at the end of the year, we are achieving eight of these.



**8/15 targets green**

Although Average Length Of Ward Stay is registered as amber at the end of the year, this is not necessarily seen as a negative as operational services are working hard to discharge patients that have been in our inpatient beds for a long period of time. Once these patients are discharged then the average length of stay naturally increases during those months. This indicator tends to fluctuate throughout the year due to this. The Children and Adolescent Mental Health Services (CAMHS) Referral to Treatment in Less Than 18 Weeks indicator has been on target and green throughout the whole of the year. This is an area which is under significant demand, so this indicator is monitored regularly by both the contracting team and operational services.

There are three Improving Access to Psychological Therapies (IAPT) indicators which have been on target all year. These relate to the percentage of patients with depression and/or anxiety who enter IAPT; the percentage who received their first treatment appointment within six weeks of referral and; the percentage of patients who have finished a course who received their first treatment appointment within 18 weeks of referral.



## Human Resource Targets

**14/19**  
human resource  
indicators  
on target

There are currently 19 human resource indicators and 14 of the 19 are either green or amber at the end of the year.

The three indicators that are Green at the year end relate to Safeguarding Adults Level 1, Safeguarding Children Level 1 and Statutory and Mandatory Training

– Infection Prevention with compliance for these indicators being above target.

Of the 11 indicators reported as amber these mainly relate to statutory and mandatory training subjects. During 2018-19 we refreshed our approach to the training delivery and implemented a range of e-learning options with half day classroom based sessions, with the aim of embedding a blended learning approach. There are strategies in place to achieve full compliance going forward.

The five indicators that are red relate to Sickness Absence Rates, Agency Usage, Agency Cap, Safeguarding Adults Level 3 and, Safeguarding Children Level 3. Our People Strategy aims to improve the health and wellbeing of staff and to gain a better understanding of the pressures that our staff experience in the course of their work and, to make improvements in the workplace through a collective leadership approach. Our recruitment and retention strategy aims to promote the Trust as a leading employer of choice within the local health economy and to take action to address national shortages of qualified nursing and medical staff.

During 2018-19 we have increased the bank fill rate by 9% against an increased demand of 11% and measures introduced to address unqualified nursing demand led to an 83% reduction in agency usage when comparing year on year data between March 2018 and March 2019. Our main focus for the coming year is to reduce our reliance on medical agency usage through sustained efforts to recruit to vacancies and via improvements to our medical rostering system.

## 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

**Almost 2/3**  
**of SIRIs**  
**closed in**  
**60 days**

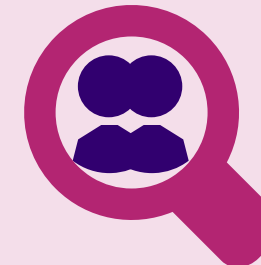
The Trust is required to undertake a Root Cause Analysis of all incidents that are categorised as 'Serious Incidents Requiring Investigation' (SIRI) and to complete this work in 60 days. At the end of the year 59% of SIRIs were closed within 60 days.

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 2018/19. During 18/19, there was one alert that was not responded to on time, the delay was to identify whether or not the alert was relevant to the Trust, and it was subsequently confirmed not to be relevant. The CAS online system was notified accordingly.

There was one Health & Safety Inspection Report breaching the 3 month return deadline and this indicator is red at the end of 2018/19. However the majority of the Patient Safety indicators have been consistently green for the entire year.

## Research and Development Targets

There are two Research and Development targets, and both were green at the year end.



Research Income (Cumulative) was above the expected year end target of £421,892 reporting £491,094 at the end of Quarter 4.

## Effectiveness Targets



**6/8 targets were green**

Out of the eight indicators within this section, only two of these are below target with the other six indicators all being on target and green.

Mattress Audits were reported at 100% every month during 2018/19 and progress on clinical audit is also above target and green and has been for 11 out of the 12 months as projects continue to remain on track. The red indicator relates to the 2018 CQC-led inspection of the Aspen Centre in February 2018. Following the CQC inspection and the release of their reports, the Trust has submitted an action statement to the CQC outlining how the Trust will address the areas for improvement. The NICE indicator was below target and amber at year end, reporting 79%.

## 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
<b>Break Even Duty (Statement of Comprehensive Income)</b> 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.	✓
<b>Break Even</b> The Trust is required to achieve a breakeven position each and every year.	✓
<b>Capital Cost Absorption rate</b> The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets.	✓
<b>External Financing Limit (EFL)</b> The Trust must remain within the EFL each year as set by the Department of Health and Social Care. It is permitted to undershoot this target, but must not exceed it.	✓
<b>Resource Limit (CRL)</b> The Trust must remain within its CRL as set by the Department of Health and Social Care. It is permitted to under achieve its CRL within a small tolerance but must not exceed it.	✓



# Sustainability report



**As an NHS organisation and 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 the 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

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

Areas where sustainability is currently not considered have been acknowledged in our Sustainable Development Management Plan and actions identified to address these. This action plan is published on the Trust website.

Climate change brings new challenges to our business; not only 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 of the organisation's activities and infrastructure to the effects of climate change and adverse weather events.

One of the ways in which we measure our impact as an

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.

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 (CO<sub>2</sub>e) reductions. Air pollution, accidents and noise (often caused by cars and other forms of transport) all cause health problems for our local population, including patients, staff and visitors. We support a culture of active travel to improve staff wellbeing and reduce sickness. The distance our staff commute and/or otherwise 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, such as increased use of agile working and tele-conferencing.

Category	Mode	2015/16	2016/17	2017/18	2018/19
Patient and visitor travel **	miles	39,839,447	47,617,520	35,752,778	43,686,560
	tCO <sub>2</sub> e	14,407.37	17,209.47	12,739.60	12,200.35
Business travel and fleet	miles	4,419,929	3,063,424	2,699,050	2,880,446
	tCO <sub>2</sub> e	1,598.40	1,107.15	961.73	804.42
Staff commute	miles	3,857,840	3,280,854	3,226,714	3,085,771
	tCO <sub>2</sub> e	1,395.13	1,185.73	1,149.76	861.76

\*\* The reason for the different figures reported previously is due to the formula used to calculate patient travel: distance has previously 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. The miles / tCO<sub>2</sub>e figures vary due to conversion factors that change annually and which are set nationally by the Department for Environment, Food and Rural Affairs (DEFRA) as stipulated by NHS Sustainable Development Unit.



Thomas Swinley, Physiotherapist – promoting Back Care Awareness Week



## Energy



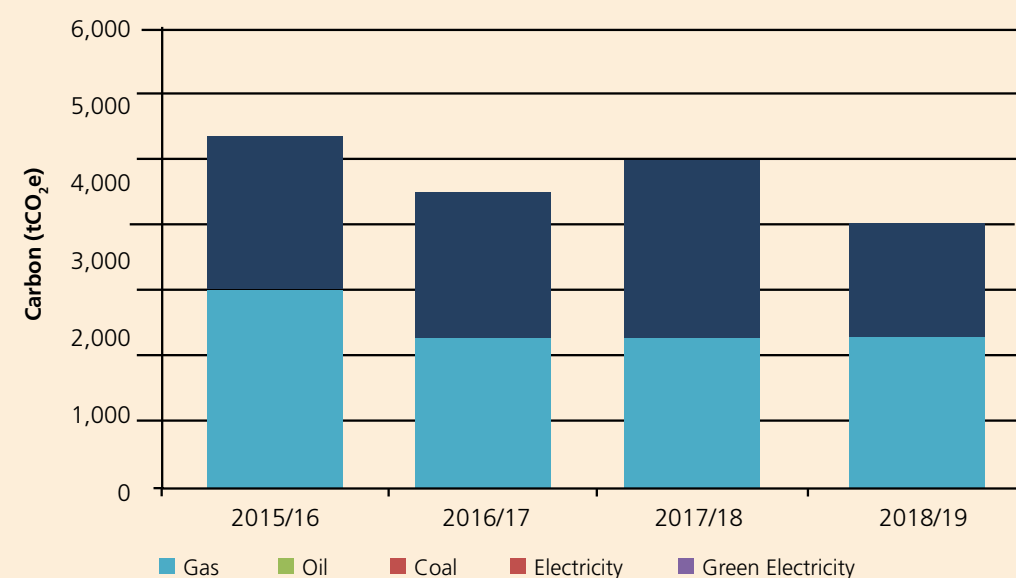
We have spent more on energy in 2018/19 than in previous years, and the slight increase in electricity usage is due to a number of factors; including

the need to heat buildings using electrical heating systems. This also corresponds with decreases in gas usage. The Trust continues to reduce

its carbon footprint through effective management of its resources wherever possible.

Resource		2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	11,851,138	9,541,233	10,746,589	10,049,196
	tCO <sub>2</sub> e	2,480	1,994	2,278	1,848
Oil	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Coal	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Electricity	Use (kWh)	3,614,184	3,560,609	4,388,930	4,433,855
	tCO <sub>2</sub> e	2,078	1,840	1,956	1,255
Green Electricity	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Total Energy CO <sub>2</sub> e		4,558	3,834	4,235	3,103
Total Energy Spend		£1,055,440	£785,897	£782,235	£933,144

## Carbon Emissions – Energy Use



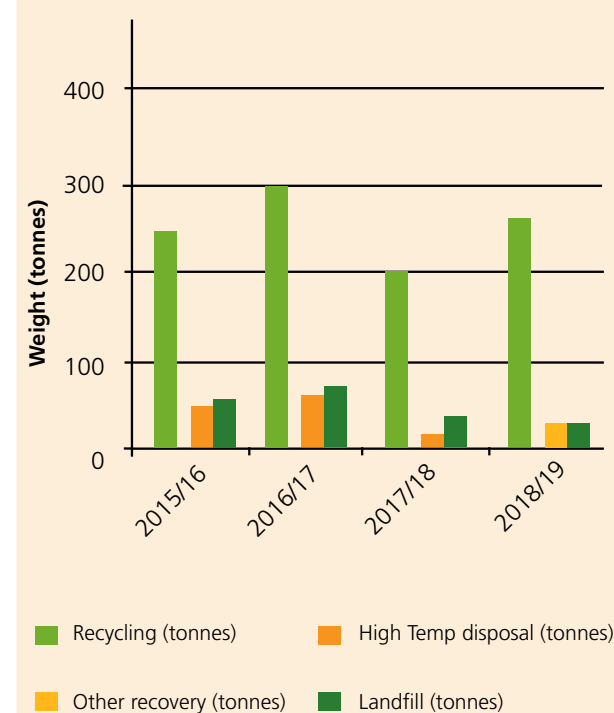
## Waste



Waste		2015/16	2016/17	2017/18	2018/19
Recycling	(tonnes)	242.00	300.00	202.00	261.00
	tCO <sub>2</sub> e	4.84	6.30	4.40	5.58
Other recovery	(tonnes)	2.00	6.00	0.00	35.00
	tCO <sub>2</sub> e	0.04	0.13	0.00	0.75
High temp disposal	(tonnes)	40.00	43.00	21.00	35.00
	tCO <sub>2</sub> e	8.76	9.46	4.62	0.75
Landfill	(tonnes)	48.00	52.00	40.00	0.00
	tCO <sub>2</sub> e	11.73	16.12	13.78	0.00
Total waste (tonnes)		332.00	401.00	263.00	332.00
% Recycled or re-used		73%	75%	77%	79%
Total waste tCO <sub>2</sub> e		25.37	31.99	22.80	7.08

The past year has seen an increase 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 to waste management. However, in the past year the Trust has changed waste disposal supplier which has enabled us to move to a zero waste to landfill policy with all trust waste either recycled, incinerated or used to supply energy from waste plants. Other waste produced includes waste derived fuel and solid recovered fuel which is then in turn used to power energy from waste plants.

## Waste breakdown



## Finite resource use – water

Water		2015/16	2016/17	2017/18	2018/19
Mains	m <sup>3</sup>	34,859	30,642	28,568	22,854
	tCO <sub>2</sub> e	32	28	26	14
Water and Sewage Spend		£105,836	£125,686	£123,497	£97,832

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

Performance Report Signature:

Simon Gilby, Chief Executive

Date: 21 May 2019



## 2 – Accountability Report Corporate Governance Report Directors' report

### Trust Board Structure

31 March 2019



**Simon Gilby**  
Chief Executive



**Sharon Binyon**  
Medical Director and  
Deputy Chief Executive



**Gale Hart**  
Director of Finance  
and Resources



**Dominic Cox**  
Director of Strategy  
and Development



**Tracey Wrench**  
Chief Nurse,  
Chief Operating  
Officer



**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 2019.

## Meet the Trust Board members

These biographies summarise the roles and backgrounds of the 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 has brought 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 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; and 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; Head of Marketing for Mortgages and Insurance; and 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 aiming 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 of 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*



### Gale Hart

Director of Finance and Resources

The Director of Finance and Resources 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, Caldicott Guardian and Executive lead for Research and Innovation with the Trust and has been the Deputy Chief Executive from January 2019.

The Medical Director provides advice to the Trust Board on clinical issues and takes a leadership role in ensuring quality of clinical delivery in all services, including across Trust boundaries. The role also includes acting as GMC Responsible Officer for the Trust including responsibility for line management and professional development of the medical and dental workforce.

Sharon is the Senior Clinical Lead responsible for the Better Health, Better Care, Better Value Coventry and Warwickshire system wide mental health transformation programme working with colleagues across the health and social care system to deliver the Mental Health Five Year Forward View.

#### Background and Experience

Her clinical background is in adult mental health and she is a fellow of the Royal College of Psychiatrists. 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 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. Justine left the Trust in September 2018.

#### Qualifications

*HNC in Business Studies  
Postgraduate Diploma in Employment Relations  
Post Graduate Diploma in Management Studies*



### Tracey Wrench

Chief Nurse and Chief Operating Officer

The Chief Nurse and Chief Operating Officer is responsible for the professional leadership and standards of care for nursing and Allied Health Professionals, safety and quality governance and is operationally responsible for the day to day management of services across the Trust.

Tracey was appointed as Chief Nurse and Chief Operating Officer in July 2018, having undertaken the combined interim role of Chief Nurse and Director of Operations since January 2017, after previously holding the position of Director of Nursing and Quality within the Trust since December 2009.

#### 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*



### Dominic Cox

Director of Strategy and Development

The Director of Strategy and Development leads development and implementation of our Trust Strategy. The current portfolio includes system transformation and development, workforce and organisational development and leadership of our Trust wide improvement programme.

#### Background and Experience

Dominic has a breadth of experience gained across the NHS over the last 25 years, within key leadership roles across the system. Dominic has delivered acute, community and primary care services with recent Director roles across NHS England and local Clinical Commissioning Groups. Dominic was appointed as Director of Strategy and Development in March 2019, having served as Interim Director from October 2018.

#### Qualifications

*Masters of Business Administration (MBA)*





## 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)

## Changes to the Trust Board during 2018/19

The Trust Board has seen some changes during the past year.

Director of Operations Josie Spencer continued with her outward secondment throughout the year up to and including 28 February 2019, at which point her employment with Coventry and Warwickshire Partnership NHS Trust came to an end. Tracey Wrench was appointed to the combined role of Chief Nurse and Chief Operating Officer.

Justine Richards, Director of Strategy and Development, left the organisation in September 2018. Her replacement, Dominic Cox was appointed on an interim basis from October 2018 and became substantive in March 2019.

The role of Deputy Chief Executive was shared between Tracey Wrench and Dr Sharon Binyon. Dr Sharon Binyon took on the responsibility from April 2018 to June 2018, and from January 2019 to June 2019. Tracey Wrench held the responsibility from July 2018 until December 2018.

### Register of Board Members Interest

The Register of Interests of Board members is published on our website at [www.covwarkpt.nhs.uk/conflicts-of-interest](http://www.covwarkpt.nhs.uk/conflicts-of-interest).





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

## Committee memberships at 31 March 2019



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 (with the exception of the Remuneration Committee which has solely Non-Executive membership). Each committee regularly reports to Trust Board, and during the year the effectiveness of each committee is evaluated and reported to the Trust Board. The illustration shows the committee arrangements in place by the end of the year.

### Integrated Workforce Committee

<b>Jane Hodge</b> Chair	<b>Michael Williams</b> Non-Executive Director	<b>Tracey Wrench</b> Chief Nurse and Chief Operating Officer
<b>Dianne Whitfield</b> Vice Chair	<b>Dr Sharon Binyon</b> Medical Director	<b>Dominic Cox</b> Director of Strategy and Development

### Integrated Performance Committee

<b>Alan Dodds</b> Chair	<b>Doreen McCollin</b> Non-Executive Director	<b>Tracey Wrench</b> Chief Nurse and Chief Operating Officer
<b>Guy Daly</b> Vice Chair	<b>Gale Hart</b> Director of Finance and Resources	<b>Dominic Cox</b> Director of Strategy and Development
<b>Dianne Whitfield</b> Non-Executive Director		

### Safety and Quality Committee

<b>Guy Daly</b> Chair	<b>Dianne Whitfield</b> Non-Executive Director	<b>Tracey Wrench</b> Chief Nurse and Chief Operating Officer
<b>Doreen McCollin</b> Vice Chair	<b>Dr Sharon Binyon</b> Medical Director	

### Financial Planning and Investment Committee

<b>Zulfiqar Darr</b> Chair	<b>Alan Dodds</b> Non-Executive Director	<b>Tracey Wrench</b> Chief Nurse and Chief Operating Officer
<b>Michael Williams</b> Vice Chair	<b>Gale Hart</b> Director of Finance and Resources	<b>Dominic Cox</b> Director of Strategy and Development

### Audit Committee

<b>Michael Williams</b> Chair	<b>Alan Dodds</b> Vice Chair	<b>Zulfiqar Darr,</b> Non-Executive Director
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### Remuneration and Terms of Service Committee

<b>Dianne Whitfield</b> Chair	<b>Alan Dodds</b> Non-Executive Director	<b>Michael Williams</b> Non-Executive Director
<b>Jane Hodge</b> Vice Chair	<b>Jagtar Singh</b> Trust Chair	<b>Doreen McCollin</b> Non-Executive Director
<b>Guy Daly</b> Non-Executive Director	<b>Zulfiqar Darr</b> Non-Executive Director	

**Note:** Justine Richards, Director of Strategy and Development was a member of the following Committees in the period April 2018 – September 2018: Integrated Workforce Committee; Integrated Performance Committee; Financial Planning and Investment Committee. Justine was replaced by Dominic Cox from October 2018 onwards.

### 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 Trust has a Council of Governors who represent our staff members and our stakeholders. 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, staff members, its key partners, and stakeholders.

As part of their collective role, they hold regular Council of Governor meetings with Trust Board members where they review and receive detailed updates on the performance of the Trust and have the mandate to question and seek assurance. The Council of Governors met formally three times during 2018/19 in addition to attending the Annual General Meeting. Our Governors are keen to promote membership of the Trust to all communities – the public can apply online





([www.covwarkpt.nhs.uk/become-a-member](http://www.covwarkpt.nhs.uk/become-a-member)) or by completing the application form at the back of this Annual Report.

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 2019 the following position stood:

Public Governors – Coventry


Rajveer Athwal
 Colin Tysall
 Brian Loftus
 Shashi Carter

Public Governors – Warwickshire





Keith Ward
 Christine Claridge
 Dr Andrew Entwistle
 Deb Smith
 Barry Carter

Public Governors – Rest of England






Carol Stanton

Staff Governors










John Edwards
 Phil Noyes
 Keith Jones
 Allana Watson

Terrie Edmands
 Shirley Fraser
 Daniel Lillico

Appointed Governors

Kamran Caan
 Margaret Bell
 Sarah Baxter
 Katy Blunt

During the period 2018/19 the following Governors officially left the Trust:

Diane Holl-Allen  
Appointed Governor
 Annie Davies  
Public Governor

The following joined during the same period:

Cllr Katy Blunt  
Appointed Governor – Solihull Metropolitan Borough Council.  
Staff Governors  
Keith Jones, Allana Watson, Terrie Edmands, Shirley Fraser, Daniel Lillico



**Personal Data Breaches** 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 NHS Digital Guidance. These are reported in the Annual Governance Statement section of this report.

## 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 to 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 conforms 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 at the end of the financial year, including 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 Accountable Officer.

Signed



Simon Gilby, Chief Executive

Date: 21 May 2019



Simon Gilby



## Remuneration and staff report

### Salary disclosures 2018/19 (audited)

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	2018-19 Salary (bands of £5,000) £000	2017-18 Salary (bands of £5,000) £000
Dr S Binyon – Medical Director	165 - 170	160 - 165
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	160 - 165	155 - 160
Mrs G Hart – Director of Finance and Resources	120 - 125	115 - 120
Mrs J Hodge – Non Executive Director	5 - 10	5 - 10
Mrs D McCollin – Non Executive Director	5 - 10	5 - 10
Mrs J Richards – Director of Strategy & Business Support – <i>Left Sept 2018</i>	45 - 50	105 - 110
Mr D Cox – Director of Strategy & Development – <i>Inward secondment from Oct 2018. Pension Information not provided by NHSE</i>	55 - 60	
Mr J Singh – Trust Chair	35 - 40	35 - 40
Mrs D Whitfield – Non Executive Director	5 - 10	5 - 10
Mr M Williams – Non Executive Director	5 - 10	5 - 10
Mrs T Wrench – Chief Nurse and Chief Operating Officer	120 - 125	115 - 120



Salary Disclosures 2018/19 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	165 - 170	0	0	0	0	165 - 170
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	160 - 165	0	0	0	0	160 - 165
Mrs G Hart – Director of Finance and Resources	120 - 125	0	0	0	0	120 - 125
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 & Business Support	45 - 50	0	0	0	35 - 37.5	85 - 90
Mr D Cox – Director of Strategy & Development	55 - 60	0	0	0	0	55 - 60
Mr J Singh – Trust Chair	35 - 40	0	0	0	0	35 - 40
Mrs D Whitfield – 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 and Chief Operating Officer	120 - 125	0	0	0	20 - 22.5	145 - 150

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 – <i>Acting Deputy Chief Executive from Jan 2017 to Oct 2017 and from Jan 2018</i>	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 & 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 – <i>From Oct 2016</i>	5 - 10	0	0	0	0	5 - 10
Mrs J Richards – Director of Strategy & Business Support	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 – <i>Outward secondment from Jan 2017 to Oct 2017 and Jan 2018</i>	125 - 130	0	0	0	27.5 - 30	155 - 160
Mrs C Waring – Non Executive Director – <i>Left Oct 2016</i>	0	0	0	0	0	0
Mrs D Whitfield – Non Executive Director – <i>From Apr 2016</i>	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 – Director of Nursing & Quality – <i>And Director of Operations from Jan 2017</i>	115 - 120	0	0	0	62.5 - 65	180 - 185





Pension Benefits 2018/19 (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 2019 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Cash Equivalent Transfer Value at 31 March 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Dr S Binyon – Medical Director *	0 - 2.5	0 - 2.5	50 - 55	160 - 165	1271	1111	127	0
Mr S Gilby – Chief Executive	0 - 2.5	0 - 2.5	65 - 70	195 - 200	0	0	0	0
Mrs G Hart – Director of Finance and Resources	0 - 2.5	0 - 2.5	35 - 40	105 - 110	895	791	80	0
Mrs J Richards – Director of Strategy & Business Support	2.5 - 5	5 - 7.5	30 - 35	75 - 80	591	452	58	36
Mr D Cox – Director of Strategy & Development *	0	0	0	0	0	0	0	0
Mrs T Wrench – Chief Nurse and Chief Operating Officer	0 - 2.5	5 - 7.5	30 - 35	100 - 105	716	490	212	21

Pension Benefits 2017/18 (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 2018 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2018 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2018 £000	Cash Equivalent Transfer Value at 31 March 2017 £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	1,111	967	135	69
Mr S Gilby – Chief Executive	0 - 2.5	5 - 7.5	60 - 65	185 - 190	0	1,381	-1,395	26
Mrs G Hart – Director of Finance, Performance & Information	0 - 2.5	2.5 - 5	30 - 35	100 - 105	791	718	66	17
Mrs J Richards – Director of Strategy & Business Support	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 – Director of Nursing & Quality *	2.5 - 5	10 - 12.5	30 - 35	90 - 95	490	490	-5	65

\* See notes on previous tables.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Reporting of compensation schemes – exit packages 2018/19 (audited)

Exit package cost band (inc. any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
< £10,000	0	21	21
£10,001 – £25,000	1	1	2
£25,001 – £50,000	1	0	1
£50,001 – £100,000	3	0	3
£100,001 – £150,000	0	0	0
£150,001 – £200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	5	22	27
Total resource cost (£)	£276,000	£90,000	£366,000

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
	Number	Number	Number
< £10,000	2	14	16
£10,001 – £25,000	0	3	3
£25,001 – £50,000	0	0	0
£50,001 – £100,000	0	0	0
£100,001 – £150,000	0	0	0
£150,001 – £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 other compensation schemes – exit packages (audited)

Exit packages: other (non-compulsory) departure payments	Payments agreed 2018/19 Number	Total value of agreements 2018/19 £000	Payments agreed 2017/18 Number	Total value of agreements 2017/18 £000
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 *	22	90	16	74
Exit payments following Employment Tribunals or court orders	0	0	1	10
Non-contractual payments requiring HMT approval **	0	0	0	0
Total	22	90	17	84
Of which:				
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.

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

The expenditure on consultancy in 2018/19 was £192,000 (£88,000 in 2017/18).



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

	Number
Number of existing engagements as of 31 March 2019	
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, or those that reached six months in duration, between 1 April 2018 and March 2019, for more than £245 per day and that last for longer than six months:

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	
Of which:	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (Via PSC contracted to department ) and are on the department payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of board members, and / or, senior officials with significant financial responsibility between 1 April 2018 and 31 March 2019

	Number
Number of off-payroll engagements of board members, and / or senior officers with significant financial responsibility, during the financial year (1)	0
Total no. of individuals on payroll and off-payroll that have been deemed 'board members, and / or, senior officials with significant financial responsibility', during the financial year. This figure must include both on payroll and off-payroll engagements. (2)	14

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

	2018/19	2017/18
Band of highest paid Director (£000s)	165-170	160-165
Lowest salary payscale (£s)	17,460	15,404
Median total remuneration (£s)	23,023	22,683
Ratio between the median staff remuneration and mid-point of the highest paid director	7.37	7.15

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 the Trust during the financial year 2018/19 was £165 -170,000 (2017/18, £160 -165,000). This was 7.37 times (7.15 in 2017/18) the median remuneration of the workforce, which was £23,023 (£22,683 in 2017/18).

In 2018/19, 0 (1 in 2017/18) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £17,460 to £165,000 -170,000 (£15,404 to £160,000-165,000 in 2017/18).

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, enhancing 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 in medical staffing, registered nursing, and for therapists. Our continued focus 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 are implementing our strategy together with our people through effective communication, high engagement, and forward planning. This will 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 know 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.

The Our People Strategy consists of a five year plan, and years one and two of the strategy have focussed on embedding a culture and leadership framework to ensure that people are aware of the Our Great Place aims, understand what we mean by collective leadership and feel able to contribute.

Through a collective leadership approach and emerging coaching culture the Workforce and Organisational Development (OD) team are facilitating conversations and connecting people from across the Trust, enabling people to take greater responsibility for the future direction and success of the organisation.



Through the implementation of Our People strategy, we have delivered a number of pieces of work. During year one the Workforce & OD team has:

Developed and populated a cultural outcomes dashboard for evaluation purposes.
Completed an evaluation of the existing Trust leadership development.
Completed a series of collective leadership development interviews and workshops with the Executive and Extended Executive Team.
Established our Great Place to Work Network as a mechanism for team level cultural and quality improvement.
Created a recruitment and retention strategy, titled 'Our People Proposition.'
Reviewed our e-rostering offering, ensuring it meets the operational needs for service delivery.
Developed a recruitment campaign that consists of a micro-site; a promotional video; and banners across Trust premises.
Implemented the MERIT learning passport, which removes duplicate training across mental health trusts.
Designed and rolled out "Our People" survey with over 1000 responses.
Worked with an external communication and engagement specialist to develop Our Great Place branding and microsite.
Implemented the TRAC recruitment system to enable process efficiencies.
Secured funding from NHS Leadership Academy for a local BAME leadership programme.
Promoted the role of Freedom to Speak up Guardian and Raising Concerns processes.
Relaunched the Trust Management of Mental Wellbeing Policy and created the 'Our People – Health and Wellbeing' section on the Trust intranet.
Implemented e-learning to support a blended learning approach to staff development whilst supporting operational services to manage capacity and release of staff.
Developed our Work Experience, Apprenticeship, Volunteering, and Employability (WAVE) strategy to widen participation from local community in working with the NHS.

The first two years of the Our People Programme has been focussed on establishing a framework for culture and leadership change, and creating the conditions for collective leadership and high quality care.

The Trust has implemented the Workforce Disability Equality Standard (WDES), enabling the Trust to understand the experiences of disabled staff, support positive change for existing employees, and enable a more inclusive environment for disabled people working for the Trust. The Trust is a Disability Confident Employer and has gained the 'Mindful Employers Charter'.

We have done this through strengthening our support network

for frontline teams, enabling people to problem solve and share learning across the organisation. As we enter into year three of implementation, the Workforce & OD team will focus on ensuring that our people embody the vision and values of the organisation through the launch of the Our People Charter, and embedding a quality improvement approach across the organisation.

We have made significant progress to date and there is much to feel positive about and build upon as we enter 2019/20. 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.

During year 2 the Workforce & OD team has:

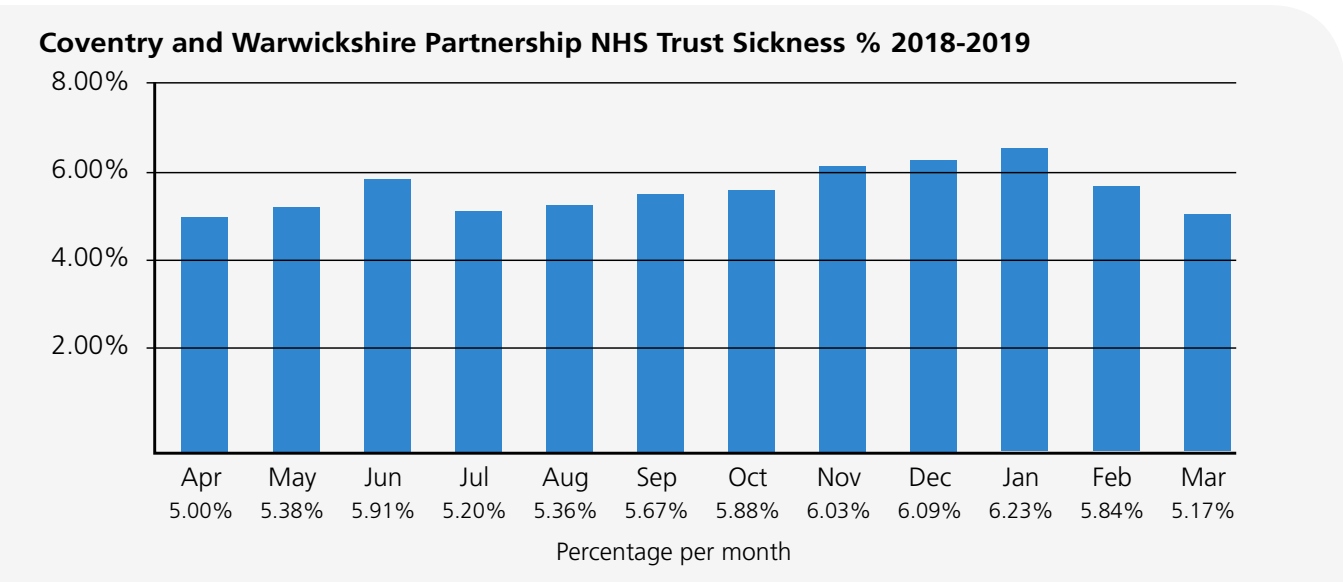
Reviewed and refreshed the Our People Strategy to provide greater focus, direction, and structure.
Developed the Our Great Place recruitment campaign.
Increased the supply of young recruits through our WAVE programme.
Achieved a significant increase in applicants for vacant posts.
Developed a local talent management pool.
Developed system processes within the roster, ESR, and through the NHS Professionals interface to increase bank usage and reduce agency spend for nursing and HCA's.
Utilised feedback from the Our People Survey to identify nine core leadership behaviours.
Expanded the Our Great Place to Work Network.
Focussed on 'setting the tone at the top', through the development of an Executive-led collective leadership approach.
Enhanced communications and engagement, and launched Our Great Place microsite and branding.
Amalgamated a range of staff support services to create the Our People champions.
Utilised funding from Health Education England (HEE) to develop and deliver a local BAME leadership programme in collaboration with 3 neighbouring NHS Trusts.
Delivered a series of Great Place roadshows and developed a staff charter.
Launched a collective leadership bulletin for managers and leaders across the Trust.
Launched our Introduction to Coaching programme.
Relaunched our Values in Action Scheme.
Achieved national recognition for our Inclusion and Diversity work.
Established listening clinics across Trust services to better understand causes of work related stress.

Moving forward into 2019/20, the Trust will continue to work with our partners across the Coventry and Warwickshire Health Economy, with a particular focus on the workforce agenda and the implications for this agenda across the NHS of the Long Term Plan. The Local Workforce Action Board structure will be supported in this by the development of four sub groups who will be taking a lead on four key areas on behalf of the Board:

- Education and Development;
- Leadership and Organisational Development;
- Recruitment and Retention;
- Workforce Planning and Workforce Intelligence.

## Sickness Absence

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan19	Feb 19	Mar19
Sickness %	5.00%	5.38%	5.91%	5.20%	5.36%	5.67%	5.88%	6.03%	6.09%	6.23%	5.84%	5.17%

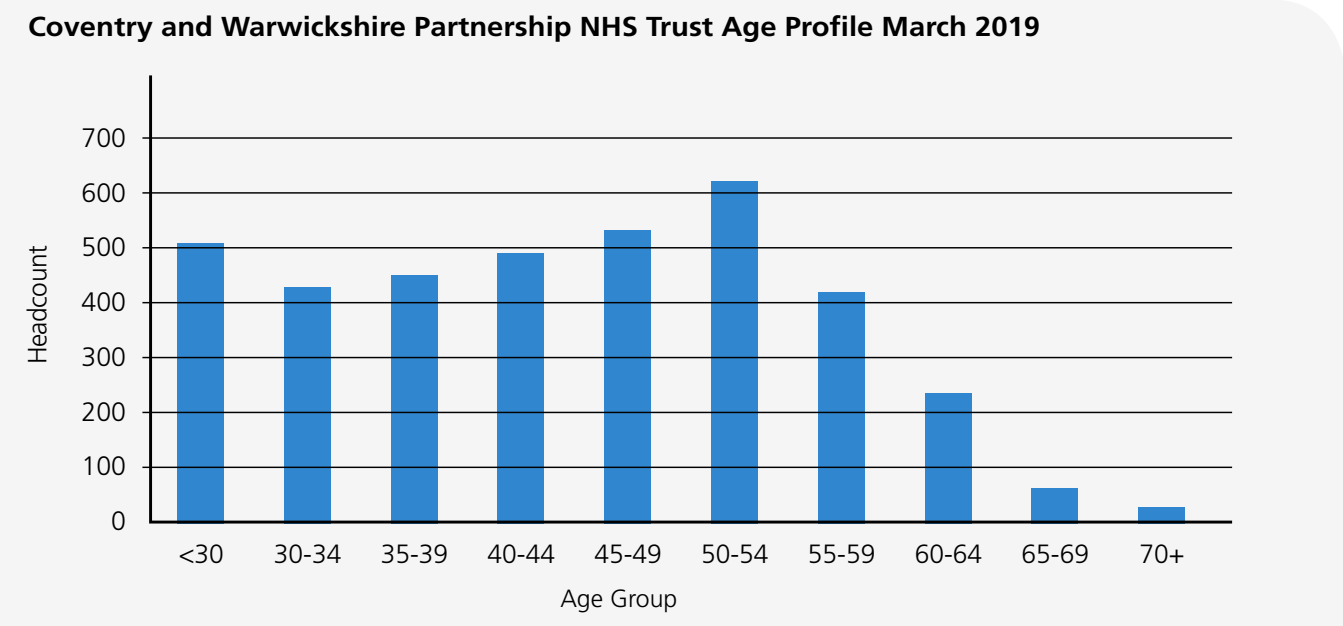


The table below indicates sickness absence figures, reported on a calendar year basis, rather than for the financial year, as instructed by DHSC. The disclosure requires only the total number of Full Time Equivalent (FTE) staff years, total days lost and a calculated average absences per staff year.

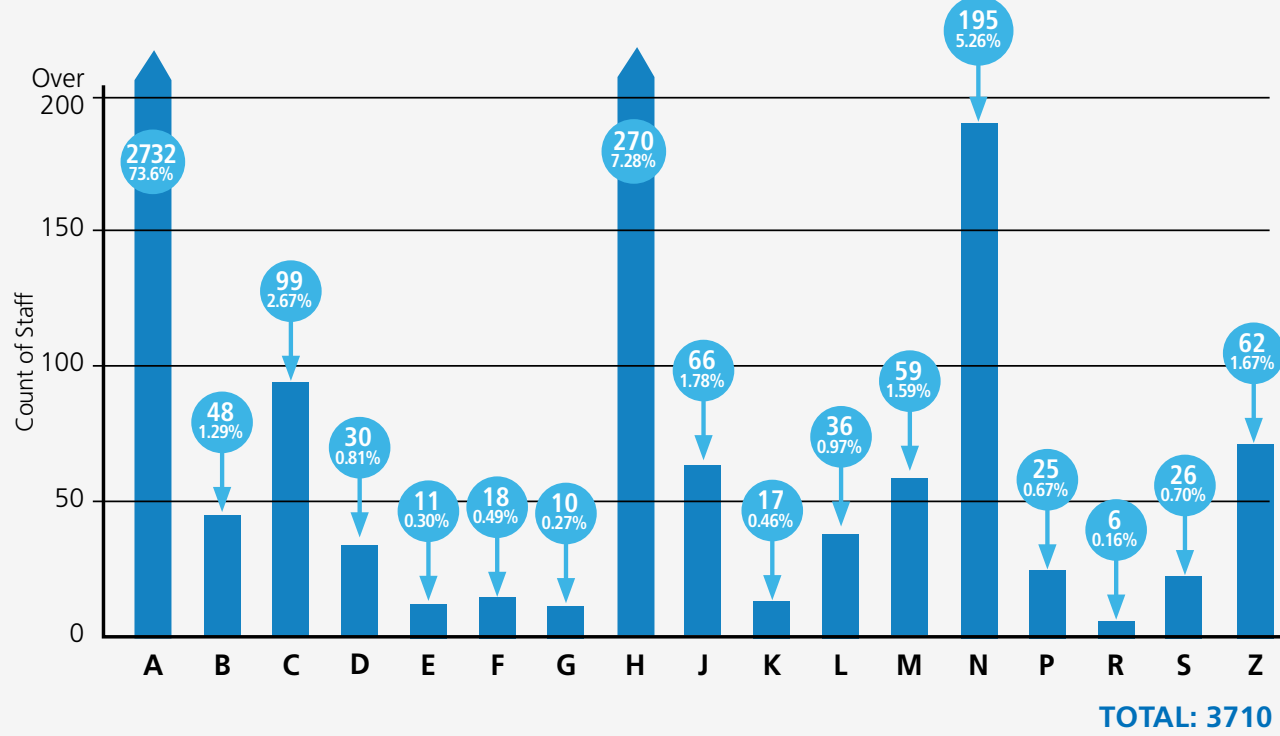
Table staff sickness absence	2018/19	2017/18
Total days lost	41,117	38,492
Total staff years	3,290	3,392
Average working days lost (per WTE)	12.5	11

## Age Profile

	< 30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
Headcount	509	421	450	471	495	611	431	235	64	23



Ethnicity



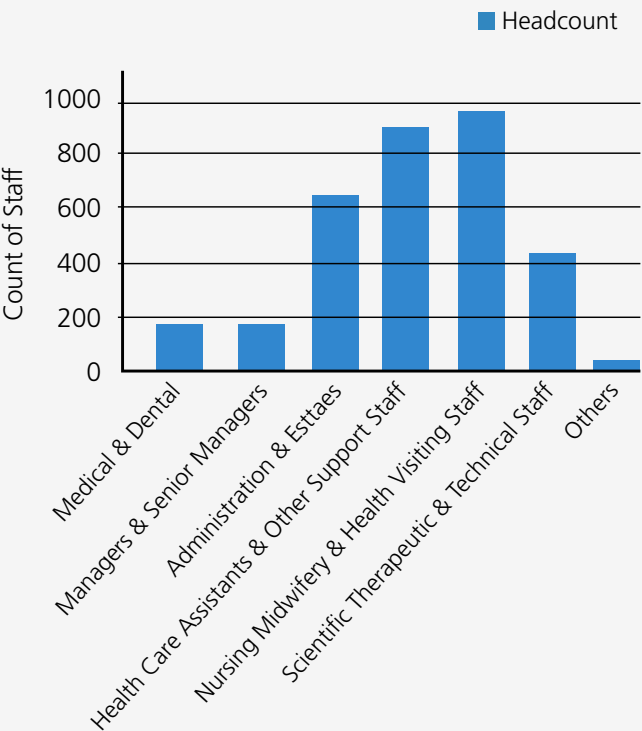
Ethnic Code	Ethnic Group	Number	Percentage
A	White - British	2732	73.64%
B	White - Irish	48	1.29%
C	White - Other	99	2.67%
D	Mixed - White & Black Caribbean	30	0.81%
E	Mixed - White & Black African	11	0.30%
F	Mixed - White & Asian	18	0.49%
G	Mixed - Any other mixed background	10	0.27%
H	Asian or Asian British - Indian	270	7.28%
J	Asian or Asian British - Pakistani	66	1.78%
K	Asian or Asian British - Bangladeshi	17	0.46%
L	Asian or Asian British - Any other Asian background	36	0.97%
M	Black or Black British - Caribbean	59	1.59%
N	Black or Black British - African	195	5.26%
P	Black or Black British - Any other Black background	25	0.67%
R	Chinese	6	0.16%
S	Any Other Ethnic Group	26	0.70%
Z	Not Stated	62	1.67%
Grand Total		3710	



Staff groups in post

Staff Group	WTE's
Medical and Dental	147.80
Managers and Senior Managers	148.53
Administration and Estates	631.70
Health Care Assistants and Other Support Staff	883.83
Nursing Midwifery and Health Visiting Staff	942.63
Scientific Therapeutic and Technical Staff	447.41
Others	9.00
All Staff Groups	3210.91

Coventry and Warwickshire Partnership NHS Trust Staff in Post March 2019





Employee Costs (audited)

Average number of employees (WTE basis)	Permanent Number	Other Number	31 March 2019 Total Number	31 March 2018 Total Number
Medical and dental	153	29	182	199
Ambulance staff	0	0	0	0
Administration and estates	882	37	919	942
Healthcare assistants and other support staff	768	294	1,062	1,058
Nursing, midwifery and health visiting staff	997	120	1,117	1,195
Nursing, midwifery and health visiting learners	12	0	12	20
Scientific, therapeutic and technical staff	435	10	445	434
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Other	0	0	0	0
Total average numbers	3,247	490	3,737	3,848
Of which				
Number of employess (WTE) engaged on capital projects	2	0	2	1

Staff costs	Permanent £000	Other £000	31 March 2019 Total £000	31 March 2018 Total £000
Salaries and wages	104,902	1,402	106,314	108,042
Social security costs	9,199	0	9,199	9,468
Apprenticeship levy	502	0	502	512
Employer's contributions to NHS pensions	13,676	0	13,676	13,971
Pension cost – other	11	0	11	5
Other post employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	0	0	0	349
Temporary staff	0	21,603	21,603	19,649
Total gross staff costs	128,300	23,005	151,305	151,996
Recoveries in respect of seconded staff	0	0	0	0
Total staff costs	128,300	23,005	151,305	151,996
Of which				
Costs capitalised as part of assets	110	0	110	88

Management roles

Senior Managers	Number	Percentage
Female	120	72.3%
Male	46	27.7%
Grand Total	166	

Directors	Number	Percentage
Female	3	60.0%
Male	2	40.0%
Grand Total	5	

Gender analysis

All Staff	Number	Percentage
Female	3011	81.2%
Male	699	18.8%
Grand Total	3710	

Band 8+ and Directors

Band	Count	FTE
Band 8a	89	84.25
Band 8b	35	33.52
Band 8c	20	18.49
Band 8d	17	16.04
Director	5	5.00
Grand Total	166	157.31





## 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 Coventry and Warwickshire Partnership NHS Trust ('the trust'), to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2019, 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 responsibility to the Chief Nurse and Chief Operating Officer at Board level.

A Risk Management Strategy has been in place for the 2018/19 year, ending 31 March 2019. 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 that have potential for an adverse effect on the Trust's reputation, or on its 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 to 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 and is assigned to a Committee.

- **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; the 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 2018/19, an interim review and a final review were undertaken, both of which concluded that the 2018/19 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 that the Board conducts its business with openness and transparency, in line with its status as 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 review in March and September 2018.

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 Trust Board Meetings – Year Ending 31 March 2019

Board Member Name	Title	Attendance
Sharon Binyon	Medical Director and Deputy Chief Executive*	5/7
Dominic Cox	Director of Strategy and Development (Interim from 15 October 2018 – 30 April 2019, substantive from 1 May 2019)	3/3
Guy Daly	Non-Executive Director	4/7
Zulfiqar Darr	Non-Executive Director and Senior Independent Director	7/7
Alan Dodds	Non-Executive Director and Vice Chair	7/7
Simon Gilby	Chief Executive	7/7
Gale Hart	Director of Finance and Resources	6/7
Jane Hodge	Non-Executive Director	6/7
Doreen McCollin	Non-Executive Director	5/7
Justine Richards	Director of Strategy and Development (to 14 September 2018)	3/3
Jagtar Singh	Chair	6/7
Dianne Whitfield	Non-Executive Director	7/7
Michael Williams	Non-Executive Director	7/7
Tracey Wrench	Chief Nurse and Chief Operating Officer and Deputy Chief Executive*	6/7

\* The role of Deputy Chief Executive was rotated on a six monthly basis during the year between the Chief Nurse and Chief Operating Officer and the Medical Director. Sharon Binyon was Deputy Chief Executive from January 2018 – June 2018 and January 2019 – to date, and Tracey Wrench was Deputy Chief Executive from July 2018 – December 2018.

The Board held seven 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, Strategy, Performance, and Governance. The Board also hears patient stories at each public Board meeting.

During 2018/19 the Board commenced a regular programme of service visits. During the year, Board members undertook 27 formal service and site visits across three Directorates. Following each set of visits, a de-brief session was held to identify key themes and actions, followed up by a formal report to Board. In addition to this, ad-hoc visits to services are undertaken by board members throughout the year. Positive feedback has been received from board members and service staff regarding this programme of visits.

Public accountability is further enhanced by the Council of Governors, who are 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. This is supplemented by additional training sessions and workshops. During the year we have appointed a new Lead Governor and five new staff Governors.

Further changes to the Board are planned for 2019/20 with two Executive Directors and two Non-Executive Directors due to leave the Trust between May and August 2019. These changes have been planned for, with succession plans and interim arrangements in place where required to ensure that the transition is smooth and board capacity is maintained.

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.

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 and a Disclosure and Barring Service check, to provide assurance on suitability.

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

During the year, the Non-Executive Director skills matrix has been updated, and this has been used and will continue to be used to inform NED recruitment and succession planning.

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, the Well-Led framework and market analysis and strategic direction. During the year the board have also participated in a formal board development programme which built on the findings of the Well-Led Developmental Review and was designed to ensure that the Board are equipped to deal with the scale of change required both internally and externally.

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

4.2.2 Committees Structure

The work of the Board is supported by the following formal Committees that it has established (see table). 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 publically 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. Following this a review of the Terms of Reference and business cycle of each Committee will be undertaken.

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 the Board and myself 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.

Board Committee	Met	Primary Purpose	Example Highlights of Board Committee Activity
Audit Committee	6	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.	<ul style="list-style-type: none"><li>Reviewed and supported Board approval of all required disclosure statements</li><li>Provided assurance to the Board regarding the Board Assurance Framework (BAF)</li><li>Reviewed completeness of the risk management system</li><li>Reviewed accounting policies, the accounts, and the management's Letter of Representation</li><li>Reviewed and approved write off losses, special payments and waive tender documentation</li><li>Received and considered Internal Audit Reports and the Head of Internal Audit Opinion and approved the Internal Audit Plan</li><li>Received and considered reports from External Audit on the Annual Report and Accounts and the Quality Account</li></ul>
Financial Planning and Investment Committee	8	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.	<ul style="list-style-type: none"><li>Received bids against contingency reserves, contracting reports, capital reports and investment reports</li><li>Received and considered business cases for example the Interoperability Business Case and the Global Digital Exemplar (GDE) application</li><li>Received drafts of the Financial Plan and the progress of development of the plan</li><li>Received service reports/plans and environmental reports for example the Fire Stopping Update Report</li><li>Received and considered financial and contracting reports</li><li>Received and considered the CIP Report (from November 2018)</li><li>Received and considered the BAF risks allocated to the Committee</li><li>Approved strategies and plans relevant to the work of the Committee, for example the Procurement Strategy and the Investment Project Proposal Framework</li></ul>
Integrated Performance Committee	12	Receive, review and obtain assurance on service performance against agreed key performance indicators.	<ul style="list-style-type: none"><li>Received monthly reports from the Executive Performance Group (EPG) and scrutinised Directorate Performance.</li><li>Received regular trust-wide performance reports through an Integrated Performance Report and Safety and Quality Dashboards</li><li>Reviewed the in-year performance of the CIP plans (to October 2018).</li><li>Received monthly reports on waiting lists performance and updates on the work of the Waiting List Delivery Group.</li><li>Received assurance on reference costs.</li><li>Received and considered reports related to capacity and demand in specific areas and the transfer of services</li><li>Received and considered the BAF risk allocated to the Committee</li></ul>

During the year, the activities of the Committees were reviewed, particularly in relation to financial performance and Cost Improvement Plans (CIP). From November 2018, there was a change in reporting of these matters from the Integrated Performance Committee (IPC) to the Financial Planning and Investment Committee (FPIC), and to ensure these matters had the required focus the frequency of FPIC was increased from bi-monthly to monthly for the remainder of the year.

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
Integrated Workforce Committee	6	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.	<ul style="list-style-type: none"><li>Received and considered regular updates on workforce systems and controls with a focus on the workforce planning, recruitment and retention and widening participation</li><li>Received and considered regular updates on cultural improvement and leadership through the Workforce and OD programme update</li><li>Received regular equality, diversity and inclusion updates</li><li>Received and considered a regular report from the Freedom to Speak up Guardian</li><li>Received and considered regular reports on the Staff Survey and the Staff Friends and Family Test results, including key areas of focus for improvement</li><li>Received annual reports on the Medical Appraisal and Revalidation and the Guardian of Safer Working</li><li>Received a briefing on the re-alignment of Operational Directorates</li><li>Received and considered the BAF risk allocated to the Committee.</li></ul>
Safety and Quality Committee	12	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.	<ul style="list-style-type: none"><li>Reviewed, ratified and sought assurance on management of Serious Incidents Requiring Investigation (SIRIs) and approved associated policies</li><li>Provided assurance to Board re clinical audit activity and the clinical audit forward programme</li><li>Oversaw the production of the Quality Account</li><li>Approved on behalf of the board, the Risk Management Strategy</li><li>Oversight of the preparation programme, inspection and action planning process with regard to regulatory inspection (CQC)</li><li>Received reports on compliments, PALS and complaints and Ombudsman investigation</li><li>Received and reviewed the Learning from Deaths Policy</li><li>Received and considered the BAF risk allocated to the Committee.</li></ul>
Remuneration and Terms of Service Committee	5	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.	<ul style="list-style-type: none"><li>Received Chair appraisal of the Chief Executive; Received NHSI appraisal highlights of the Chair; Received highlights of Executive Directors appraisals by the Chief Executive</li><li>Received approved remuneration rates for Executives</li><li>Considered and authorised redundancies</li></ul>

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

Directorate Performance, with assurance provided from the Executive Performance Group which reports into this Committee.

A key area of focus has continued to be capacity and demand; and 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.

The performance reports received by the Committee and the Board have been further developed as the year has progressed and further enhancements



are planned for 2019/20 to provide greater clarity of the underlying issues and planned actions to recover performance.

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:

- HR2 – Workforce – Sickness Absence Rates
- C20 – % of patients with a Crisis Plan agreed Follow Up
- C17 – Waiting Times for Memory Assessment Clinic 12 Weeks [Coventry & Rugby] Follow up
- OF4a – Safer Staffing [Care Staff] Actual Hours vs Planned [Day]
- C1 – Average Length of Ward Stay in Days [Aged Independent Mental Health Services] – excluding rehabilitation
- M1b – Care Programme Approach [CPA] Patients having formal review within 12 months
- C2 – % Occupancy Rate [Age Independent Mental Health Services] – including leave

### 4.3.2 Quality Governance

The Board is responsible for the quality of services provided. Executive responsibility rests with the Chief Nurse and Chief Operating Officer and the Medical Director. The Safety and Quality Committee has delegated responsibility for scrutinising the quality governance arrangements within the trust. The Committee provides a regular assurance report to the Board.

The Chief Nurse and Chief Operating Officer is our board lead for quality improvement. A programme of work is underway to establish an organisational wide approach to quality improvement over the next three years. This will include working closely with the ACT Academy to help support the establishment of training and accreditation of staff in a defined quality improvement methodology, namely Quality Service Improvement and Re-design (QSIR). Regular updates have been provided to the Safety and Quality Committee and the Board on plans and progress.

### 4.3.3 Clinical Audit

The Trust recognises the importance of the clinical audit, and a programme of activity is agreed and 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.

The Trust has a mortality review process in place in line with National Guidance on Learning from Deaths published by the National Quality Board. The Trust has a named Non-Executive Director for Mortality and a quarterly report is considered by the Safety and Quality Committee and the Board.

### 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 the year.

### 4.3.6 CQC Registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust was inspected in 2018 and rated as 'Good', progressing from a rating of 'Requires Improvement' in the previous year.

### 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. Each risk within the Board Assurance Framework is assigned to an individual Committee for additional scrutiny.

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:

- **SR1: Engagement:** If we do not involve patients, their carers, our staff and the public in service development then we may not deliver the right outcomes for patients.
- **SR2: Capacity and Demand:** If we do not transform services in association with our partners then we will not have sufficient service capacity to deliver safe and good quality care to our patients within acceptable waiting times.
- **SR3: Infrastructure:** If we do not optimise the use of our existing infrastructure and invest in its future development to support our transformation programmes then we will not be able to support the delivery of sustainable high quality patient care.
- **SR4: Financial Position / Resources:** If we do not secure the right resources and manage them effectively then we will not be able to invest our resources in quality improvement and innovative models of care.

- **SR5: System Working:** If we do not promote the benefits of our positioning in the centre of the integrated care system then we will not be able to effectively influence the strategic agendas in Mental Health, Learning Disabilities and Community Services.
- **SR6: Recruitment and Retention:** If the culture of our organisation is not aligned to our ambition of 'our great place strategy, including investing in the wellbeing of our people, then we will not be able to recruit and retain the people required to deliver high quality care to patients.

There are other risks 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.

During the year risks associated with EU Exit have been assessed. The Trust nominated a Senior Responsible Officer for EU Exit and nominated workstream leads covering supply of medicines and vaccine; supply of medical devices and clinical consumables; supply of non-clinical consumables, good and services; workforce; reciprocal healthcare; research and clinical trials; data sharing, processing and access. A reporting structure was established and the Trust complied with national and local reporting requirements. No significant areas of risk were identified as part of this process.

### 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 responsibilities regarding information governance. 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

NHS Improvement strongly encourages all providers to carry out externally facilitated, developmental reviews of their leadership and governance using the well-led framework every three to five years, according to their circumstances. These reviews are designed to identify the areas of leadership and governance that would benefit from further targeted work to secure and sustain future performance.

The Trust adopted a structured approach to this during the year by first completing a self-assessment, and then commissioning an externally facilitated well-led developmental review, undertaken between July and September 2018. Following this, the CQC undertook a well-led inspection in October 2018 and rated the Trust ‘Good’ in the Well-Led domain.

The feedback from all well-led reviews / inspections was positive overall and did not identify any areas of significant weakness, although there are some areas for further improvement. In response to this a single ‘Well-Led Improvement Plan’, has been developed. Many of the actions have already been completed or are in progress.

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.

4.9 Workforce

In October 2018, NHS Improvement published recommendations that aim to support providers to deliver high quality care through safe and effective staffing ‘Developing Workforce Safeguards’. The Trust has undertaken a gap analysis against the recommendations and standards and has plans in place to ensure that the Trust is fully compliant by June 2019 and this was reported to the Board in March 2019. Summarised below are the ways in which the Trust ensures that short, medium and long term

workforce strategies and staff systems are place which assure the Board that staffing processes are safe, sustainable and effective.

- Safe staffing levels are agreed based on dependency scales using the Keith Hurst Tool and discussed with matrons / managers who apply clinical professional judgement. This is monitored by managers, matrons monthly and submitted to the Deputy Director of Nursing. Wards with fluctuating bed capacity have an agreed ‘sliding scale’ approach to respond to reduced bed capacity.
- Monitoring of safe staffing takes place daily by the nurse in charge, manager, or matron and is reported monthly by the Deputy Director of Nursing. A formal ‘staffing safeguards’ Standard Operating Procedure is to be developed that incorporates all of the safeguards already in place by May 2019.
- Introduction of new roles or amendments to service changes have previously been agreed with operational managers based on professional judgement, impact on patient care, ability to address a supply gap and financial affordability and a Quality Impact Assessment (QIA) is signed off by the Chief Nursing Officer and Chief Operating Officer and the Medical Director. A QIA template will be developed to ensure assessments are formally recorded and signed off by executive team. This will support workforce planning exercise.
- The Trust currently has a formal escalation process to respond where staffing falls short of the agreed minimum safe staffing. The risk assessment will include safety, quality, finance, performance and staff experience from May 2019. If risks associated with staffing continue or increase the issue is escalated to the Trust Board.
- The Trust Board receives a ‘Safer Staffing Report from the Chief Nurse and Chief Operating Officer at each meeting, together with a more comprehensive report every six months, both of which meet the requirements of the National Quality Board. Monthly ‘planned’ versus ‘actual’ safe staffing data is presented to the Board together with data in relation to substantive staff and Care Hours per Patient Day (utilising the Model Hospital Dashboard).

- From March 2019 the ‘Safe Staffing Report’ has included comparative data on staffing and skill mix against other Trusts and other identified peers.
- The ‘Six Monthly Safe Staffing Report’ compares safe staffing data to HR indicators (statutory and mandatory training, appraisals, sickness); incident reporting; complaints data to monitor correlation between outcomes and safe staffing levels. The six monthly report also incorporates agreement and re-setting of the nursing establishment and skill mix if required. Consideration will be given to the medical staffing element of this reporting from April 2019.
- A workforce plan is submitted with the operational plan to NHS Improvement and Health Education England annually and work has begun in operational areas to develop robust workforce plans. A toolkit is in development to support operational teams with the creation of localised workforce plans. This will provide the opportunity for plans to be collated into a directorate and Trust wide position. This will be in place from June 2019.
- The Integrated Workforce Committee is responsible for ensuring the recommendations and actions attached within the workforce safeguards are implemented.
- Training in the application of workforce safeguards will be provided and expectations reflected in Trust policy.

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

4.10 Environmental

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

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 number received Moderate Assurance: Data Quality Sickness Rates, Data Quality Safer Staffing, Malnutrition Universal Screening Tool (MUST), ERostering and Waiting List Management and Consultant Job Planning. A review of Brooklands Canteen Function requested by the Trust received Limited Assurance. The CIP element of Budget Setting and CIP – Forecasting and Delivery (Financial Reporting) was Limited Assurance.
- The implementation of agreed actions is effective at the Trust. ***I would suggest that consideration is given to reflecting on the CIP challenges that the Trust have faced in the Annual Governance Statement.***



External Audit also reports on value for money concerns as part of their audit 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 Trust’s use of performance rating is reported to the Board each month in the Finance and Contracting Report. At the end of the year our use of resources rating under the SOF was 2. We did not achieve the highest rating of 1 as our agency expenditure exceeded the ceiling (cap).

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. As previously noted, a change in reporting occurred from November 2018 to provide greater clarity regarding the Committee responsible for scrutinising financial performance and CIP progress.

6. Information governance

The NHS Information Governance (IG) 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 Data Security and Protection Toolkit.

The Director of Finance and Resources 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 performance reporting to the Board.

The Trust has submitted the 2018-19 Data Security and Protection Toolkit and, at the time of submission, reported that all mandatory requirements had been met. The Data Security and Protection Toolkit is mapped to the National Data Guardian’s (NDG) data security standards. Completing the Toolkit self-assessment demonstrates how the organisation is working towards or meeting the NDG standards. 100 out of 149 requirements are mandatory.

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

Personal Data Breaches 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 NHS Digital Guidance.

In the financial year 2018-19, there have been 288 incidents reported of which four required notification to the Information Commissioner’s Office (ICO).

Details for the four incidents are in the table below:

No.	Month/Year	Summary of Breach	Action Taken by the ICO
1.	Apr 2018	Personal data disclosed in error.	ICO confirmed that appropriate action had been taken by the Trust and no further action was required.
2.	Jun 2018	Temporary loss of access to personal data via electronic system.	ICO confirmed that this incident did not require notification to them.
3.	Aug 2018	Loss of personal data.	ICO confirmed that appropriate action had been taken by the Trust and no further action was re-quired.
4.	Mar 2019	Personal data disclosed in error.	ICO confirmed that appropriate action had been taken by the Trust and no further action was required.

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’s 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 Board Assurance Framework (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, while not significant control issues, have required a high degree of focus in the period:

- 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 assessment and/or treatment. We have seen some improvement during the year but follow-up waiting times in some areas remain a challenge and people are waiting for non-urgent assessments by the Community Mental Health Team (CMHT) for longer than we would like. We continue to work closely with commissioners to reduce waiting times and agree trajectories for improvement through a range of measures including additional funding and transformation of our services. Waiting time 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 continued demands we experience on key areas of our service offer in recent years, particularly in respect of our integrated community physical and mental health services, our mental health inpatient service and our acute mental health pathway. 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 2018/19 the Trust delivered CIP of £9.543 million against planned delivery of £12.964 million – a shortfall in CIP of £3.421 million. However, only £2.337 million was delivered recurrently. The CIP shortfall was offset through underspends against budget in other areas of the Trust, and some additional income in the year. As a result, at year-end the Trust has delivered a control total surplus of £4.495 million, including the receipt of Provider Sustainability Funding (PSF) monies of £3.761 million. Excluding PSF, the Trust made a surplus of £734,000 against a planned surplus of £427,000. The Trust delivery of CIP has been subject to clear and transparent reporting and robust discussion via the Cost Improvement Plan Board and the Financial Planning and Investment Committee through to Trust Board. The Trust has put in place a strengthened process for the identification and delivery of future efficiency targets, including the establishment of the Trust Improvement Group.

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.

Simon Gilby, Chief Executive



Date: 21 May 2019

3 – Financial Statements



Cash holding at 31 March 2019 was £55,423 million.

The total value of debtors at 31 March 2019 owed for longer than three months has increased from £0.842 million at 31 March 2018 to £3.611 million at 31 March 2019.

Capital expenditure at 31 March 2019 was £3.432 million, against our capital programme for the year of £3.530 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 2019 is shown in the table below:

Service	2018/19	2017/18 * restated
	£000	£000
Acute services	50,224	48,872
Child and family services	22,233	23,270
Integrated community services	59,597	66,176
Director of operations	13,802	14,298
Total patient services	145,856	152,616
Corporate services	24,185	19,573
Trustwide operational services		0
Estates and Facilities	19,773	18,643
IT services	5,444	6,222
CIP Unallocated	(2,220)	0
Reserves and capital charges	5,843	6,605
Public Dividend Capital (PDC)	2,071	2,062
Total expenditure	200,952	205,721
Total income	(208,722)	(213,700)
Operating surplus before interest	(7,770)	(7,979)
	2018/19 £000	2017/18 £000
Operating surplus before interest	(7,770)	(7,979)
Interest payable	3,604	3,508
Interest receivable	(355)	(165)
(Profit)/loss on disposal	0	(87)
Impairment on revaluation	517	9,226
Retained (surplus)/deficit for the year	(4,004)	4,503

All revenues from external customers are derived from the United Kingdom.  
\* Income analysis for 2017/18 has been re-stated to reflect the current management structure and provide comparative figures.





Statement of Comprehensive Income for year ended 31 March 2019

	31 March 2019	31 March 2018
	£000	£000
Operating income from patient care activities	192,877	194,213
Other operating revenue	15,845	19,487
Operating expenses	(199,398)	(212,677)
Operating surplus/(deficit) from continuing operations	9,324	1,023
Finance income	355	165
Finance expenses	(3,604)	(3,508)
Public Dividend Capital dividends payable	(2,071)	(2,062)
Net finance costs	(5,320)	(5,405)
Other gains and (losses)	0	87
Corporation tax expense	0	0
Surplus/(deficit) for the financial year	4,004	(4,295)
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	0	0
Retained surplus/(deficit) for the year	4,004	(4,295)

Other comprehensive income

	31 March 2019	31 March 2018
Retained surplus/(deficit) for the year	4,004	(4,295)
Will not be reclassified to Retained Earnings Reserve:		
Impairments	(4,219)	(7,619)
Revaluations	581	12,365
Share of comprehensive income from associates and joint ventures	0	0
Fair value gains/(losses) on equity instruments designated at fair value through other comprehensive income	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 financial assets mandated at fair value through other comprehensive income	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through other comprehensive income	0	0
Foreign exchange gains/(losses) recognised directly in Other Comprehensive Income	0	0
Total comprehensive income for the year	366	451

Financial performance for the year


	31 March 2019	31 March 2018
Adjusted financial performance surplus (control total basis)	£000	£000
Retained surplus/(deficit) for the year	4,004	(4,295)
Remove impact of consolidating NHS charitable fund	0	0
Remove net impairments not scoring to the departmental expenditure limit	517	9,018
Remove (gains) / losses on transfers by absorption	0	0
Remove income and expenditure impact of capital grants and donations	(26)	13
Prior period adjustment to correct errors and other performance adjustments	0	0
Remove non-cash element of on-SoFP pension costs	0	0
CQUIN risk reserve adjustment (2017/18 only)	0	0
Remove 2016/17 post audit STF reallocation (2017/18 only)	0	(58)
Adjusted financial performance surplus (control total basis)	4,495	4,678
NHS Trusts have a statutory requirement to break even taking one year with another (see note 52 and 53). 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 IFRIC 12 amounts.		
PDC dividend: balance receivable at 31 March 2019	31	
PDC dividend: balance receivable at 1 April 2018	18	

## Statement of Financial Position as at 31 March 2019

	31 March 2019	31 March 2018
	£000	£000
<b>Non-current assets</b>		
Intangible assets	1,375	1,583
Property, plant and equipment	104,501	109,331
Investment property	0	0
Investments in associates and joint ventures	0	0
Other investments / financial assets	0	0
Receivables	0	0
Other assets	0	0
<b>Total non-current assets</b>	<b>105,876</b>	<b>110,914</b>
<b>Current assets</b>		
Inventories	280	256
Receivables	14,669	8,553
Other investments / financial assets	0	0
Other assets	0	0
Non-current assets held for sale / assets in disposal groups	281	281
Cash and cash equivalents	55,423	57,564
<b>Total current assets</b>	<b>70,653</b>	<b>66,654</b>
<b>Current liabilities</b>		
Trade and other payables	(20,920)	(22,533)
Borrowings	(538)	(514)
Other financial liabilities	0	0
Provisions	(687)	(1,448)
Other liabilities	(988)	(100)
Liabilities in disposal groups	0	0
<b>Total current liabilities</b>	<b>(23,133)</b>	<b>(24,595)</b>
<b>Total assets less current liabilities</b>	<b>153,396</b>	<b>152,973</b>
<b>Non-current liabilities</b>		
Trade and other payables	0	0
Borrowings	(27,315)	(27,853)
Other financial liabilities	0	0
Provisions	(1,217)	(1,112)
Other liabilities	0	0
<b>Total non-current liabilities</b>	<b>(28,532)</b>	<b>(28,965)</b>
<b>Total assets employed:</b>	<b>124,864</b>	<b>124,008</b>
<b>Financed by:</b>		
<b>Taxpayers' equity</b>		
Public dividend capital	89,244	88,754
Revaluation Reserve	31,976	35,614
Financial assets Reserve	0	0
Other reserves	0	0
Merger Reserve	0	0
Retained earnings	3,644	(360)
<b>Total taxpayers' equity:</b>	<b>124,864</b>	<b>124,008</b>

The notes on pages 6 to 53 form part of this account.

The financial statements on pages 2 to 53 were approved by the Board on 21 May 2019 and signed on its behalf by:

Signature:  Chief Executive, Simon Gilby  
Date: 21 May 2019

## Statement of Changes in Equity for the year ending 31 March 2019

	Public dividend capital	Revaluation Reserve	Financial Assets Reserve*	Other reserves	Merger Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2018 – brought forward</b>	<b>88,754</b>	<b>35,614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(360)</b>	<b>124,008</b>
Impact of implementing IFRS 15 on 1 April 2018	0	0	0	0	0	0	0
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	0	0	0	0
Retained surplus for the year	0	0	0	0	0	4,004	4,004
Transfers by absorption: transfers between reserves	0	0	0	0	0	0	0
Transfer from Revaluation Reserve to Income and Expenditure Reserve for impairments arising from consumption of economic benefits	0	0	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0	0	0
Impairments (note 8)	0	(4,219)	0	0	0	0	(4,219)
Revaluations	0	581	0	0	0	0	581
Transfer to retained earnings on disposal of assets	0	0	0	0	0	0	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0	0
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0	0	0	0	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	0	0	0	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0	0	0
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	0	0	0	0
Public dividend capital received	490	0	0	0	0	0	490
Public dividend capital repaid	0	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2019</b>	<b>89,244</b>	<b>31,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,644</b>	<b>124,864</b>

\* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for Sale Investment Reserve' is now renamed as the 'Financial Assets Reserve'



## Statement of Changes in Equity for the year ending 31 March 2018

	Public dividend capital	Revaluation Reserve	Financial Assets Reserve*	Other reserves	Merger Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017 – brought forward</b>	<b>88,754</b>	<b>30,962</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,841</b>	<b>123,557</b>
Retained deficit for the year	0	0	0	0	0	(4,295)	(4,295)
Transfers by absorption: transfers between reserves	0	0	0	0	0	0	0
Transfer from Revaluation Reserve to Income and Expenditure Reserve for impairments arising from consumption of economic benefits	0	0	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0	0	0
Impairments	0	(7,619)	0	0	0	0	(7,619)
Revaluations	0	12,365	0	0	0	0	12,365
Transfer to retained earnings on disposal of assets	0	(94)	0	0	0	94	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0	0
Fair value gains/(losses) on available-for-sale financial investments	0	0	0	0	0	0	0
Recycling gains/(losses) on available-for-sale financial investments	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0	0	0
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	0	0	0	0
Public dividend capital received	0	0	0	0	0	0	0
Public dividend capital repaid	0	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2018</b>	<b>88,754</b>	<b>35,614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(360)</b>	<b>124,008</b>

## 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.

### Financial Assets Reserve / Available-for-Sale Investment Reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

### Income and Expenditure Reserve

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

## Statement of Cash Flows for the Year ended 31 March 2019

	31 March 2019	31 March 2018
	£000	£000
<b>Cash flows from operating activities</b>		
Operating surplus	9,324	1,023
<b>Non-cash income and expense:</b>		
Depreciation and amortisation	4,315	4,298
Net impairments	517	9,018
Income recognised in respect of capital donations	(39)	0
Amortisation of PFI deferred credit	0	0
Non-cash movements in on-SoFP pension liability	0	0
(Increase) / decrease in receivables and other assets	(5,228)	217
(Increase) / decrease in inventories	(24)	21
Increase / (decrease) in payables and other liabilities	(1,023)	5,226
Increase / (decrease) in provisions	(656)	(2,727)
Tax (paid) / received	0	0
Operating cash flows from discontinued operations	0	0
Other movements in operating cash flows	0	0
<b>Net cash generated from / (used in) operating activities</b>	<b>7,186</b>	<b>17,076</b>
<b>Cash flows from investing activities</b>		
Interest received	356	158
Purchase and sale of financial assets / investments	0	0
Purchase of intangible assets	(670)	(685)
Sales of intangible assets	0	0
Purchase of property, plant, equipment and investment property	(3,402)	(3,403)
Sales of property, plant, equipment and investment property	0	115
Receipt of cash donations to purchase capital assets	39	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
<b>Net cash generated from / (used in) investing activities</b>	<b>(3,677)</b>	<b>(3,815)</b>

Statement of Cash Flows for the Year ended 31 March 2019 cont...

	31 March 2019	31 March 2018
	£000	£000
Cash flows from financing activities		
Public dividend capital received	490	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	(514)	(490)
Interest on loans	0	(7)
Other interest	0	0
Interest paid on finance lease liabilities	0	0
Interest paid on PFI, LIFT and other service concession obligations	(3,604)	(3,495)
PDC dividend paid	(2,022)	(1,962)
Financing cash flows of discontinued operations	0	0
Cash flows from other financing activities	0	0
Net cash generated from / (used in) financing activities	(5,650)	(5,954)
Increase / (decrease) in cash and cash equivalents	(2,141)	7,307
Cash and cash equivalents at 1 April - brought forward	57,564	50,257
Prior period adjustments	0	0
Cash and cash equivalents at 1 April - restated	57,564	50,257
Net increase / (decrease) in cash and cash equivalents	(2,141)	7,307
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	55,423	57,564

Better Payment Practice Code

	31 March 2019	31 March 2019	31 March 2018	31 March 2018
	Number	£000	Number	£000
Non-NHS payables				
Total Non-NHS trade invoices paid in the year	15,169	68,689	16,503	66,298
Total Non-NHS trade invoices paid within target	13,960	65,853	14,823	62,055
Percentage of Non-NHS trade invoices paid within target	92.0%	95.9%	89.8%	93.6%
NHS payables				
Total NHS trade invoices paid in the year	605	11,037	622	9,389
Total NHS trade invoices paid within target	449	8,502	523	8,392
Percentage of NHS trade invoices paid within target	74.2%	77.0%	84.1%	89.4%

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.



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.

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](http://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 2018/19.

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.

Audit arrangements

The Partnership Trust’s external auditor is Deloitte LLP, appointed by the Trust.

Audit Services

Total audit fees for 2018/19 are £76,000, which include the provision of assurance services with respect to the Quality Account.

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 substantial compliance with the EPRR Core Standards assessment for 2018/2019. This was confirmed in September 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 2018/19

A fuller account of our performance in relation to the quality of care provided can be found in our Quality Account 2018/19.

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 Secretary of State, with the approval of the 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, 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.

The Directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board

*Signed*

**Simon Gilby,**  
Chief Executive

Date: 21 May 2019

*Signed*

**Gale Hart,**  
Director of Finance  
and Resources

Date: 21 May 2019



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.
Cost Improvement Pro-gramme (CIP)	CIP is the identification of scheme/s to increase efficiency or reduce expenditure. CIPs can include both recurrent (year on year) and non-recurrent (one-off) savings.
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.
Private Finance Initiative (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.
Quality Impact Assessment (QIA)	Quality Impact Assessment (QIA) is an essential process for ensuring that risks and benefits of change are considered so that where necessary, risk can be mitigated.
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.

# Membership form

Please send this form once completed to:  
Freepost RSSK-JLJL-ZAHJ  
Cov and Works Partnership NHS Trust Membership Office  
Wayside House, Wilsons Lane, Coventry CV6 6NY

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

Tel: Home  Mobile  Email Address

I consent to be contacted by: Phone ☐ Text ☐ Email ☐ Post ☐ Don't mind ☐

### 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 & Black Caribbean ☐ White & Black African ☐ White & 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 tell us below how you wish to be involved:  
Please tick all that apply to you Take part in surveys and consultation ☐ Comment on our plans for services ☐  
Consider becoming a Governor ☐ Review patient and carer information ☐ Attend meetings and discussions ☐  
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 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) .....  
Your details will be held on a secure database so that we can communicate with you as a member. The information you give us will be treated confidentially and in accordance with the Data Protection Act 1998.



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](mailto:enquires@covwarkpt.nhs.uk)

Web: [www.covwarkpt.nhs.uk](http://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 above.

## 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**



# **ANNUAL ACCOUNTS**

## **FOR THE PERIOD APRIL 2018 TO MARCH 2019**

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



## 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.....21 May 2019.....



## 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:

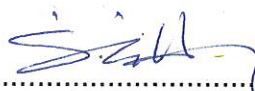
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

21 May 2019 Date  Chief Executive

21 May 2019 Date  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 2019 and of its expenditure and income for the year then ended;
- 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 Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 53.

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 on page 37;
- the table of pension benefits of senior managers and related narrative note on pages 38 to 42; and
- the table of pay multiples and related narrative notes on page 42.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 have 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.

### **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 November 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 2019.

**Respective responsibilities of the accounting officer and auditor relating to the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources**

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.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a) of the Local Audit and Accountability Act to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion, published by the Comptroller & Auditor General in November 2017, as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

The Comptroller & Auditor General determined this overall evaluation criterion as that necessary for us to consider under its Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**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; or
- 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.

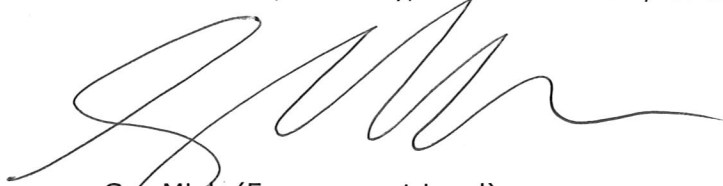
We have nothing to report in respect of these matters.

**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  
Statutory Auditor  
Birmingham, United Kingdom  
24 May 2019



Coventry and Warwickshire Partnership NHS Trust

Annual accounts for the year ended 31 March 2019

## Statement of Comprehensive Income for year ended 31 March 2019

		31 March 2019	31 March 2018
	Note	£000	£000
Operating income from patient care activities	3	192,877	194,213
Other operating income	4	15,845	19,487
Operating expenses	7, 9	(199,398)	(212,677)
<b>Operating surplus/(deficit) from continuing operations</b>		<b>9,324</b>	<b>1,023</b>
Finance income	12	355	165
Finance expenses	13	(3,604)	(3,508)
Public Dividend Capital dividends payable		(2,071)	(2,062)
<b>Net finance costs</b>		<b>(5,320)</b>	<b>(5,405)</b>
Other gains and (losses)	14	0	87
Corporation tax expense		0	0
<b>Surplus/(deficit) for the financial year</b>		<b>4,004</b>	<b>(4,295)</b>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	0	0
<b>Retained surplus/(deficit) for the year</b>		<b>4,004</b>	<b>(4,295)</b>
<b>Other comprehensive income</b>		<b>31 March 2019</b>	<b>31 March 2018</b>
		<b>£000</b>	<b>£000</b>
<b>Retained surplus/(deficit) for the year</b>		<b>4,004</b>	<b>(4,295)</b>
<b>Will not be reclassified to Retained Earnings Reserve:</b>			
Impairments	8	(4,219)	(7,619)
Revaluations	17,19	581	12,365
Share of comprehensive income from associates and joint ventures	21	0	0
Fair value gains/(losses) on equity instruments designated at fair value through other comprehensive income	22	0	0
Other recognised gains and losses		0	0
Remeasurements of the net defined benefit pension scheme liability / asset	38	0	0
Other reserve movements		0	0
<b>May be reclassified to Retained Earnings Reserve when certain conditions are met:</b>			
Fair value gains/(losses) on financial assets mandated at fair value through other comprehensive income	22	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through other comprehensive income	14	0	0
Foreign exchange gains / (losses) recognised directly in Other Comprehensive Income		0	0
<b>Total comprehensive income for the year</b>		<b>366</b>	<b>451</b>
<b>Financial performance for the year</b>		<b>31 March 2019</b>	<b>31 March 2018</b>
		<b>£000</b>	<b>£000</b>
<b>Adjusted financial performance surplus (control total basis)</b>		<b>4,004</b>	<b>(4,295)</b>
Retained surplus/(deficit) for the year		0	0
Remove impact of consolidating NHS charitable fund		0	0
Remove net impairments not scoring to the departmental expenditure limit	8	517	9,018
Remove (gains) / losses on transfers by absorption		0	0
Remove income and expenditure impact of capital grants and donations		(26)	13
Prior period adjustment to correct errors and other performance adjustments		0	0
Remove non-cash element of on-SoFP pension costs		0	0
CQUIN risk reserve adjustment (2017/18 only)		0	0
Remove 2016/17 post audit STF reallocation (2017/18 only)		0	(58)
<b>Adjusted financial performance surplus (control total basis)</b>		<b>4,495</b>	<b>4,678</b>

NHS Trusts have a statutory requirement to break even taking one year with another (see note 52 and 53).

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:-

- 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.
- Adjustments in respect of the elimination of Donated Asset and Government Grant Reserves.

PDC dividend: balance payable at 31 March 2019  
PDC dividend: balance receivable at 1 April 2018

**31**  
**18**

The notes on pages 6 to 53 form part of this account.



# Statement of Financial Position as at 31 March 2019

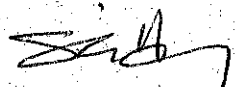
	Note	31 March 2019 £000	31 March 2018 £000
<b>Non-current assets</b>			
Intangible assets	16	1,375	1,583
Property, plant and equipment	17	104,501	109,331
Investment property	20	0	0
Investments in associates and joint ventures	21	0	0
Other investments / financial assets	22	0	0
Receivables	25	0	0
Other assets	26	0	0
<b>Total non-current assets</b>		<b>105,876</b>	<b>110,914</b>
<b>Current assets</b>			
Inventories	24	280	256
Receivables	25	14,669	8,553
Other investments / financial assets	22	0	0
Other assets	26	0	0
Non-current assets held for sale / assets in disposal groups	27	281	281
Cash and cash equivalents	28	55,423	57,564
<b>Total current assets</b>		<b>70,653</b>	<b>66,654</b>
<b>Current liabilities</b>			
Trade and other payables	29	(20,920)	(22,533)
Borrowings	32	(538)	(514)
Other financial liabilities	30	0	0
Provisions	34	(687)	(1,448)
Other liabilities	31	(988)	(100)
Liabilities in disposal groups	27	0	0
<b>Total current liabilities</b>		<b>(23,133)</b>	<b>(24,595)</b>
<b>Total assets less current liabilities</b>		<b>153,396</b>	<b>152,973</b>
<b>Non-current liabilities</b>			
Trade and other payables	29	0	0
Borrowings	32	(27,315)	(27,853)
Other financial liabilities	30	0	0
Provisions	34	(1,217)	(1,112)
Other liabilities	31	0	0
<b>Total non-current liabilities</b>		<b>(28,532)</b>	<b>(28,965)</b>
<b>Total assets employed:</b>		<b>124,864</b>	<b>124,008</b>
<b>Financed by :</b>			
<b>Taxpayers' equity</b>			
Public dividend capital		89,244	88,754
Revaluation Reserve		31,976	35,614
Financial assets Reserve		0	0
Other reserves		0	0
Merger Reserve		0	0
Retained earnings		3,644	(360)
<b>Total taxpayers' equity:</b>		<b>124,864</b>	<b>124,008</b>

The notes on pages 6 to 53 form part of this account.

Name: Simon Gilby  
Position: Chief Executive  
Date: 21st May 2019

The financial statements on pages 2 to 53 were approved by the Board on 21 May 2019 and signed on its behalf by:-

Chief Executive:



Date: 21 May 2019

## Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation Reserve	Financial Assets Reserve*	Other reserves	Merger Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2018 - brought forward</b>	<b>88,754</b>	<b>35,614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(360)</b>	<b>124,008</b>
Impact of implementing IFRS 15 on 1 April 2018	0	0	0	0	0	0	0
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	0	0	0	0
Retained surplus for the year	0	0	0	0	0	4,004	4,004
Transfers by absorption: transfers between reserves	0	0	0	0	0	0	0
Transfer from Revaluation Reserve to Income and Expenditure Reserve for impairments arising from consumption of economic benefits	0	0	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0	0	0
Impairments (note 8)	0	(4,219)	0	0	0	0	(4,219)
Revaluations (note 17)	0	581	0	0	0	0	581
Transfer to retained earnings on disposal of assets	0	0	0	0	0	0	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0	0
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0	0	0	0	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	0	0	0	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0	0	0
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	0	0	0	0
Public dividend capital received	490	0	0	0	0	0	490
Public dividend capital repaid	0	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2019</b>	<b>89,244</b>	<b>31,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,644</b>	<b>124,864</b>

\* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for Sale Investment Reserve' is now renamed as the 'Financial Assets Reserve'

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

	Public dividend capital	Revaluation Reserve	Financial Assets Reserve*	Other reserves	Merger Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>88,754</b>	<b>30,962</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,841</b>	<b>123,557</b>
Retained deficit for the year	0	0	0	0	0	(4,295)	(4,295)
Transfers by absorption: transfers between reserves	0	0	0	0	0	0	0
Transfer from Revaluation Reserve to Income and Expenditure Reserve for impairments arising from consumption of economic benefits	0	0	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0	0	0
Impairments	0	(7,619)	0	0	0	0	(7,619)
Revaluations	0	12,365	0	0	0	0	12,365
Transfer to retained earnings on disposal of assets	0	(94)	0	0	0	94	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0	0
Fair value gains/(losses) on available-for-sale financial investments	0	0	0	0	0	0	0
Recycling gains/(losses) on available-for-sale financial investments	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI	0	0	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0	0	0
liability/asset	0	0	0	0	0	0	0
Public dividend capital received	0	0	0	0	0	0	0
Public dividend capital repaid	0	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2018</b>	<b>88,754</b>	<b>35,614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(360)</b>	<b>124,008</b>

### 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.

#### Financial Assets Reserve / Available-for-Sale Investment Reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition

#### Income and Expenditure Reserve

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



# Statement of Cash Flows for the Year ended 31 March 2019

		31 March 2019 £000	31 March 2018 £000
	Note		
<b>Cash flows from operating activities</b>			
Operating surplus		9,324	1,023
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	7	4,315	4,298
Net impairments	8	517	9,018
Income recognised in respect of capital donations	18	(39)	0
Amortisation of PFI deferred credit		0	0
Non-cash movements in on-SoFP pension liability		0	0
(Increase) / decrease in receivables and other assets		(6,135)	217
(Increase)/decrease in inventories		(24)	21
Increase / (decrease) in payables and other liabilities		(116)	5,226
Increase / (decrease) in provisions		(656)	(2,727)
Tax (paid) / received		0	0
Operating cash flows from discontinued operations		0	0
Other movements in operating cash flows		0	0
<b>Net cash generated from / (used in) operating activities</b>		<b>7,186</b>	<b>17,076</b>
<b>Cash flows from investing activities</b>			
Interest received		356	158
Purchase and sale of financial assets / investments		0	0
Purchase of intangible assets		(670)	(685)
Sales of intangible assets		0	0
Purchase of property, plant, equipment and investment property		(3,402)	(3,403)
Sales of property, plant, equipment and investment property		0	115
Receipt of cash donations to purchase capital assets		39	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
<b>Net cash generated from / (used in) investing activities</b>		<b>(3,677)</b>	<b>(3,815)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		490	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		(514)	(490)
Interest on loans		0	(7)
Other interest		0	0
Interest paid on finance lease liabilities		0	0
Interest paid on PFI, LIFT and other service concession obligations		(3,604)	(3,495)
PDC dividend paid		(2,022)	(1,962)
Financing cash flows of discontinued operations		0	0
Cash flows from other financing activities		0	0
<b>Net cash generated from / (used in) financing activities</b>		<b>(5,650)</b>	<b>(5,954)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(2,141)</b>	<b>7,307</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>57,564</b>	<b>50,257</b>
Prior period adjustments		0	0
<b>Cash and cash equivalents at 1 April - restated</b>		<b>57,564</b>	<b>50,257</b>
Net increase/ (decrease) in cash and cash equivalents		(2,141)	7,307
Cash and cash equivalents transferred under absorption accounting	46	0	0
Unrealised gains / (losses) on foreign exchange		0	0
<b>Cash and cash equivalents at 31 March</b>	28.1	<b>55,423</b>	<b>57,564</b>

## **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 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to 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.

These accounts have been prepared on a going concern basis.

The level of financial risks associated with the 2019/20 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 judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- 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 34.
- 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 2019 by the Trust's appointed valuer - Cushman and Wakefield. The revaluations undertaken in 2018/19 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 £998,000 on the value of the Trust's asset base.

##### **Note 1.2.2 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.

The Trust has no Associates.

###### **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 1.3 Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the standard: applying the standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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

Payment terms commence on satisfaction of the related performance obligations.

#### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

#### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

#### **Note 1.3.1 Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. No grants were received in 2018/19.

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 1.3.2 Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

### **Note 1.4 Expenditure on employee benefits**

#### **Short-term employee benefits**

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

#### **Pension costs**

##### **NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### **Note 1.5 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and 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 1.6 Property, plant and equipment**

### **Note 1.6.1 Recognition**

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably;
- The item has cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control;
- IT hardware is considered interdependent if it is attached to a network and will be capitalised.

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

### **Note 1.6.2 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.

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

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

#### **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 1.6.3 De-recognition**

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

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

#### **Note 1.6.4 Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

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 1.6.5 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 element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

#### Note 1.6.6 Useful 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	43
Dwellings	26	26
Plant and machinery	0	19
Transport equipment	0	10
Information technology	0	5
Furniture and fittings	0	10

Land is assumed to have an infinite 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 1.7 Intangible assets

##### Note 1.7.1 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; and
- 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 1.7.2 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".

##### Amortisation

Intangible assets are amortised over their expected useful lives on a straight line basis 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 1.7.3 Useful economic life 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 1.8 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 1.9 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 1.10 Financial assets and financial liabilities****Note 1.10.1 Recognition**

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

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

**Note 1.10.2 Classification and measurement**

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

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

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

**Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

**Impairment of financial assets**

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

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses.

The impairments are based on historic data regarding debt collection periods, separately analysed by customer type, and contemporary information about levels of risk in specific cases. Contracts with other NHS bodies are not deemed to be external contracts, therefore no debt impairment is recognised for the related debts.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

**Note 1.10.3 Derecognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

**Note 1.11 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 1.11.1 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 1.11.2 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 1.12 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions are discounted using HM Treasury's post-employment benefits discount rate of 0.29% (2017/18: 0.10%) 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 0.76% (2017/18: negative 2.42%) for expected cash flows up to and including 5 years;
- A medium term rate of 1.14% (2017/18: negative 1.85%) for expected cash flows over 5 years up to and including 10 years;
- A long term rate of 1.99% (2017/18: negative 1.56%) 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**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 34.2 but is not recognised in the Trust's accounts.

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 when the liability arises.



**Note 1.13 Contingencies**

A contingent asset (disclosed in note 35) 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 35) 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 1.14 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 1.15 Value added tax**

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

**Note 1.16 Corporation tax**

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

**Note 1.17 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 28.2 to the accounts.

**Note 1.18 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 Trust's 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 1.19 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 1.20 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 1.21 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

**Note 1.22 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 FRoM, and are therefore not applicable to this Trust in 2018/19.

**IFRS 16 Leases**

Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FRoM: early adoption is not therefore permitted. The financial impact of the new standard is not yet quantifiable. It is anticipated that the new standard will result in the recognition of more leases, which will create more assets as a result of right of use assets. Bringing these on to the balance sheet will have the effect of increasing the net assets.

## 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. 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 £97,352,000, Warwickshire North Clinical Commissioning Group £18,625,000, South Warwickshire Clinical Commissioning Group £27,712,000 and NHS England £29,137,000 this represents 83% of the Trust's 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 2019 is shown in the table below:-

Service	2018/19 £000	2017/18 * restated £000
Acute services	50,224	48,872
Child and family services	22,233	23,270
Integrated community services	59,597	66,176
Director of operations	13,802	14,298
<b>Total patient services</b>	<b>145,856</b>	<b>152,616</b>
Corporate services	24,185	19,573
Trustwide operational services	0	0
Estates and Facilities	19,773	18,643
IT services	5,444	6,222
CIP Unallocated	(2,220)	0
Reserves and capital charges	5,843	6,605
Public Dividend Capital (PDC)	2,071	2,062
<b>Total expenditure</b>	<b>200,952</b>	<b>205,721</b>
<b>Total income</b>	<b>(208,722)</b>	<b>(213,700)</b>
<b>Operating surplus before interest</b>	<b>(7,770)</b>	<b>(7,979)</b>

	2018/19 £000	2017/18 £000
Operating surplus before interest	(7,770)	(7,979)
Interest payable	3,604	3,508
Interest receivable	(355)	(165)
(Profit)/loss on disposal	0	(87)
Impairment on revaluation	517	9,018
<b>Retained (surplus)/deficit for the year</b>	<b>(4,004)</b>	<b>4,295</b>

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

\* Income analysis for 2017/18 has been re-stated to reflect the current management structure and provide comparative figures.

**Note 3 Operating income from patient care activities**

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

**Note 3.1 Income from patient care activities (by nature)**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Mental health services</b>		
Cost and volume contract income	3,765	3,544
Block contract income	132,094	130,618
Clinical partnerships providing mandatory services (including S75 agreements)	0	0
Clinical income for the secondary commissioning of mandatory services	0	0
Other clinical income from mandatory services	0	0
<b>Community services</b>		
Community services income from clinical commissioning groups and NHS England	45,785	48,567
Income from other sources (e.g. local authorities)	8,724	11,484
<b>All services</b>		
Private patient income	0	0
Agenda for Change pay award central funding	2,509	0
Other clinical income	0	0
<b>Total income from activities</b>	<b>192,877</b>	<b>194,213</b>

**Note 3.2 Income from patient care activities (by source)****Income from patient care activities received from:**

	<b>31 March 2019 £000</b>	31 March 2018 £000
NHS England	25,110	24,361
Clinical commissioning groups	148,704	154,093
Department of Health and Social Care	2,509	0
Other NHS providers	2,657	425
NHS other	0	0
Local authorities	13,138	14,641
Non-NHS: private patients	0	0
Non-NHS: overseas patients (chargeable to patient)	0	0
Injury cost recovery scheme	0	0
Non NHS: other	759	693
<b>Total income from activities</b>	<b>192,877</b>	<b>194,213</b>
<b>Of which:</b>		
Related to continuing operations	192,877	194,213
Related to discontinued operations	0	0



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

	<b>31 March 2019 £000</b>	31 March 2018 £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**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Other operating income from contracts with customers:</b>		
Research and development (contract)	491	496
Education and training (excluding notional apprenticeship levy income)	6,282	6,428
Non-patient care services to other bodies	649	709
Provider sustainability / sustainability and transformation fund income (PSF / STF)	3,761	3,308
Income in respect of employee benefits accounted on a gross basis	1,724	1,150
Other contract income*	2,250	7,007
<b>Other non-contract operating income</b>		
Research and development (non-contract)	0	0
Education and training - notional income from apprenticeship fund	263	34
Receipt of capital grants and donations	39	0
Charitable and other contributions to expenditure	32	6
Support from the Department of Health and Social Care for mergers	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	354	349
Amortisation of PFI deferred income / credits	0	0
Other non-contract income	0	0
<b>Total other operating income</b>	<b>15,845</b>	<b>19,487</b>
<b>Of which:</b>		
Related to continuing operations	15,845	19,487
Related to discontinued operations	0	0

\*Other Income for 2017/18 included one-off amounts of £4,847,000 relating to compensation and rebates received in year. There are no material amounts in 2018/19.

**Note 5 Additional information on revenue from contracts with customers recognised in the period****31 March 2019****£000**

Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	<b>89</b>
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	<b>0</b>

**Note 5.1 Transaction price allocated to remaining performance obligations****31 March 2019****£000**

Revenue from existing contracts allocated to remaining performance obligations and is expected to be recognised:	
Within one year	<b>90</b>
After one year, not later than five years	<b>0</b>
After five years	<b>0</b>
<b>Total revenue allocated to remaining performance obligations</b>	<b>90</b>

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

**Note 6 Fees and charges**

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	<b>31 March 2019</b>	31 March 2018
	<b>£000</b>	£000
Income	<b>0</b>	0
Full cost	<b>0</b>	0
<b>Surplus / (deficit)</b>	<b>0</b>	0

## Note 7 Operating expenses

	31 March 2019 £000	31 March 2018 £000
Purchase of healthcare from NHS and Department of Health and Social Care bodies	231	465
Purchase of healthcare from non-NHS and non-Department of Health and Social Care bodies	1,008	598
Purchase of social care	0	0
Staff and executive directors costs	150,748	151,123
Remuneration of non-executive directors	82	82
Supplies and services - clinical (excluding drugs costs)	6,567	7,569
Supplies and services - general	2,810	2,548
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	6,456	7,194
Inventories written down	0	0
Consultancy costs	192	88
Establishment	2,210	3,328
Premises	9,488	10,423
Transport (including patient travel)	2,844	3,098
Depreciation of property, plant and equipment	3,750	3,805
Amortisation of intangible assets	565	493
Net impairments	517	9,018
Movement in credit loss allowance: contract receivables / contract assets	102	0
Movement in credit loss allowance: all other receivables and investments	0	(79)
Increase/(decrease) in other provisions	(266)	411
Change in provisions discount rate(s)	0	0
Audit fees payable to the external auditor:-		
Audit services- statutory audit	63	64
Other auditor remuneration (external auditor only)	13	12
Internal audit costs	171	172
Clinical negligence	909	714
Legal fees	1,044	961
Insurance	60	55
Research and development	413	503
Education and training	796	608
Rentals under operating leases	4,001	5,099
Early retirements	0	0
Redundancy	50	349
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,826	1,766
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	0	0
Car parking and security	164	146
Hospitality	26	37
Losses, ex gratia and special payments	18	12
Grossing up consortium arrangements	0	0
Other services, e.g. external payroll	193	204
Other	2,347	1,811
<b>Total</b>	<b>199,398</b>	<b>212,677</b>
<b>Of which:</b>		
Related to continuing operations	199,398	212,677
Related to discontinued operations	0	0
	<b>2018/19 £000</b>	<b>2017/18 £000</b>
Other expenditure relates to:		
Provisions and stock movements	124	429
Risk share - Coventry & Rugby CCG/Warwickshire North CCG	874	1043
Risk share - South Warwickshire CCG	500	500
Risk share - Out Of Hospital	508	0
Miscellaneous expenditure	341	(161)
	<b>2,347</b>	<b>1,811</b>



## Note 7.1 Other auditor remuneration

	31 March 2019 £000	31 March 2018 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
Audit-related assurance services	13	12
<b>Total</b>	<b>13</b>	<b>12</b>

## Note 7.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work carried out for the financial years 2018/19 and 2017/18 was £1 million.

## Note 8 Impairment of assets

	31 March 2019 £000	31 March 2018 £000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	517	8,935
Other	0	83
<b>Total net impairments charged to operating surplus / deficit</b>	<b>517</b>	<b>9,018</b>
Impairments charged to the Revaluation Reserve	4,219	7,619
<b>Total net impairments</b>	<b>4,736</b>	<b>16,637</b>

The Trust had an optimised MEA valuation carried out on the 31 March 2019, which applied to all land and property held by the Trust, in accordance with IAS 16.

Impairments are lower this year due to last year being the first optimised MEA valuation which resulted in large impairments in 2017/18

The Trust's MEA valuation identified £4,736,000 (31 March 2018 £16,637,000) impairment of assets, of which £517,000 (£8,935,000 in 2017/18) related to changes in market price and was charged to the Statement of Comprehensive Income (SoCI) as an operating expense and £4,219,000 (£7,619,000 in 2017/18) was charged to the Revaluation Reserve.

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

	SoCI £	Reserves £
<b>2018/19</b>		
1 Tuxford, total of £308,719 charged to:	145,056	163,663
3 Tuxford, total of £328,770 charged to:	105,542	223,228
St Michaels Main Block, total of £138,034 charged to:	0	138,034
Caludon Centre, total of £3,100,220 charged to:	0	3,100,220
Locke House, The Railings total of £409,966 charged to:	0	409,966
	<b>250,598</b>	<b>4,035,111</b>

**Note 9 Employee benefits**

	<b>31 March 2019 £000</b>	31 March 2018 £000
Salaries and wages	<b>106,314</b>	108,042
Social security costs	<b>9,199</b>	9,468
Apprenticeship levy	<b>502</b>	512
Employer's contributions to NHS pensions	<b>13,676</b>	13,971
Pension cost - other	<b>11</b>	5
Other post-employment benefits	<b>0</b>	0
Other employment benefits	<b>0</b>	0
Termination benefits	<b>0</b>	349
Temporary staff (including agency)	<b>21,603</b>	19,649
<b>Total gross staff costs</b>	<b>151,305</b>	151,996
Recoveries in respect of seconded staff	<b>0</b>	0
<b>Total staff costs</b>	<b>151,305</b>	151,996
<b>Of which</b>		
Employee costs capitalised as part of assets	<b>110</b>	88

**Note 9.1 Retirements due to ill-health**

During 2018/19 there were 2 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £99,000 (£394,000 in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority Pensions Division.

#### **Note 10 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](http://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 the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the 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 recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid scheme regulations confirming that the employer contribution rate will increase to 20.6% in 2019/20 (from 14.0% in 2018/19) of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

##### **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 2018/19, the Trust paid over £11,096 in NEST employer contributions (£4,522 in 2017/18).



## Note 11 Operating leases

### Note 11.1 Coventry and Warwickshire Partnership NHS Trust as a lessor

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

Rental revenue relates to income received for the following premises:-

- Mulberry Crèche
- 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

	31 March 2019 £000	31 March 2018 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	354	349
Contingent rent	0	0
Other	0	0
<b>Total</b>	<b>354</b>	<b>349</b>
	31 March 2019 £000	31 March 2018 £000
<b>Future minimum lease receipts due:</b>		
- Not later than one year	36	79
- Later than one year and not later than five years	0	36
- Later than five years	0	0
<b>Total</b>	<b>36</b>	<b>115</b>

### Note 11.2 Coventry and Warwickshire Partnership NHS Trust as a lessee

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

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 (£583) (standard length of lease is three years).
- Fleet vehicles £114,038 (standard length of lease is three or four years).
- Equipment rentals (£26,682) (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 £2,195,632 (lease remains with NHS Property Services and is recharged, occupation is aligned with commissioned service provision).

Paybody Unit, Coventry £214,887 (lease remains with NHS Property Services and is recharged, occupation is aligned with commissioned service provision).

Stratford Healthcare, Stratford £666,457 building 2 (30 year lease cancellable in 2031).

Longford Resource Centre, Coventry £249,810 (lease remains with NHS Property Services and is recharged).

Tile Hill Health Centre, Coventry £338,632 (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 2019 £000	31 March 2018 £000			
<b>Operating lease expense</b>					
Minimum lease payments	3,938	4,528			
Contingent rents	63	571			
Less sublease payments received	0	0			
<b>Total</b>	<b>4,001</b>	<b>5,099</b>			
	Land £000	Buildings £000	Other £000	31 March 2019 £000	31 March 2018 £000
<b>Future minimum lease payments due:</b>					
- Not later than one year;	0	4203	154	4,357	5,005
- Later than one year and not later than five years;	0	2643	277	2,920	3,322
- Later than five years.	0	3862	0	3,862	6,214
<b>Total</b>	<b>0</b>	<b>10,708</b>	<b>431</b>	<b>11,139</b>	<b>14,541</b>
Total future minimum sublease payments to be received				(36)	(78)

**Note 12 Finance income**

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

	31 March 2019 £000	31 March 2018 £000
Interest on bank accounts	24	22
Interest income on finance leases	0	0
Interest on other investments / financial assets	331	143
Other finance income	0	0
<b>Total finance income</b>	<b>355</b>	<b>165</b>

**Note 13 Finance expenditure**

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

	31 March 2019 £000	31 March 2018 £000
<b>Interest expense:</b>		
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	2,181	2,219
Contingent finance costs on PFI and LIFT scheme obligations	1,423	1,276
<b>Total interest expense</b>	<b>3,604</b>	<b>3,495</b>
Unwinding of discount on provisions	0	6
Other finance costs	0	7
<b>Total finance costs</b>	<b>3,604</b>	<b>3,508</b>

**Note 13.1 The Late Payment of Commercial Debts (interest) Act 1998 / Public Contract Regulations 2015**

The Trust did not pay any amounts relating to the Late Payment of Commercial Debts (interest) Act 1998/Public Contract Regulations 2015.

**Note 14 Other gains and losses**

	31 March 2019 £000	31 March 2018 £000
Gains on disposal of assets	0	87
Losses on disposal of assets	0	0
<b>Total gains / (losses) on disposal of assets</b>	<b>0</b>	<b>87</b>
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
<b>Total other gains / (losses)</b>	<b>0</b>	<b>87</b>

**Note 15 Discontinued operations**

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

**Note 16 Intangible assets - 2018/19**

	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
<b>Valuation / gross cost at 1 April 2018 - brought forward</b>	<b>3,504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,504</b>
Transfers by absorption	0	0	0	0	0	0	0	0	0	0
Additions	261	0	0	0	0	0	0	96	0	357
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	(379)	0	0	0	0	0	0	0	0	(379)
<b>Valuation / gross cost at 31 March 2019</b>	<b>3,386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>3,482</b>
<b>Amortisation at 1 April 2018 - brought forward</b>	<b>1,921</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,921</b>
Transfers by absorption	0	0	0	0	0	0	0	0	0	0
Provided during the year	565	0	0	0	0	0	0	0	0	565
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	(379)	0	0	0	0	0	0	0	0	(379)
<b>Amortisation at 31 March 2019</b>	<b>2,107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,107</b>
<b>Net book value at 31 March 2019</b>	<b>1,279</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>0</b>	<b>1,375</b>
<b>Net book value at 1 April 2018</b>	<b>1,583</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,583</b>

**Additions to assets under construction in 2018/19**

	£000
Intangibles	96
<b>Total additions</b>	<b>96</b>



Note 16.1 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 - as previously stated	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)
Valuation / gross cost at 31 March 2018	<u>3,504</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,504</u>
Amortisation at 1 April 2017 - as previously stated	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	<u>1,921</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,921</u>
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

Additions to assets under construction in 2017/18

	£000
Intangibles	0
Total additions	<u>0</u>

**Note 17 Property, plant and equipment - 2018/19**

	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
<b>Valuation/gross cost at 1 April 2018 - brought forward</b>	20,406	84,758	95	592	2,642	70	5,570	996	115,129
Transfers by absorption	0	0	0	0	0	0	0	0	0
Additions	0	722	0	876	185	165	1,111	16	3,075
Impairments	0	(4,736)	0	0	0	0	0	0	(4,736)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,909)	0	0	0	0	0	0	(1,909)
Reclassifications	0	535	0	(869)	48	0	286	0	0
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	0
Disposals / derecognition	0	0	0	0	(8)	0	(99)	(13)	(120)
<b>Valuation/gross cost at 31 March 2019</b>	<b>20,406</b>	<b>79,370</b>	<b>95</b>	<b>599</b>	<b>2,867</b>	<b>235</b>	<b>6,868</b>	<b>999</b>	<b>111,439</b>
<b>Accumulated depreciation at 1 April 2018 - brought forward</b>	0	99	0	0	1,750	68	2,979	902	5,798
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	0	2,508	4	0	169	2	1,033	34	3,750
Impairments	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,486)	(4)	0	0	0	0	0	(2,490)
Reclassifications	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
Disposals / derecognition	0	0	0	0	(8)	0	(99)	(13)	(120)
<b>Accumulated depreciation at 31 March 2019</b>	<b>0</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>1,911</b>	<b>70</b>	<b>3,913</b>	<b>923</b>	<b>6,938</b>
<b>Net book value at 31 March 2019</b>	<b>20,406</b>	<b>79,249</b>	<b>95</b>	<b>599</b>	<b>956</b>	<b>165</b>	<b>2,955</b>	<b>76</b>	<b>104,501</b>
<b>Net book value at 1 April 2018</b>	<b>20,406</b>	<b>84,659</b>	<b>95</b>	<b>592</b>	<b>892</b>	<b>2</b>	<b>2,591</b>	<b>94</b>	<b>109,331</b>

**Revaluation Reserve balance for property, plant and equipment - 2018/19**

	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
<b>At 1 April 2018</b>	3,819	31,637	88	0	47	1	0	22	35,614
Movements	0	(3,641)	3	0	0	0	0	0	(3,638)
<b>At 31 March 2019</b>	<b>3,819</b>	<b>27,996</b>	<b>91</b>	<b>0</b>	<b>47</b>	<b>1</b>	<b>0</b>	<b>22</b>	<b>31,976</b>
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	0	578	3	0	0	0	0	0	581
Impairments	0	(4,219)	0	0	0	0	0	0	(4,219)
Transfers on disposal to retained earnings	0	0	0	0	0	0	0	0	0
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
	<b>0</b>	<b>(3,641)</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,638)</b>

**Additions to assets under construction in 2018/19**

	£000
Land	0
Buildings excluding dwellings	655
Dwellings	0
Plant and machinery	16
Information Technology	205
<b>Total additions</b>	<b>876</b>

**Note 17.1 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 - as previously stated	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 - as previously stated	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)
	<u>2,282</u>	<u>2,370</u>	<u>10</u>	<u>0</u>	<u>(10)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,652</u>

Additions to assets under construction in 2017/18

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

**Note 17.2 Property, plant and equipment financing - 2018/19**

	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
<b>Net book value at 31 March 2019</b>									
Owned - purchased	20,406	52,890	95	599	912	165	2,955	76	78,098
Finance leased	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts and other service concession arrangements	0	26,284	0	0	0	0	0	0	26,284
PFI residual interests	0	0	0	0	0	0	0	0	0
Owned - government granted	0	75	0	0	44	0	0	0	119
Owned - donated	0	0	0	0	0	0	0	0	0
<b>Net book value total at 31 March 2019</b>	<b>20,406</b>	<b>79,249</b>	<b>95</b>	<b>599</b>	<b>956</b>	<b>165</b>	<b>2,955</b>	<b>76</b>	<b>104,501</b>

**Note 17.3 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
<b>Net book value at 31 March 2018</b>									
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
<b>Net book value total at 31 March 2018</b>	<b>20,406</b>	<b>84,659</b>	<b>95</b>	<b>592</b>	<b>892</b>	<b>2</b>	<b>2,591</b>	<b>94</b>	<b>109,331</b>

**Note 18 Donations of property, plant and equipment**

In 2018/19 the Trust received two donations: £15,000 towards works at The Birches park home and £24,000 towards playground equipment at Gramer House

**Note 19 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 Red Book. In particular, we have assessed the existing use value of the property for the purpose of their business for inclusion in financial statements in owner occupation in accordance with UK VPGA 6. Under these provisions "existing use value" is defined as: "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 104 with the supplementary commentary which is included in UK VPGA 6

**Fair value - IFRS**

The value of held for sale property has been assessed in accordance with the relevant parts of the current RICS valuation – global standards. We have assessed the fair value as referred to in VPS4 item 7 of the RICS red book. Under these provisions, the term "fair value" means the definition adopted by the International Accounting Standards Board ("IASB") in IFRS 13, namely "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.

An IFRS compliant revaluation was undertaken in March 2019 by independent valuers, Mr D Wilson (MRICS) and J Crawford (MRICS). The revaluation was applied to all land and buildings. The full impact of this change is detailed in note 17 and impairment analysed in note 8.

The valuations were undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 2014 UK Edition.

Where depreciated replacement cost (DRC) has been used, it is confirmed that the valuer has had regard to the RICS UKGN2, titled depreciated replacement cost (DRC) method of valuation for financial reporting, as supplemented by HM Treasury guidance.

The valuation figures supplied for operational assets are apportioned between land, buildings and, where appropriate, external works.

Unless otherwise stated, the assumption has been made that the properties valued will continue to be in the occupation of the NHS for the foreseeable future.



In order to meet the underlying objectives established by HM Treasury and the Department of Health and Social Care for capital accounting and the capital charges system, the following variations from the RICS valuation standards have been required and agreed;

- (a) For assets valued using depreciated replacement cost, the replacement cost figures include VAT and professional fees but exclude finance charges, with an "instant building" being assumed.
- (b) The valuation figures reflect physical obsolescence and have been reduced to reflect functional obsolescence.

For non-specialised operational assets, the basis used for the valuation for financial accounting purposes under IAS 16 is fair value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation. This can be equated with existing use value (EUV).

Where a non-specialised operational property is valued to fair value reflecting the market value assuming continuance of existing use, the total value has been apportioned between the residual amount (the land) and the depreciable amount (the building) and a remaining life provided for the building.

It should be noted that the use of the term "existing use value" in regard to the valuation of non-specialised operational assets is consistent with those set out in the RICS valuation standards, subject to the additional special assumption that;

- (a) No adjustment has been made on the grounds of a hypothetical "flooding of the market" if a number of properties were to be marketed simultaneously.

The value of non-specialised operational assets held by the Trust as at 31 March 2019 is £3,205,572 (31 March 2018 is £3,331,392).

For specialised operational assets, if there is no market-based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business, fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use.

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the depreciated replacement cost approach, have been valued on a modern equivalent asset basis.

The land has been valued assuming the benefit of planning permission for development for a use, or a range of uses, prevailing in the vicinity of the actual site. In these circumstances, the market value for the existing use of the land has been arrived at having regard to the cost of purchasing a notional replacement site in the same locality that would be equally suitable for the existing use and of the same size, with normally the same physical and locational characteristics as the actual site, other than characteristics of the actual site that are irrelevant, or of no value, to the existing use.

The value of specialised operational assets held by the Trust as at 31 March 2019 is £96,184,760 (31 March 2018 is £101,108,806).

Non-operational assets, including surplus land, are valued on the basis of market value, making the assumption that the property is no longer required for existing operations, which have ceased.

It should be noted that the use of the term "market value" in regard to the valuation of non-operational assets is consistent with those set out in the RICS valuation standards, subject to the additional special assumptions that;

- (a) No adjustment has been made on the grounds of a hypothetical "flooding of the market" if a number of properties were to be marketed simultaneously;
- (b) The NHS is assumed not to be in the market for the property interest;
- (c) Regard has been had to appropriate lotting to achieve the best price.

The value of non-operational assets held by the Trust as at 31 March 2019 is nil (31 March 2018 is nil).

This represents the range of the remaining economic lives of assets used by the Trust.

The range of asset lives has changed due to additions and disposals of assets during the year. Useful economic lives of buildings and dwellings were reviewed as part of the revaluation undertaken by the valuer.

#### **Note 20 Investment properties**

Coventry and Warwickshire Partnership NHS Trust does not have any investment properties to disclose.

#### **Note 21 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 22 Other investments / financial assets (non-current)**

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

## Note 23 Disclosure of interests in other entities

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

## Note 24 Inventories

	Drugs	Consumables	Work in progress	Energy	Loan equipment	Other	Total	Of which held at net
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 April 2018</b>	<b>0</b>	<b>256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256</b>	<b>0</b>
Additions	0	280	0	0	0	0	280	0
Inventories recognised as an expense in the period	0	(256)	0	0	0	0	(256)	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
<b>Balance at 31 March 2019</b>	<b>0</b>	<b>280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>280</b>	<b>0</b>
	£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
<b>Balance at 31 March 2018</b>	<b>0</b>	<b>256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256</b>	<b>0</b>

Inventories recognised in expenses for the year were £256,000 (2017/18: £277,000). Write-down of inventories recognised as expenses for the year were £0 (2017/18: £0).

## Note 25 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Contract receivables*	13,167	
Trade receivables*		4,656
Capital receivables (including accrued capital related income)	0	0
Accrued income*		2,365
Allowance for impaired contract receivables / assets*	(212)	0
Allowance for other impaired receivables	0	(117)
Deposits and advances	2	2
Prepayments (non-PFI)	1,231	1,364
PFI prepayments - capital contributions	0	0
PFI lifecycle prepayments	0	0
Interest receivable	6	7
Finance lease receivables	0	0
PDC dividend receivable	0	18
VAT receivable	469	249
Corporation and other taxes receivable	0	0
Other receivables	6	9
<b>Total current trade and other receivables</b>	<b>14,669</b>	<b>8,553</b>
<b>Non-current</b>		
<b>Total non-current trade and other receivables</b>	<b>0</b>	<b>0</b>
<b>Of which receivables from NHS and Department of Health and Social Care group bodies:</b>		
Current	9,692	5,345
Non-current	0	0

\*Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

**Note 25.1 Allowances for credit losses - 2018/19**

	Contract receivables and contract assets	All other receivables
	£000	£000
<b>Allowances as at 1 April 2018 - brought forward</b>	<b>117</b>	<b>0</b>
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	0	0
Transfers by absorption	0	0
New allowances arising	102	0
Changes in existing allowances	0	0
Reversals of allowances	0	0
Utilisation of allowances (write offs)	(7)	0
Changes arising following modification of contractual cash flows	0	0
Foreign exchange and other changes	0	0
<b>Allowances as at 31 March 2019</b>	<b>212</b>	<b>0</b>

Following the implementation of IFRS 9, the Trust is required to provide for expected credit losses. The Trust uses a five step provision matrix to calculate this. This involves grouping receivables of similar risk profiles and calculating the expected credit losses based on historical loss rates for these risk profiles. Any forward-looking macro-economic factors are also considered when calculating these losses.

The current credit loss allowance at the year end is £212,000, based on the new methodology. This represents a net movement of £95,000 from the provision based on the previous standard at the 31st March 2018, which is considered to be immaterial. There are currently no macro-economic factors affecting these calculations.

**Note 25.2 Allowances for credit losses - 2017/18**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption, as a result it differs in format to the current period disclosure.

	All receivables
	£000
Allowances as at 1 April 2017 - as previously stated	200
Transfers by absorption	0
Increase in provision	85
Amounts utilised	(4)
Unused amounts reversed	(164)
Allowances as at 31 March 2018	117



## Note 25.3 Exposure to credit risk

	31 March 2019		31 March 2018	
	Trade and other receivables	Investments and other financial assets	Trade and other receivables	Investments and other financial assets
	£000	£000	£000	£000
<b>Ageing of impaired financial assets</b>				
0 - 30 days	139	0	9	0
30 - 60 days	1	0	9	0
60 - 90 days	0	0	9	0
90 - 180 days	1	0	20	0
Over 180 days	71	0	70	0
<b>Total</b>	<b>212</b>	<b>0</b>	<b>117</b>	<b>0</b>
<b>Ageing of non-impaired financial assets past their due date</b>				
0 - 30 days	1,685	0	980	0
30 - 60 days	215	0	443	0
60 - 90 days	197	0	16	0
90 - 180 days	773	0	24	0
Over 180 days	660	0	71	0
<b>Total</b>	<b>3,530</b>	<b>0</b>	<b>1,534</b>	<b>0</b>

The factors determining receivables being impaired include historic data on debt collection periods, combined with relevant up-to-date information specific to the debtor. 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 26 Other assets

	31 March 2019	31 March 2018
	£000	£000
<b>Current</b>		
EU emissions trading scheme allowance	0	0
Other assets	0	0
<b>Total other current assets</b>	<b>0</b>	<b>0</b>
<b>Non-current</b>		
Net defined benefit pension scheme asset	0	0
Other assets	0	0
<b>Total other non-current assets</b>	<b>0</b>	<b>0</b>

## Note 27 Non-current assets held for sale and assets in disposal groups

	31 March 2019	31 March 2018
	£000	£000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>281</b>	<b>0</b>
Transfers by absorption	0	0
Assets classified as available for sale in the year	0	281
Assets sold in year	0	0
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
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<b>281</b>	<b>281</b>

The Trust did not reclassify any assets as held for sale in 2018/19.

The asset classed as held for sale, Oliver House, is a non residential property. The sale of Oliver House was originally expected in 2018/19. As a result of delays related to planning permission, the capital receipt is now forecast to be received in 2019/20.

**Note 27.1 Liabilities in disposal groups**

The Trust had no liabilities in disposal groups.

**Note 28 Cash and cash equivalents movements****Note 28.1 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.

	<b>31 March 2019</b>	31 March 2018
	<b>£000</b>	£0
<b>At 1 April</b>	<b>57,564</b>	50,257
Net change in year	<b>(2,141)</b>	7,307
<b>At 31 March</b>	<b>55,423</b>	57,564
<b>Broken down into:</b>		
Cash at commercial banks and in hand	<b>51</b>	54
Cash with the Government Banking Service	<b>55,367</b>	57,505
Deposits with the National Loans Fund	<b>0</b>	0
Other current investments	<b>5</b>	5
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>55,423</b>	57,564
Bank overdrafts (GBS and commercial banks)	<b>0</b>	0
Drawdown in committed facility	<b>0</b>	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>55,423</b>	57,564

**Note 28.2 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.

	<b>31 March 2019</b>	31 March 2018
	<b>£000</b>	£000
Bank balances	<b>186</b>	137
Monies on deposit	<b>0</b>	0
<b>Total third party assets</b>	<b>186</b>	137

**Note 29 Trade and other payables**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Current</b>		
Trade payables	11,305	11,750
Capital payables	1,145	1,785
Accruals	5,973	6,470
Receipts in advance (including payments on account)	11	11
Social security costs	1,364	1,437
VAT payables	0	0
Other taxes payable	1,031	1,080
PDC dividend payable	31	0
Accrued interest on loans*	0	0
Other payables	60	0
<b>Total current trade and other payables</b>	<b>20,920</b>	<b>22,533</b>
<b>Non-current</b>		
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
<b>Total non-current trade and other payables</b>	<b>0</b>	<b>0</b>
<b>Of which payables from NHS and Department of Health and Social Care group bodies:</b>		
Current	8,619	7,555
Non-current	0	0

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

**Note 29.1 Early retirements in NHS payables above**

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

	<b>31 March 2019 £000</b>	<b>31 March 2019 Number</b>	31 March 2018 £000	31 March 2018 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	1,815	0	1,874	0

**Note 30 Other financial liabilities**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Current</b>		
Derivatives held at fair value through income and expenditure	0	0
Other financial liabilities	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Non-current</b>		
Derivatives held at fair value through income and expenditure	0	0
Other financial liabilities	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note 31 Other liabilities**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Current</b>		
Deferred income: contract liabilities *	988	100
Deferred grants	0	0
PFI deferred income / credits	0	0
Lease incentives	0	0
Other deferred income	0	0
<b>Total other current liabilities</b>	<b>988</b>	<b>100</b>
<b>Non-current</b>		
Deferred income: contract liabilities	0	0
Deferred grants	0	0
PFI deferred income / credits	0	0
Lease incentives	0	0
Other deferred income	0	0
Net pension scheme liability	0	0
<b>Total other non-current liabilities</b>	<b>0</b>	<b>0</b>

\* The increase in the level of deferred income is the result of the Trust receiving more funding in advance of need. Where the funder is an NHS body, the deferral is formalised through the agreement of balances process.

**Note 32 Borrowings**

	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Current</b>		
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)	538	514
<b>Total current borrowings</b>	<b>538</b>	<b>514</b>
<b>Non-current</b>		
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	27,315	27,853
<b>Total non-current borrowings</b>	<b>27,315</b>	<b>27,853</b>



**Note 32.1 Reconciliation of liabilities arising from financing activities**

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2018</b>	0	0	0	28,367	28,367
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	0	0	0	(514)	(514)
Financing cash flows - payments of interest	0	0	0	(2,181)	(2,181)
<b>Non-cash movements:</b>					
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	0	0
Transfers by absorption	0	0	0	0	0
Additions	0	0	0	0	0
Application of effective interest rate	0	0	0	2,181	2,181
Change in effective interest rate	0	0	0	0	0
Changes in fair value	0	0	0	0	0
Other changes	0	0	0	0	0
<b>Carrying value at 31 March 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,853</b>	<b>27,853</b>

**Note 33 Finance leases****Note 33.1 Coventry and Warwickshire Partnership NHS Trust as a lessor**

Coventry and Warwickshire Partnership NHS Trust had no finance lease obligations in 2018/19 as a Lessor.

**Note 33.2 Coventry and Warwickshire Partnership NHS Trust as a lessee**

Coventry and Warwickshire Partnership NHS Trust had no finance lease obligations in 2018/19 as a Lessee.

## Note 34 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Pensions: injury benefits	Legal claims	Restructuring	Equal pay (including agenda for change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2018</b>	0	0	139	644	0	0	1,777	2,560
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	0	0	88	46	0	0	686	820
Utilised during the year	0	0	(47)	(317)	0	0	(93)	(457)
Reclassified to liabilities held in disposal groups	0	0	0	0	0	0	0	0
Reversed unused	0	0	(54)	(339)	0	0	(626)	(1,019)
Unwinding of discount	0	0	0	0	0	0	0	0
<b>At 31 March 2019</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>1,744</b>	<b>1,904</b>
<b>Expected timing of cash flows:</b>								
- Not later than one year;	0	0	126	34	0	0	527	687
- Later than one year and not later than five years;	0	0	0	0	0	0	1,217	1,217
- Later than five years.	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>1,744</b>	<b>1,904</b>

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 for 2018/19.

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 relate to: The Programme Management Office and Integrated Neighbourhood Team

The main other provisions relate to :-

£1,281,000 relating to property dilapidations.

£331,000 relating to five potential employment tribunals

£88,000 relating to legal costs regarding potential negligence cases.

#### Note 34.1 Clinical negligence liabilities

At 31 March 2019, £17,668,000 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Coventry and Warwickshire Partnership NHS Trust (31 March 2018: £18,138,000).

#### Note 35 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(106)	(111)
Employment Tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
<b>Gross value of contingent liabilities</b>	<b>(106)</b>	<b>(111)</b>
Amounts recoverable against liabilities	0	0
<b>Net value of contingent liabilities</b>	<b>(106)</b>	<b>(111)</b>
<b>Net value of contingent assets</b>	<b>0</b>	<b>0</b>

The Trust has a contingent liability at 31 March 2019 of £105,890 (31 March 2018 £111,424) 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 Resolution with no element of reimbursement.

#### Note 36 Contractual capital commitments

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

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	86	126
Intangible assets	35	0
<b>Total</b>	<b>121</b>	<b>126</b>

#### Note 37 Other financial commitments

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

#### Note 38 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 39 On-SoFP PFI, LIFT or other service concession arrangements

### Note 39.1 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 2019 £000	31 March 2018 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>61,381</b>	64,076
<b>Of which liabilities are due</b>		
- Not later than one year;	2,679	2,695
- Later than one year and not later than five years;	10,400	10,572
- Later than five years.	48,302	50,809
Finance charges allocated to future periods	(33,528)	(35,709)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>27,853</b>	28,367
- Not later than one year;	538	514
- Later than one year and not later than five years;	2,269	2,266
- Later than five years.	25,046	25,587
<b>Total</b>	<b>27,853</b>	28,367

### Note 39.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2019 £000	31 March 2018 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	192,289	194,116
<b>Of which liabilities are due:</b>		
- Not later than one year;	5,948	5,704
- Later than one year and not later than five years;	25,656	24,515
- Later than five years.	160,685	163,897

### Note 39.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	31 March 2019 £000	31 March 2018 £000
Unitary payment payable to service concession operator	5,963	5,751
<b>Consisting of:</b>		
- Interest charge	2,181	2,219
- Repayment of finance lease liability	514	490
- Service element and other charges to operating expenditure	1,826	1,766
- Capital lifecycle maintenance	19	0
- Revenue lifecycle maintenance	0	0
- Contingent rent	1,423	1,276
- 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
<b>Total amount paid to service concession operator</b>	<b>5,963</b>	5,751

### Note 40 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.

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 2019 of £26.2 million (31 March 2018 £30.2 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 41 Financial instruments**

### **Note 41.1 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.

The majority of the Trust's financial assets relate either to cash or to money due from other NHS organisations. Other NHS organisations are extremely unlikely to default on payments, and the Trust can only invest its cash deposits within a strict investment policy. The Trust's investments are limited to the Government's National Loans Fund. Consequently there are no transactions involving hedging, foreign currency or other investments prone to market fluctuations. There is therefore no material exposure to credit, market or liquidity risks as detailed further below.

#### **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 2019 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 is 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 majority of the Trust's contracts are on a block basis, the Trust has no significant risk due to price changes. The only identified potential credit risk is with regard to the ageing of impaired receivables per note 25.1.

#### Note 41.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively at 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost	Assets at fair value through the profit and loss	Available for sale	Total book value
	£000	£000	£000	£000
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>				
Trade and other receivables excluding non-financial assets	12,955	0	0	12,955
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand	55,423	0	0	55,423
<b>Total at 31 March 2019</b>	<b>68,378</b>	<b>0</b>	<b>0</b>	<b>68,378</b>

	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
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>					
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
<b>Total at 31 March 2018</b>	<b>64,486</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,486</b>

#### Note 41.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively at 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

The Trust's financial liabilities are generally of a short-term and uncomplicated nature which are not particularly influenced by external factors. The Trust updates a long term financial plan every year, which includes a detailed cash flow forecast, and the figures are reviewed on a monthly basis. The Trust has a substantial level of available cash and there is no reason to assume that the Trust will be unable to pay its suppliers, employees and finance costs. There are therefore no material liquidity risks.

	Held at amortised cost	Liabilities at fair value through profit and loss	Total book value
	£000	£000	£000
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>			
Loans from the Department of Health and Social Care	0	0	0
Obligations under finance leases	0	0	0
Obligations under PFI, LIFT and other service concession contracts	27,853	0	27,853
Other borrowings	0	0	0
Trade and other payables excluding non-financial liabilities	17,527	0	17,527
Other financial liabilities	0	0	0
Provisions under contract	0	0	0
<b>Total at 31 March 2019</b>	<b>45,380</b>	<b>0</b>	<b>45,380</b>
	Other financial liabilities	Liabilities at fair value through profit and loss	Total book value
	£000	£000	£000
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>			
Loans from the Department of Health and Social Care	0	0	0
Obligations under finance leases	0	0	0
Obligations under PFI, LIFT and other service concession contracts	28,367	0	28,367
Other borrowings	0	0	0
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
<b>Total at 31 March 2018</b>	<b>48,377</b>	<b>0</b>	<b>48,377</b>



**Note 41.4 Fair values of financial assets and liabilities**

The carrying value of financial assets and liabilities recognised in the balance sheet are considered to be a reasonable approximation of fair value.

**Note 41.5 Maturity of financial liabilities**

	<b>31 March 2019 £000</b>	31 March 2018 £000
In one year or less	<b>18,065</b>	20,524
In more than one year but not more than two years	<b>557</b>	538
In more than two years but not more than five years	<b>1,712</b>	1,728
In more than five years	<b>25,046</b>	25,587
<b>Total</b>	<b>45,380</b>	48,377

## Note 42 Losses and special payments

	2018/19		2017/18	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash losses	2	0	2	0
Fruitless payments	5	11	0	0
Bad debts and claims abandoned	37	7	25	4
Stores losses and damage to property	2	1	4	8
<b>Total losses</b>	<b>46</b>	<b>19</b>	<b>31</b>	<b>12</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	3	1	2	10
Extra-contractual payments	0	0	0	0
Ex-gratia payments	31	5	28	4
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
<b>Total special payments</b>	<b>34</b>	<b>6</b>	<b>30</b>	<b>14</b>
<b>Total losses and special payments</b>	<b>80</b>	<b>25</b>	<b>61</b>	<b>26</b>
Compensation payments received		0		0

## Note 43 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 2018/19. These did not exceed £300,000.

**Note 44 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application to be recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £0, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0 decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to injury cost recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £0.

**Note 44.1 Initial application of IFRS 15**

IFRS 15 revenue from contracts with customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application to be recognised as an adjustment to the Income and Expenditure Reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Based on an analysis of the contractual income of the Trust, the impact for the Trust of the application of this standard is not material.

#### Note 45 Related parties

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

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 2019. These are agreed with the relevant organisation as part of the NHS agreement of balances exercise.

	2018/19			
	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	89	666	0
Birmingham and Solihull Clinical Commissioning Group *	0	310	5,538	0
Community Health Partnerships	177	0	0	3,114
Coventry and Rugby Clinical Commissioning Group	1,963	2,058	97,352	1,244
Coventry City Council	279	2,083	7,828	539
Health Education England	16	33	6,365	13
HM Revenue and Customs	2,395	469	119	9,701
National Health Service Pension Scheme	1,855	0	0	13,676
NHS England Core	352	2,638	3,761	251
NHS Professionals	2,174	134	0	22,419
NHS Property Services	2,154	143	116	1,238
NHS Resolution (formerly NHS Litigation Authority)	1	0	0	892
NHSE - North Midlands Local Office	0	0	670	0
NHSE - South West North Local Office **	0	227	988	0
NHSE - West Midlands Local Office	11	755	5,142	0
NHSE - West Midlands Specialised Commissioning Hub	973	1,044	18,576	0
South Warwickshire Clinical Commissioning Group	1,427	132	27,712	500
South Warwickshire NHS Foundation Trust	659	1,508	2,707	807
University Hospitals Coventry and Warwickshire NHS Trust	1,034	57	149	2,752
Warwickshire North Clinical Commissioning Group	137	148	18,625	137
Warwickshire County Council	85	542	5,457	204

\* Birmingham and Solihull CCG created after merger of Birmingham South and Central CCG, Solihull CCG and Birmingham Crosscity CCG

\*\* NHSE South Central Local Office now part of NHSE South West (North)

	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
Solihull South and Central Clinical Commissioning Group	0	0	10	0
Solihull Clinical Commissioning Group	0	61	5,341	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
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



There are a number of charitable funds relating to Trust services, which are held and managed by University Hospitals Coventry and Warwickshire (UHCW). These total less than £500,000 and are not included in the table above.

**Note 46 Transfers by absorption**

Coventry and Warwickshire Partnership NHS Trust had no transfers by absorption to disclose.

**Note 47 Prior period adjustments**

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

**Note 48 Events after the reporting date**

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

**Note 49 Better Payment Practice Code**

	31 March 2019 Number	31 March 2019 £000	31 March 2018 Number	31 March 2018 £000
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	15,169	68,689	16,503	66,298
Total non-NHS trade invoices paid within target	13,960	65,853	14,823	62,055
Percentage of non-NHS trade invoices paid within target	92.0%	95.9%	89.8%	93.6%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	605	11,037	622	9,389
Total NHS trade invoices paid within target	449	8,502	523	8,392
Percentage of NHS trade invoices paid within target	74.2%	77.0%	84.1%	89.4%

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 50 External financing**

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

	31 March 2019 £000	31 March 2018 £000
Cash flow financing	2,117	(7,797)
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	2,117	(7,797)
External financing limit (EFL)	2,269	(2,662)
<b>Underspend against external financing limit</b>	<b>152</b>	<b>5,135</b>

**Note 51 Capital resource limit**

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

	31 March 2019 £000	31 March 2018 £000
Gross capital expenditure	3,432	3,585
Less: book value of assets disposed of	0	(28)
Less: donated and granted capital additions	(39)	0
Plus: loss on disposal from capital grants in kind	0	0
<b>Charge against capital resource limit</b>	<b>3,393</b>	<b>3,557</b>
Capital resource limit	3,503	3,581
<b>Under spend against CRL</b>	<b>110</b>	<b>24</b>

**Note 52 Breakeven duty financial performance**

	31 March 2019 £000	31 March 2018 £000
Adjusted financial performance surplus (control total basis)	4,495	4,678
Remove impairments scoring to Departmental Expenditure Limit	0	0
Add back non-cash element of On-SoFP pension scheme charges	0	58
IFRIC 12 breakeven adjustment	493	526
<b>Breakeven duty financial performance surplus</b>	<b>4,988</b>	<b>5,262</b>

**Note 53 Breakeven duty rolling assessment**

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£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	208,722
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)	4,004
Adjustment for:											
Timing/non-cash impacting distortions:	0	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	0
Prior period adjustments	0	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	517
grants assets	0	0	0	61	16	6	9	7	15	13	(26)
under IFRIC12*	0	12,338	(56)	20	93	61	195	287	306	526	493
Absorption accounting adjustment	0	0	0	0	0	0	0	0	0	0	0
Other agreed adjustments	0	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	4,988
Breakeven duty cumulative position	2,343	6,033	8,969	13,558	20,259	27,057	30,435	34,308	40,380	45,642	50,630
<hr/>											
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%	24.26%
<hr/>											
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%	2.39%

\* 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.