NHS

Leicestershire Partnership NHS Trust

Annual Report 2018/19

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The 2018-19 Audited Annual Accounts and Annual Governance Statement are presented in a separate supporting document to this Annual Report as Appendix A and B.

Our performance report

Welcome from our Chief Executive and Chair

We are proud to introduce Leicestershire Partnership NHS Trust (LPT) and our vision: **"Providing high quality, integrated physical and mental health care pathways"**

Running throughout everything we do is our four values of how we treat each other and our patients, service users and others: with compassion, respect, trust and integrity.

We have four overarching strategic objectives:-

- Deliver safe, effective, patient centred care
- Partner with others to deliver the right care in the right place at the right time
- Staff will be proud to work here, and we will attract and retain the best people
- Ensure sustainability

External scrutiny of our services is important in helping us achieve the high standards of patient care that we aspire to and in November 2018 the Care Quality Commission (CQC) assessed five of our services. Their findings were a fair judgement of the pace of our improvement journey as a Trust. Our overall rating remains as 'requires improvement'. Eight of our 15 services are now rated as good, five as requires improvement and two as inadequate.

We are pleased that the CQC recognised improvement in our mental health services for older people, which was given an improved rating of 'good'. It was disappointing to receive ratings of inadequate for our acute adult mental health services and our rehabilitation services. We acknowledge that there are improvements to be made, in areas including the quality of our buildings and the environments in which we provide care, to ensure they are as safe as possible. The safety of our patients is paramount and we have already begun to increase pace and take urgent action to implement further improvements. This includes addressing waiting times, particularly in our CAMHS services, improving seclusion practices, medicines management, support with our no smoking policy and ensuring patients are involved in their care plans.

We have also been undertaking significant transformation work, including our all age transformation of mental health and learning disability services, our CAMHS improvement programme and community health services redesign. Their aim is to improve the way we deliver care for a better experience for all.

Some of our highlights over the last year include the securing of £460,000 from NHS England to double the size of our specialist perinatal mental health service; the 20th anniversary of our Diana Children's Community Service for children with life-limiting or end of life conditions; and receiving the Royal College of Psychiatrists prestigious accreditation for two older people's wards at the Bennion Centre. We have also received awards for various innovations including the use of remote monitoring technology to help improve the health of patients with chronic lung conditions; and a national award for developing an

innovative wound care technique. We are proud of the care and commitment our staff show every day to improving our services.

As a Trust Board, we have developed a set of key priorities based on the feedback we have received and things we know we must deliver over the next year, so that everyone is clearer about our vision and direction of travel, and where we all need to focus our time and energy.

WeAreLPT
compassion respect
integrity trust

Our Vision
"Providing high quality integrated physical and mental health care"

Our Priorities
STEP up to GREAT
S High Standards
T Transformation
E Environments
P Patient Involvement
G Well-governed
R Single Patient Record
E Equality, Leadership, Culture
A Access to Services
T Trustwide Quality Improvement

Our Objectives
Safety
Partnerships
Staff
Sustainability

Our Values
Compassion
Respect
Integrity
Trust

NHS
Leicestershire Partnership
NHS Trust

Our 'Step up to Great' priorities focus on delivering high standards of care, transforming our services, having safe, clean environments, involving our patients, being well-governed and sustainable, bringing together a single electronic patient record, improving access to our services and having a trust wide approach to quality improvement. Running throughout this is the importance of getting our culture, leadership and inclusion right, so that all our staff have an equal chance to grow, develop and contribute. These priorities will be the focus of the Trust Board and Executive Directors over the coming year.

This is alongside balancing our top risks as a Trust, which are around financial sustainability, the recruitment and retention of staff, demand and capacity pressures in our acute mental health pathway and the need to reduce out of area placements, and to have robust information systems to monitor our progress.

The NHS Ten Year Plan published at the end of last year, talks about the importance of mental health and community services, and of the importance of primary care being at the centre of the NHS. We need to respond by improving our offer and linking more closely to primary care. Connected to this will be a new workforce strategy later this year, outlining

how we are to fill vacancies and new roles, and how we will invest in training to make sure that we have enough staff to deliver the services we want to provide over the coming years.

We are responding to this as a local health and social care system, by producing a plan by Autumn, in line with our new contracts: about how we are going to develop more integrated locality based offers, and how we are going to develop our community services and mental health services to respond to those increasing demands, working closely with GPs and social care colleagues.

Finally, the Summary Financial Accounts for 2018/19 are presented with this Annual Report in Appendix A and we are pleased to confirm we achieved all our statutory and planned financial duties. In the current context of NHS finances, this is an excellent achievement and we would like to thank all our teams. With the support of £2.3m provider sustainability funding (PSF) from NHS Improvement our planned revenue surplus of £3.3m was delivered and as a result of this the Trust received incentive PSF of £2.244m. This funding was included in our final out-turn of £5.525m surplus (excluding impairments and other technical adjustments).

Thank you to all of our staff and volunteers, and to those service users and stakeholders who have contributed their thoughts and reflections on our services this year. As we celebrated 70 years of the NHS in 2018, we are firmly committed to listening to each other and working together to ensure our NHS continues to remain fit for the future.

Dr Peter Miller,

Chief Executive

Cathy Ellis,

Chair of LPT

About Us

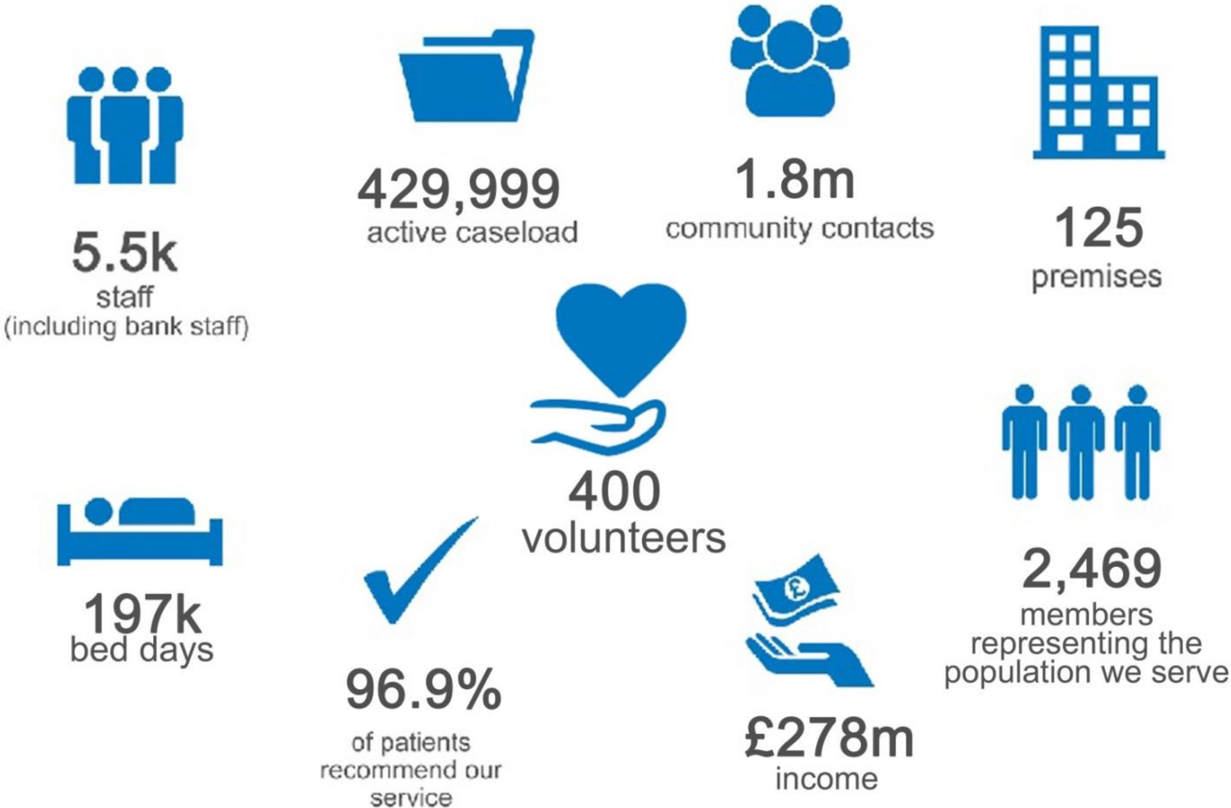
In April 2011, mental health and learning disability services in Leicester, Leicestershire and Rutland were brought together with local community services and families, children and young people's services to create Leicestershire Partnership NHS Trust as we know it today.

We provide community health and mental health support to over 1 million people living in Leicester, Leicestershire and Rutland. Our services touch lives from cradle to grave (from health visiting to end of life care), from head to foot (from mental health to podiatry) and everything in between.

We have 5,500 staff who provide this care through three clinical directorates:

- Adult mental health and learning disability services
- Families, children and young people's services
- Community health services

Their work would not be possible without our enabling and corporate services staff, alongside our hosted service providers and 400 volunteers. During 2018/19 we provided and/or subcontracted 102 NHS services. Mental health and learning disabilities account for 59 services and 43 were for community health services.



Our population and the community we serve

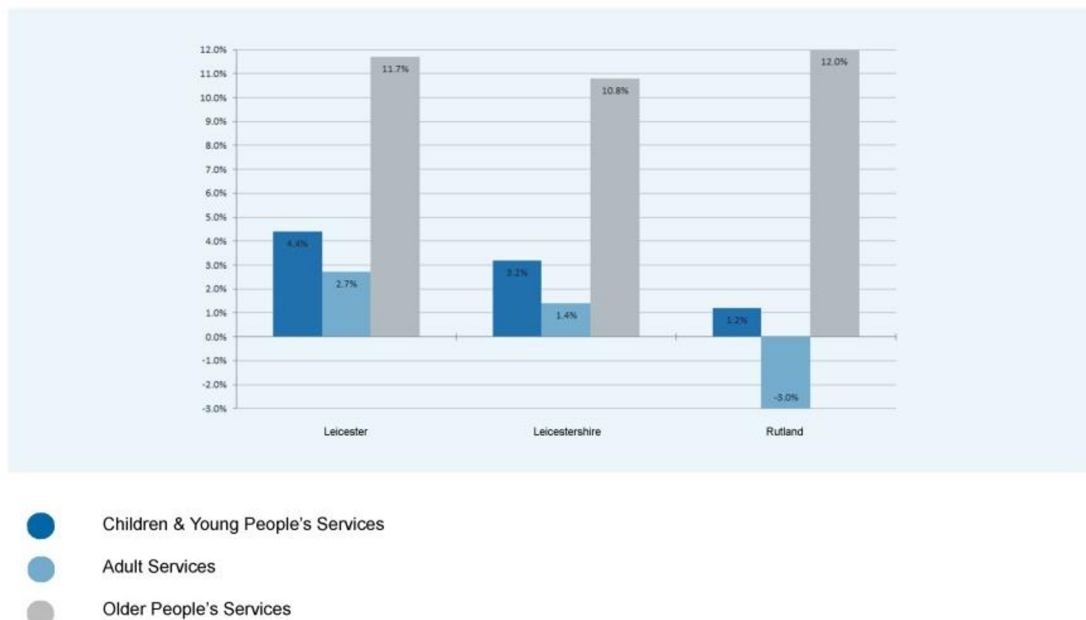
Our Trust provides a range of community and mental health services from many different locations across the Leicester, Leicestershire and Rutland ('LLR') region, including hospitals, longer term recovery units, outpatient clinics, day services, GP surgeries, children's centres, schools, health centres, people's own homes, and care homes.

The population of LLR is currently estimated to be just over 1 million according to 2016 Public Health Report meaning that LPT serves more people than the average community and mental health NHS Trust.

Just under two thirds of the population live in Leicestershire County, and just under one-third living in Leicester City. The balance of approximately four per cent of the population lives in Rutland. A number of services are also provided to service users from wider geographical areas, primarily areas of the East Midlands adjacent to Leicestershire, for example our Adult Eating Disorders and Huntington's Disease Services

Demographics

Five Year Population Growth and Demand Forecast



Our services are designed and delivered to meet the diverse needs of the area. Leicester is a diverse city, with a significant numbers of residents of south Asian Eastern European

and Somalian origin. There is also a growing younger population in both Leicester and Leicestershire.

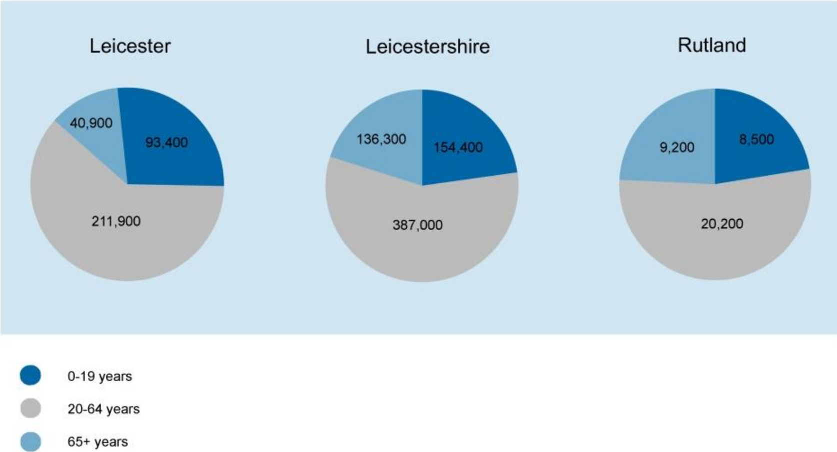
Over the next five years, demand for children's services in the region is forecast to increase by 4.4% in Leicester City, by 3.2% in Leicestershire and by 1.2% in Rutland. The demand for older people's services is likely to grow more significantly – up 11.7% in Leicester City, up 10.8% in Leicestershire and up 12% in Rutland. A rise of 1.7% is predicted for adult services.

JSNA Health Needs Assessments (2016 Public Health Report)

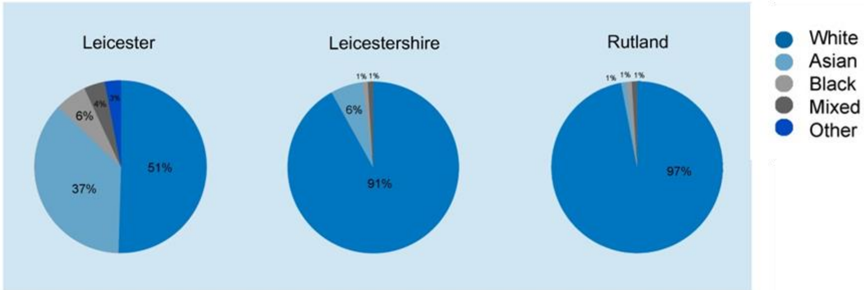
Area	Leicester	Leicestershire	Rutland
1st Priority	Giving children the best start in life	Tackling wider determinants of health by influencing others	Giving children the best start in life
2nd Priority	Reducing early deaths and health inequalities	Getting it right from childhood	Enabling people to take responsibility for their health
3rd Priority	Improving mental health and well-being	Improving mental health and wellbeing, and services for people with learning disabilities	Helping people to live longer and healthier lives

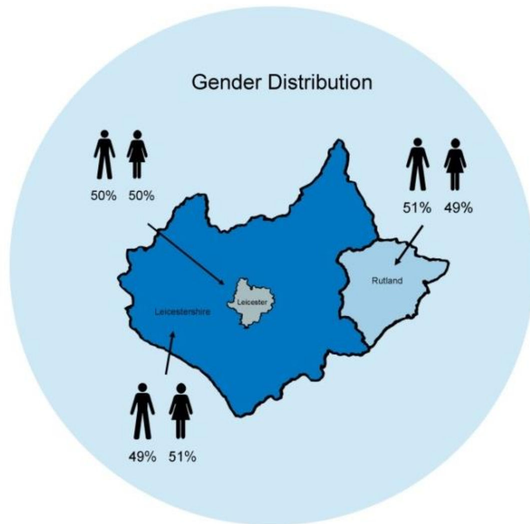
Demographics of the population we serve

Age Distribution



Ethnicity





Our local health economy

The Trust operates in a mixed health economy comprising NHS acute and community trusts, local authorities, independent and third sector providers. This requires a considered, proactive engagement model which allows for collaboration and competition, sometimes between the same organisations.

Key collaborators and competitors include:

- University Hospitals of Leicester (UHL)
- Neighbouring acute, community and mental health trusts
- NHS trusts with national ambitions
- Private sector providers
- Third sector organisations

Our commissioners

- Leicester City CCG
- West Leicestershire CCG
- East Leicestershire & Rutland CCG.
- Leicester, Leicestershire and Rutland councils
- NNS England

The three CCGs accounted for the majority of our health care revenues in 2018-19, with the balance from other commissioners including NHS England, local authorities, out-of-area commissioners and University Hospitals of Leicester.

Sustainability and Transformation Partnership – Better care together

We are a partner of Better Care Together (BCT), our local NHS sustainability and transformation partnership (STP). Together we want to ensure we deliver the best care for local people, whilst remaining clinically and financial sustainable in the face of increasing demand. Key priorities for our local STP plan are:

- Keep more people well and out of hospital
- More care closer to home
- Improving care in a crisis
- High quality specialist care (including mental health, learning disabilities, dementia, and children and young people)

What is integrated care?
It is about operating at three different levels of 'place'

Level	Population Size	Purpose
Neighbourhood (Health Needs Neighbourhood and Localities)	30,000 to 50,000	• Deliver high quality primary care • Proactive care via integrated locality teams for defined populations and cohorts • Asset based community development to support health, wellbeing and prevention
Place (Leicester City, Leicestershire County and Rutland)	37,000 to 610,000	• Based on upper tier authority boundaries • Delivery of specialised based integrated community services, including social care • Delivery of reablement, rehabilitation and recovery services • Prevention services at scale
System (Leicester, Leicestershire and Rutland)	1,000,000+	• System strategy, planning and implementation • Work across the system on specialist areas such as cancer, mental health and urgent care • Make best use of all our combined assets including staff and buildings • Manage performance and system finances • Establish a system framework for prevention

For more information, visit www.bettercare.leicester.nhs.uk

Our year in review (performance summary)

All Age Transformation of mental health and learning disability services

Overview

We are undertaking a five-year Transformation Programme of our mental health and learning disability services. The programme involves building on the things we are doing well and redesigning the things that need improvement. We want to add value to service users, remove the things that get in the way of care and make the processes and systems work well. The ultimate aim of the programme is to have all our mental health and learning disability services delivering excellent, high-quality integrated care and a better experience for all.

We are extremely grateful to the hundreds of staff, service users, carers and stakeholders who have already been involved in the programme. We're absolutely committed to ensuring people have the opportunity to learn more about the programme at every stage and feel they're able to contribute in some way.

The journey so far

We are now more than 18 months into the programme and it has been a very busy year! Between March and April 2018, the Transformation Team facilitated four week-long workshops around access, assessment, treatment and discharge. Hundreds of people – including staff, service users, carers and stakeholders - got involved across the four weeks and more than 50 different features were developed as a result.

Some of the transformation's key features are soon to be trialled in our Trust, including:

- New peer support worker roles
- Better information and support for frontline workers on supporting other needs (e.g. benefits, housing, etc.).

At the end of May 2019 we will be moving into stage 4 of the programme – testing and publishing. This phase is about testing the newly co-designed model against the likely demand, the amount of resource available and different scenarios. It will also see more engagement with staff and the public and trials of different changes.

In the autumn, we will move into stage 5 of the programme – phased implementation - that will continue to 2022. Visit www.leicspart.nhs.uk/AllAgeTransformation for more details.

Adult Mental Health and Learning Disability Services

Our inpatient adult mental health services include recovery-focused general psychiatric care and psychiatric intensive care and care in a low secure environment. In the community, we provide general and forensic community mental health teams, crisis intervention, assertive outreach, psychological and personality disorder therapies, perinatal mental health care, care for people with Huntington's Disease and a psychiatric liaison service. We also provide a criminal liaison and diversion service working closely with partners within the justice system. Adults with a learning disability can access support from multi-disciplinary community based teams, inpatient treatment and short-break services.

Community welcome for people with learning disabilities

April 2018 saw the launch of a 'Safe, Well, Happy' group in Charnwood for people with learning disabilities.

This was the third Safe Well, Happy group launched through a multi-agency partnership of individuals and health, charity, church and community organisations to create safe, welcoming places for people with learning disabilities in the heart of their local community. The groups provide the chance for people to meet up, make new friends, try new activities and learn about keeping safe and well.

In February 2019 supermarket giant Waitrose, through its Community Matters scheme, donated £400 to Charnwood group, which now meets in a new venue - the Old School House in Quorn.

Anyone with a learning disability is welcome to go along to group meetings with their friends and family, for free activities. Sessions are also open to anyone interested in making the community a better place for people with learning disabilities.

Recovery College 'at forefront' of mental health recovery

Leicestershire Recovery College, which provides free courses for people with experience of mental illness, was hailed as being 'at the forefront of a global wave' that could transform mental health recovery. That's according to Mike Slade, chair of the European Network for Mental Health Service. Professor Slade, *Professor* of Mental Health Recovery and Social Inclusion at University of Nottingham was guest speaker at a special Recovery College celebration event for tutors, volunteers and partners. He worked with the college as part of a one-year pilot study called RECOLLECT, and shared key findings from the project with the audience.

Recovery College co-manager Kate Hamill said: “Thanks to our supporters we can celebrate how the college is making a difference to people’s lives, as the evidence from the research study and a Trust evaluation of our work last year also confirms.”

Arts roadshow celebrates NHS 70-year history

A unique arts exhibition of work celebrating the NHS at 70 was unveiled at Attenborough Arts Centre before embarking on a county-wide NHS roadshow.

The work was created by mental health service user artists who attend the ArtSpace arts project, delivered by LPT in collaboration with BrightSparks: Arts in Mental Health Group. Paintings, sketches and poetry feature among more than 60 pieces of work created with participatory artist Scott Bridgwood.

The art was displayed as a ‘walk-round timeline’ celebrating key highlights of the 70-year NHS story. The roadshow moved on to the Bradgate Unit, Westcotes Health Centre, with a satellite exhibition at the Evington Centre before transferring to UHL as a permanent exhibition in March 2019.

Tim Sayers, one of LPT’s arts in mental health co-ordinators, said: “We’re proud of the quality of the work on display and the positive perception of mental health that the exhibition will inspire in visitors at different venues.”

Perinatal service secures £460,000 to expand service

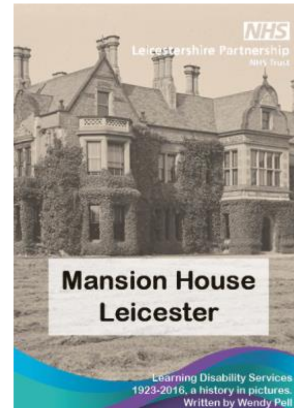
Our specialist perinatal mental health service successfully secured £460,000 from NHS England to double the size of the team. The team provides support at or close to home for more than 400 mothers a year with moderate to serious mental health needs. It also offers support for families and training for midwives and health visitors to help them identify women who need psychiatric care

The new funding came from the second wave of a £365 million national package of additional funding from NHS England to improve access to mental health care; enabling LPT to enhance the service

even further, to meet national staffing standards fully, taking the size of the team, from 9.5 to 19.75 full-time roles.

And in February 2019 the service launched the country's first dedicated mental health ChatHealth confidential text messaging service called Mum's Mind, providing specialist advice and information to support the mental health of mothers during pregnancy and baby's first year. The new service supports mothers and their families across Leicester, Leicestershire and Rutland via a dedicated text line – **07507 330 026** which operates from 9am- 4pm on weekdays.

140 years of healthcare history



Two history projects sharing milestones from Leicester's mental health and learning disabilities healthcare heritage were unveiled at the Bradgate Unit.

One showcases the 140-year history of The Towers Hospital, with a walk-through exhibition of stunning display boards, and the other takes a pictorial journey through a 100-year era of learning disabilities services at Mansion House, on the Glenfield Hospital site.

Female PICU unit marks first year

Our specialist mental health unit for women experiencing severe and complex mental illness celebrated its first birthday with a party for staff and patients. The six-bedroomed Griffin Ward provides psychiatric intensive care for women needing the highest level of psychiatric care from a multi-disciplinary team of nursing, medical, psychology and occupational therapy staff for women who would previously have had to travel to other parts of the country.

Ward sister Beth Francomb said: "For our patients, being treated near to home has allowed them to maintain contact with friends and family. It has also meant that community links and relationships with community teams have been maintained..."

Quality improvement showcased at national Royal College of Psychiatrists conference

A quality improvement programme championed in our North West Leicestershire adult community mental health team was showcased at a Royal College of Psychiatrists Conference.

Consultant psychiatrist, Prof Mohammed Al-Uzri and adult mental health and learning disabilities pharmacist Azra Sumar presented on the ‘PINMED’ project at a conference focusing on successful quality improvement work in mental health services. The PINMED tool is used to encourage shared decision making about medication between service users and healthcare professionals. Following work testing it out with patients the team was planning to look at how to incorporate PINMED into routine clinical practice.

LPT ‘psychology on streets’ aiding rough sleepers across UK

Innovative LPT work that takes psychology onto Leicester streets to support homeless people is being featured in a new national training programme.

Dr Suzanne Elliott, clinical psychologist with our homeless mental health team, was filmed with Joseph Murphy who manages Leicester City Council’s street outreach team for a free UK-wide online training programme focusing on the mental health needs of people who are sleeping rough.

Dr Elliott was invited to take part because of her involvement in Leicester’s street outreach service, which has increased the outreach support already offered by the LPT team - and her expertise in ‘psychologically informed environments’ This is an approach that helps to provide services based on a strong understanding of the psychological and social issues behind homelessness.

Through their street outreach work, Dr Elliott and LPT homeless service mental health practitioners are going out onto the streets every week with the city council’s street outreach team.

Soccer teams’ NHS donation a winner for mental wellbeing

Cricket and football players from Coalville united in a charity soccer match to raise £600 for our adult community mental health service. The players from Broomleys FC and Broomleys Cricket Club donated half the proceeds to the North West County Adult Community Mental Health Team.

Families, Young People and Children's Services

We provide universal and specialist support including child and adolescent mental health services, 0-19 public health nursing (health visiting and school nursing), paediatric medicine, nutrition and dietetics services, eating disorder services, speech and language therapy, occupational therapy and physiotherapy.

Diana 20th Anniversary Appeal

2019 marks the 20th anniversary of our Diana Children's Community Service, which was set up with money from the memorial fund of the late Princess Diana. Ahead of this, a special appeal was launched to raise money for specific resources and equipment to enhance the care the service provides throughout a child's illness and at the end of life.

Local attraction, Wistow Maze, kindly supported the appeal by displaying the appeal banners in their grounds, and by giving free tickets to seven year old service user Elliott Raynor (whose photo features on the campaign banner) and his family. Children from the Madrassah Hanif Islamic faith group made a generous donation to the appeal, and an intrepid team of runners took part in the rain-soaked 2018 Leicester half and full marathon, raising more than £7,000.

Move it Boom gets kids active once again!

We ran our successful Move it Boom initiative over summer 2018, encouraging school children to be more physically active. Pupils at the winning school, Millfield L.E.A.D Academy in Leicester, are now enjoying their prize – £1000 worth of bespoke playground equipment generously gifted by specialists Red Monkey Play, just one of a number of local sports partners to donate prizes.

During the competition, 51,926 different activities were logged via the Health for Kids website by children from 110 primary schools across Leicester, Leicestershire and Rutland. By logging the physical activities they had completed, they not only won points for their school, but had an opportunity to build and upgrade a virtual robot. The website offered lots of ideas for fun ways to get fit and healthy. The runners-up were Sacred Heart Catholic Voluntary Academy and Mayflower Primary School.

Our very own East Midlands health hero

Karen Ellames, an assistant practitioner in children's occupational therapy and physiotherapy, was named the winner of the Clinical Support Worker of the Year 2018 for the East Midlands at the national Our Health Heroes Awards, which are supported by NHS

Health Education England. The awards recognise the hard work and dedication of healthcare staff and acknowledge teams and individuals who go above and beyond and who are creative and innovative in their roles.

Karen was nominated by children's therapy team leader, Kirsty Gosling who said "Karen's so skilled at building relationships with children with challenging behaviour and complex needs, especially those who don't initially comply with therapeutic intervention. She creates games to engage them themed around their interests."

Art project brightens lives as well as walls

Between July and October 2018, ten service users being supported by the Young People's Team (part of our child and adolescent mental health service), worked with local charity Soft Touch Arts to create art work to brighten up the clinical spaces at Westcotes House in Leicester. Their work was celebrated at a special 'unveiling' event.

The Young People's Team works particularly with vulnerable young people in care and those who are involved with the youth offending service. The art works created were loosely themed around 'diversity' and 'difference'. Emily Cumberpatch, the community psychiatric nurse who co-ordinated the project said: "The young people really enjoyed getting involved. They talked about how much they valued being trusted to work on the pieces, as they don't often have the opportunity to use specialist art equipment such as spray paints and craft knives. It's had a really positive effect on their self-esteem." The project was cited by the CQC as an example of outstanding practice.

Working on Wards

Ward 3 at Coalville Community Hospital is our specialist Child and Adolescent Mental Health (CAMHS) inpatient unit which supports young people aged 13 – 18 with conditions including psychosis, depression, anxiety related disorders, behavioural disturbances, eating disorders and learning disability associated with mental health. Staff from Ward 3 have worked alongside the hospital school to set up the Working on Wards or 'WoW' project in partnership with meaningful activity co-ordinators from Wards 1 and 2. Many of the patients on these wards are older people recovering from stroke.

Through the project, the young inpatients visit the other wards for 'tea and chats', to join in with reminiscence groups or to take part in gardening activities. Danica Izycki, Ward 3 sister said: "The WoW project has really helped build the young people's confidence in relation to social anxiety. It enables them to take small steps to prepare for life after discharge from hospital. In particular, they love looking at old photos with the older patients and learning about their lives. It's often the highlight of their week."

Health fair targets families experiencing homelessness

Specialist public health nurse (health visitor) for homeless families, Maxine Jenkins, working with staff from the STAR family support team, organised a free health and wellbeing event in Leicester in January 2019 for homeless and low-income families, and for the professionals working with them.

It provided information about the range of services available locally, with a focus on improving health and wellbeing. Families fed back that it was helpful to be able to access all the information they needed in one place.

Maxine has worked as a public health nurse for homeless families for nearly 20 years. She is also a Queen's Nurse, and recently contributed to a film produced by the Queen's Nursing Institute (QNI) about this specialist role.

Breastfeeding Boost for new mums in Leicestershire

Our infant feeding team has celebrated the graduation of many more newly-trained breastfeeding peer supporters this year. These ladies are now volunteering at local breastfeeding groups 'Breast Friends' in Melton Mowbray, 'Bosom Babies' (which covers Blaby, Oadby and Wigston), 'Up Front' (which covers Hinckley and Bosworth) and 'Magic Milk' (which covers North West Leicestershire).

The volunteers have all completed our intensive training programme, which ensures they are equipped with the necessary skills and knowledge to support new mums throughout their breastfeeding journeys. Working closely with public health nursing teams, they will help to champion breastfeeding as the best choice, where possible, for parents and babies.

Our health visiting service has recently been re-accredited, and continues to hold the prestigious international UNICEF 'Baby Friendly' accreditation in recognition of high quality infant feeding support, provided as part of Healthy Together – 0-19 services for children, young people and families.

60% of local children vaccinated against flu

Our community immunisations service has worked incredibly hard in recent months to stop the flu virus in its tracks, administering the nasal flu vaccination to 60% of primary school children across Leicester, Leicestershire and Rutland, which included offering it in school to Reception age pupils.

Between October and the end of January 2019 the free nasal flu vaccination was offered to 89,821 healthy and 'at risk' children (such as those with an underlying long term condition like asthma, or a weakened immune system) across 361 schools and units in Leicester, Leicestershire and Rutland.

CAMHS improvement programme

The year-long programme of improvement within CAMHS started in May 2018, with a particular emphasis on our city and county community teams. It set out objectives in five main areas:

- Establishing a sustainable service model
- Establishing quality standards
- Making the best use of our resources
- Enabling our staff to achieve their best
- Providing suitable environments for care

Considerable work was carried out to understand the extent to which clinical capacity within the service is able to meet the needs of children and young people going forward, and to provide a detailed picture of the requirements of clinical spaces to inform future estates planning and strategy.

Improvements were made to the electronic patient record, SystmOne to support more efficient administration around appointment bookings, and to align it with new clinical pathways. New standard operating guidance has also been written, describing operational and clinical expectations for the service, to ensure greater consistency for service users.

The CAMHS community improvement programme is now being aligned with our wider All Age Transformation programme, and new improvement programmes are getting underway within the CAMHS specialist teams.

Community Health Services

Community health services, for adults and older people, include inpatient services in seven county community hospitals and the Evington Centre in the city, district nursing, community based rehabilitation and rapid response services, specialist palliative and end of life care, specialist long term condition services, adult nursing and therapy services, mental health and wellbeing services for older people, adult podiatry, speech and language therapy, occupational therapy and physiotherapy.

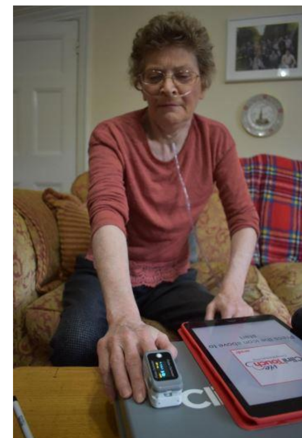
Mental health wards gain top accolade

The Royal College of Psychiatrists has awarded its prestigious accreditation to the two older people's wards at the Bennion Centre.

Staff provided evidence to demonstrate they met or exceeded 225 different standards, including having good quality information available to patients and relatives/carers about each condition and treatment option, having private areas available for patients to make phone calls or receive visits, support for their spiritual needs, and support for those detained under the Mental Health Act.

The inspectors praised special initiatives available for Bennion Centre patients. These included access to drama therapy including animal assisted therapy; having an electronic medicine administration system instead of using paper-based lists; and having dedicated ward-based pharmacy technicians.

Lung patients benefit from daily monitoring



We have launched a project using remote monitoring technology to help improve the health of patients with the lung condition COPD (chronic obstructive pulmonary disease. The joint project with Leicester-based Spirt Digital, involves providing patients with equipment which helps them monitor their condition 24/7, and gives advice on how to stay as healthy as possible.

Patients across Leicester, Leicestershire and Rutland have benefitted, and the project has saved the NHS an estimated £64,519 so far, through the reduction in emergency admissions.

Rutland palliative care suite reopens after refurbishment

In February 2019, the Karen Ball Suite at Rutland Memorial Hospital was refurbished for the first time since it opened. The £8,241 cost was met by the League of Friends at the hospital. Gates Garden Centre near Oakham, donated paintings, soft furnishings and a vase for the room.
The Karen Ball Fund charity was set up in 1988 to provide improved facilities for the care of the terminally ill in Rutland. It was named after 21-

year-old Karen, who died of cancer that year. It has since passed on responsibility for the suite, and the adjoining courtyard garden, to the league of friends.

Carla Yaxley, deputy ward sister at Rutland Memorial Hospital, said: “Having it makes a massive difference because the relatives can just go in there and spend as much time as they want with the patient.”

WI members create quilts for dementia patients

Members of Long Clawson Women’s Institute (WI) delivered 14 twiddle quilts for our dementia patients. Each one an individual creation, with brightly coloured fabric, buttons and a variety of textures, aims to sooth and stimulate dementia patients by giving them something to do with their hands.

Christine Smith, Long Clawson WI vice-president, said: “Making quilts for people with dementia fits very well with the WI’s ethos: doing something for other people in a creative way.”

‘Making Christmas Special’ for older people spending Christmas day in hospital

Age UK supporters - including some LPT staff - donated 176 presents so that every older person in our hospital beds had a present on Christmas day 2018. The generous donations covered all of our wards in community and mental health services for older people, and extended to all of University Hospitals of Leicester wards for older people as well.

Initiative keeps Hinckley patients moving

A pioneering initiative designed to keep inpatients active and motivated was extended to Hinckley and Bosworth Community Hospital in October 2018. Three Meaningful Activity Coordinators started working with patients in a variety of ways to add exercise, stimulation and fun to their days. The project is based on evidence elsewhere that shows that patients who stay active are more likely to have shorter stays in hospital, and are less likely to be readmitted later on. They are also less likely to develop painful pressure sores.

New technique helps team heal long lasting wounds

A project we have developed to heal long term wounds was highly commended in a set of international awards in May 2018. It was beaten only by entries from the USA and Austria in the Journal of Wound Care awards.

The project – or pathway – was developed by LPT's Anita Kilroy-Findley with implementation led by Vicky Forknall with medical supplies company B Braun and L&R Healthcare. It centres on wounds that have failed to heal with traditional healthcare. These can include surgical wounds, foot injuries for people with diabetes and pressure sores or ulcers, but most are leg ulcers in older people.

The project was also shortlisted in the Nursing Times Awards, under the Innovation in Chronic Wound Management category.

Elaine Liquorish is made Queen's Nurse

Nurse Elaine Liquorish was elevated to healthcare royalty in July 2018 when she was made a Queen's Nurse, an honour reserved for experienced nurses, health visitors and midwives. Elaine, who started working as a community nurse in 1994, has been a clinical education lead for seven years, developing the next generation of community nurses.

There are just 1,100 Queen's Nurses across the country. Each pledges to continue their professional development, to network with other Queen's Nurses, and to promote the work of the Queen's Nurse Institute.

600 care home staff given boost

The Integrated Care Home Training Team, part of our community mental health team, have helped train more than 600 care home staff to give better health care to their residents.

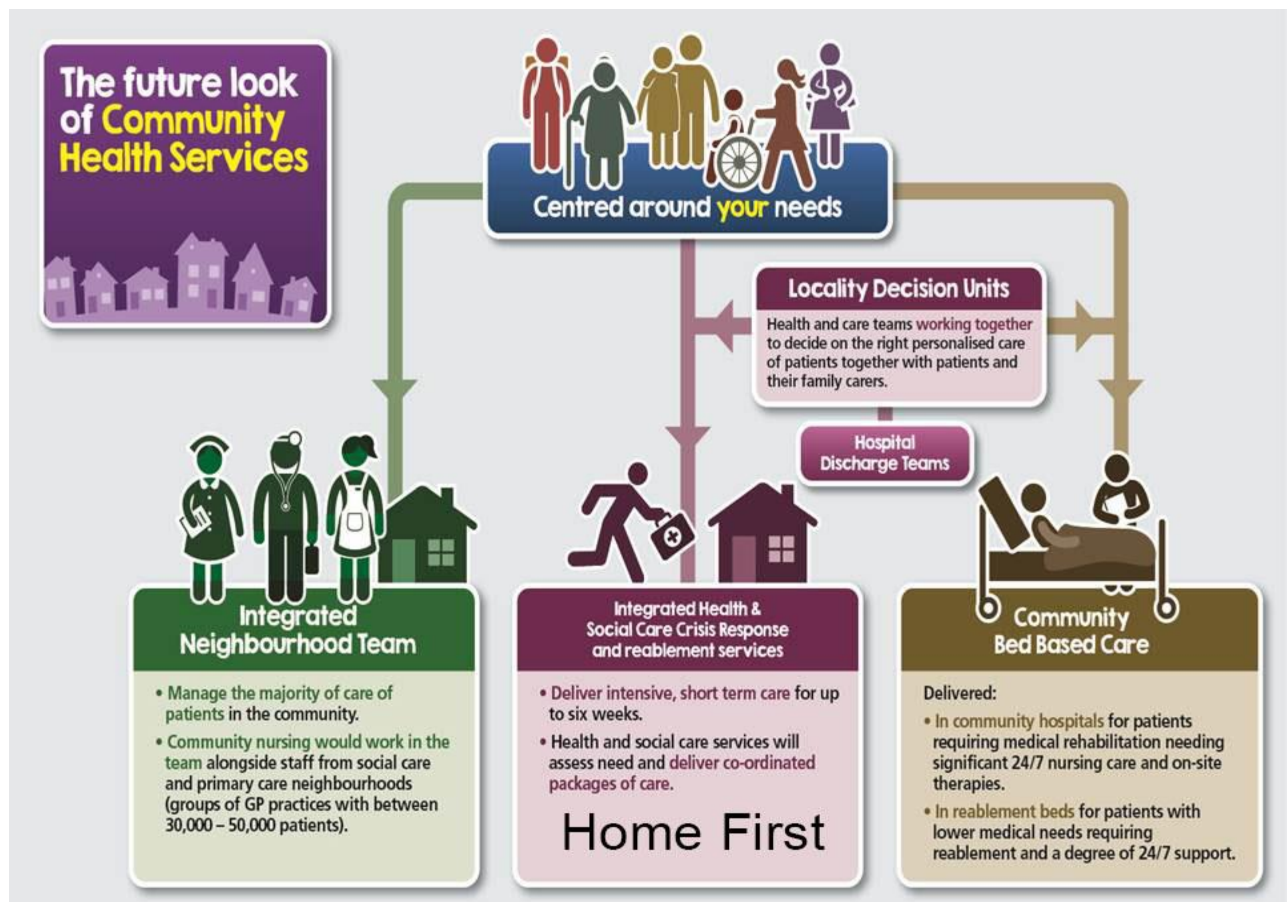
During the first 12 months of this project, they have trained 631 care home staff in avoiding pressure ulcers, falls prevention, speech and language therapy, and continence. The team's work builds on an award-winning project focussing on tissue viability (preventing pressure ulcers), which worked mainly with residential homes and nursing homes in West Leicestershire. It has reduced the number of care home residents suffering pressure ulcers from 34 a month to three a month.

Community health services redesign

The three Clinical Commissioning Groups in Leicester, Leicestershire and Rutland (LLR) - NHS Leicester City, NHS East Leicestershire and Rutland CCG and NHS West Leicestershire CCG – have been working with patients, clinicians and healthcare staff to develop proposals that will improve the way health and social care services work to support patients at home and in local communities.

A number of existing community healthcare services are being reviewed and redesigned. As the main provider of these services, LPT has been working closely as active partners to help improve co-ordination and integration of care around patients. It involves looking at integrated neighbourhood teams that work alongside social care and GP practices, a home crisis and reablement service, and a single decision unit where health and care teams work together to decide on the right care for local patients.

The redesign is the next step in building on existing work being carried out across health and social care under Better Care Together - Leicester, Leicestershire and Rutland's Sustainability and Transformation Partnership (STP) in the Home First and Integrated Locality Team workstreams (which involve LPT, other health organisations and local authorities), to deliver short term care in people's homes. Community hospital beds will be considered and consulted after this community health services model is finalised.



Enabling Services

Our enabling services provide support across our Trust and include the chief executive office, finance, estates, quality and patient experience, research and development, human resources, business development, health and safety, equalities, information and performance, communications, and the medical directorate. Hosted services include Health Informatics Services (HIS) and 360 Assurance (counter fraud).

A landmark 70th birthday for the NHS

National celebrating events

Six LPT staff, with a total of 231 years NHS long service between them, were selected to attend two prestigious national celebrations – at Westminster Abbey and York Minster - to mark the 70th birthday of the NHS. The celebrations, which took place on the NHS's birthday on 5 July, paid tribute to NHS staff and patients who have contributed to the health service over the last 70 years.

York attendees were:

- **Avril Archibald,** Diana Childrens community Service Operational Lead Nurse, with 45 years' NHS service.
- **Catriona Walker**, Consultant Adult Psychotherapist, with 36 years' NHS service.
- **Lynne Hartwell**, a Research bank nurse and retired health visitor, with 48 years' NHS service and shares her 70th birthday with the NHS.

Westminster attendees were:

- **Susan Deakin**, moving and handling advisor and former acute nurse, with 35 years NHS service.
- **Lucy Akam**, community hospital staff nurse, who has worked as an NHS nurse for 32 years.
- **Susan Lyons**, speech and language therapy clinical lead in learning disability services with 35 years' NHS service.

NHS Big70Tea parties held across LPT

On 5 July 2018, the NHS celebrated its 70th birthday. Our staff joined in the celebrations by holding their own '7Tea' parties. Dozens of parties were thrown across the trust, from simple tea and cake during lunch breaks, to larger events – such as at Rutland Memorial Hospital, where there was a choir singalong, food and fancy dress outfits.

Long Service Awards for staff and volunteers

Staff and volunteers with long service to the NHS were celebrated at a special event on 10 September, a fitting tribute to the year that the NHS celebrated its 70th birthday.

There were 108 staff and 23 volunteers who were celebrated, having clocked up an impressive 3,300 years of service within the NHS.

We recognized an impressive 40 years of service given by several members of staff in attendance. One of these was Jenny Hollier, who started working as a nursing auxiliary in March 1978 at Market Harborough Cottage Hospital, before moving on to work in the community for 12 years, moving to work at St Luke's Hospital when it opened in 2006.

A special recognition was also awarded to Lynne Hartwell, bank research nurse at LPT. Lynne has worked for the NHS for over 50 years, first as a general nurse and then a midwife, before moving on to establish the travelling families' health visiting service as we know it today. Lynne retired for a short while, but soon returned as a bank member of staff in the research team.

Celebrating our volunteers

On national Volunteers Week (1-7 June) we said "thank you" to our 425 volunteers who help our services to go above and beyond to give patients and service users the best experience.

Our volunteers do more than 50 different roles in locations across Leicester, Leicestershire and Rutland, ranging from volunteer drivers who help patients get to and from appointments, to dietetic assistants, breastfeeding peer supporters, pet owners who provide pet therapy and bread-making sessions for mental health.

Between them, the volunteers contribute around 70,000 hours per year, which is the equivalent of approximately £600,000. A big thank you to you all!

Mental health project offers fresh future for bread making in NHS

We launched a breadmaking project in partnership with local social enterprise Planet Leicester Bakers, with the aim of supporting people with their mental health and wellbeing. Staff and patients volunteered to be trained from across Leicester and Leicestershire, in simple bread making and conversation management skills. ‘Bread and Chat’ sessions have taken place in the community and in inpatient units across the Trust including the Bradgate Mental Health inpatient unit.

Medical trainees celebrated at a dedicated awards event

In July 2018, we celebrated the achievements of our trainee medical staff.

The Core Trainee/Fellow Award was presented by Cathy Ellis, our Chair, and given jointly to Kristian Roberts and Lesley Thoms. The Speciality Trainee Award, presented by Dr Peter Miller, our chief executive, was given jointly to Hannah Fosker and Samuel Tromans.

The final presentation led by Dr Judith West, the Foundation Year 1 Award, was awarded to Shiraz Iqbal, foundation doctor. Praised in his nomination for showing ‘excellent leadership skills’ and for being ‘pro-active (and having) a good relationship with patients’, Shiraz said: “I feel like I’m at The Oscars! I’d like to thank all the staff on the ward. It’s been a great journey and I’ve had a brilliant time.”

Single electronic patient record is underway

In May 2018 our Trust Board announced their decision to approve plans for a single electronic patient record (EPR) across our Trust. It was agreed that SystmOne will become the Trust-wide EPR system.

A number of operational working groups were mobilised to plan and deliver the changes, which will see services across our Trust working from a single patient record system, bringing us into line with primary care providers across Leicester, Leicestershire and Rutland, where nearly 86% of patients are on SystmOne.

This development will bring many benefits including real-time access to information about patients, continuity of care and a better patient experience for local people.

The functions and roll-out of the new Trust-wide system are being informed by and will run alongside the detailed design of our All-Age Mental Health and Learning Disabilities Transformation programme.

Support for the Armed Forces Community is recognised

In 2017, we signed the Armed Forces Covenant as a public declaration of our commitment to support the Armed Forces Community. We are also committed to supporting and increasing the numbers of veterans and reservists in our workforce, through initiatives such as an Armed Forces staff network group, launched in 2017.

In 2018, we were awarded the Ministry of Defence's Employer Recognition scheme silver award in recognition of our work. John Wilson, the Ministry of Defence's regional employer engagement director, said: "This is a well-deserved award that reflects the Trust's commitment to the Armed Forces community and I hope they will continue to be an important example to other employers that wish to support the Armed Forces."

LPT staff awarded Honorary Appointments at the University of Leicester

Four of our team were awarded Honorary Appointments at the University of Leicester last year, to recognise their contribution to health services, leadership and education. They were awarded as follows (pictured left to right):

- Sandip Ghosh, consultant community paediatrician, for an honorary lecturer post in medical education for Leicester Medical School
- Mohammed Abbas, consultant psychiatrist, recognised for contribution to health services and leadership
- Satheesh Kumar, consultant psychiatrist, recognised for contribution to health services and leadership
- Alison O'Donnell, head of education, training and development, recognised for contribution to health services and education.

Valuing our apprentices

In the last year, we have welcomed 51 apprentices into our Trust, across several areas including finance, clinical placements (health care support workers), speech and language therapy and pharmacy.

We want to attract the best and the brightest to work for us. We will continue to use apprenticeships to support staff development, and use apprenticeship education standards to 'grow our own' and reduce reliance on agency recruitment, nurturing our future workforce.

Email us to find out more at **apprenticeships@leicspart.nhs.uk**

Raising Health: Fundraising

Our registered charity, Raising Health, plays an important part in improving the experience, care and wellbeing of our patients, service users and our staff - with the key aim being to raise funds and spend them to make these areas even better. If you would like to support or raise money for any of our current projects, please visit our website **www.raisinghealth.org.uk**, email RaisingHealth@leicspart.nhs.uk or call 0116 295 0889.

Diana Children's Community Service launches anniversary appeal

Prior to 1998, specialist children's nurses were only available in hospitals. We were lucky to be selected as one of 10 counties to have Diana nurses, so named after Princess Diana, and the teams were set up as her legacy. Over the past 20 years the team has grown to include physiotherapists, phlebotomists and play specialists to provide holistic care for children with life-limiting and life-threatening illnesses (including end of life care) in their homes and community settings. The team also provide support to the parents and siblings of the poorly child.

Our 20th anniversary appeal aims to boost the equipment and activities available to support poorly children and their families, keeping them together at home. With your help we can make a real difference to the lives of local people at a really difficult time.

In October 2018, 27 runners competed in the Leicester Marathon, raising £7,405 for the Diana appeal. We were also delighted to recently receive a grant of £10,000 from The Bailey Will Trust which will allow us to buy two Clearway machines, iPads for children to use during phlebotomy (blood testing) appointments, trips out for children we are looking after as part of their respite care and for arts and crafts materials for play therapy.

Ward opens patient 'Sanctuary'

A calming 'Sanctuary' opened for acutely unwell women on Bradgate mental health ward, thanks to a fundraising drive by staff and the support of a city legal firm.

The new sensory room on Aston Ward provides a therapeutic relaxation environment for patients, going above and beyond the core service provided for the ward's 19 female patients.

It was refurbished and equipped thanks to a fundraising drive led by staff from the ward, with a £5,000 boost from a fundraising event organised by Thaliwal and Veja solicitors in Leicester, who have a long tradition of supporting mental health causes.

On-ward gym to help patients on their Road to Recovery

Patients at Stewart House in Narborough have severe and enduring mental illnesses which impact on every aspect of their lives.

We don't currently have any exercise equipment at Stewart House. Having an on-ward 'mini gym' area will go above and beyond core NHS provision to boost motivation, confidence and provide the chance to experience all the other awesome benefits of physical activity.

We have identified a room which overlooks the pretty courtyard garden at Stewart House. To make this room suitable for a gym we need to level the floor and change the doors to accommodate the levelled out floor. Just a few key pieces will make a huge difference – a recumbent exercise bike, multi-gym, some gym mats and resistance bands.

Currently, £4,106 has been raised through bake sales, collection tins, a 100 mile cycling challenge and grants from Clockwise Credit Union and The central England Co-Op. The total amount required is £18,000.

Space to create a place to grow

We want to transform the outdoor spaces at the Bradgate Mental Health Unit to include a sensory garden, plant nursery and vegetable plot for patients to learn how to grow and care for plants and to use what is grown to improve the ward gardens.

The Bradgate Mental Health Unit has a number of garden spaces which are unloved and not suitable for patients to use. We also have ward gardens, but we don't have the funds to maximise their therapeutic potential. We want to change this by:

1. Developing a therapeutic sensory garden off the wards

2. Creating a plant nursery in one of the spaces to show patients the skills to grow plants and make plants from plants to use in the ward gardens

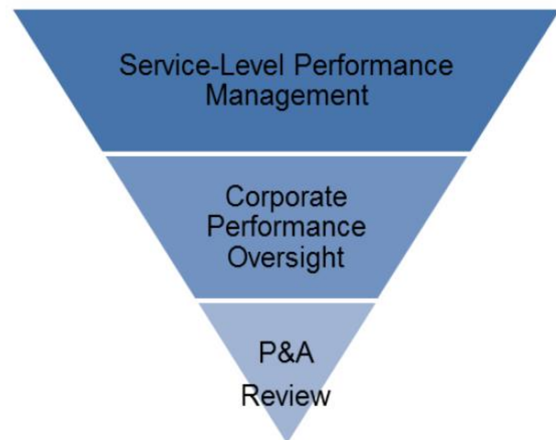
3. Show patients the skills to grow fresh produce in small spaces so that they can learn to manage their money, eat healthily, have an occupational identity, a purpose, and a routine.

www.raisinghealth.org.uk

Performance analysis

There are four levels in our performance management and accountability framework.

Service level performance management
Each Directorate has in place a formalised, written and approved Performance Management Framework. Wherever possible the Trust encourages the development of existing fora and governance structures over establishing additional and disparate groups with a sole performance focus.



Corporate performance oversight
At the highest level within our organisation, our Trust Board receives performance information each month in the form of the Integrated Quality and Performance Report (IQPR), the summary risk register report and any associated exception reporting.

Detailed scrutiny and review of performance is delegated by the Board to the **Finance and Performance Committee (FPC)**. FPC receives the IQPR alongside a Waiting Times Report each month ahead of Trust Board and will undertake a thorough examination of the retrospective performance information.

Accountable Officer Performance and Accountability (P&A) Review: Every six months, an accountability review is carried out for all services, at which the level of escalation and autonomy is agreed. The clear focus is always on the quality of the patient experience, their health outcomes and safety. However, it is important that alongside this focus on quality, is an assurance of financial discipline and value for money. Hence FPC will receive and monitor the outputs of the Performance and Accountability Reviews, triangulating this with the IQPR and Waiting Times report for assurance. This model works alongside the self-regulation quality framework, drawing on all available and appropriate elements of quality assurance.

Areas deemed to be in special measures will be subject to a set of specific interventions designed to rapidly improve the quality of care and/or financial balance. Operational areas deemed to be in special measures will be required to develop a clear improvement plan and review operational capacity and capability.

Following each six-monthly review, the Chief Executive will formally write to each director outlining the overall oversight category the directorate has been placed within and the agreed priorities of focus, and actions the director is expected to take in response, along with timescales.

Performance against our objectives

We measure our performance against four key trust-wide objectives.

1. Deliver safe, effective, patient centred care

- A quality improvement collaborative approach has been adopted to deliver the 2019/20 clinical priorities.
- The Bennion Centre received full accreditation by the Royal College of Psychiatrists
- Since the development of auto planner the district nursing teams have had fewer missed visits and all active patients have an up to date care plan on the system.
- Working in partnership with UHL, LPT completed a two year CQUIN project to reduce the number of attendances at Accident & Emergency (A&E) by service users with mental health needs. Two cohorts were selected and monitored over the course of the 2 year project. In year one, the first cohort (12 patients) reduced their A&E attendance by 46%. In year two, this same cohort of 12 patients reduced their attendance bringing their total reduction in A&E attendances to 58% from their 2016-17 baseline attendances
- 81% of patients on the caseload with wounds that have failed to heal for 4 weeks or more have had a full wound care assessment completed
- 97% of those who completed our Friends and Families Test (FFT) said they would recommend our services to their friends and family
- Engagement with local universities to attract students to join the organisation
- Development and launch of sepsis pathway with guidance for all staff
- Safeguarding considerations now form part of all serious incident investigations and are part of the standardised Terms of Reference.
- Our Clinical Audit Team supported 194 audits, achieving a 56% re-audit rate.

Staff will be proud to work here, and we will attract and retain the best people

The recruitment and retention of staff remains both a national and local challenge. Workforce recruitment remains. During 2018/19 we have continued to explore further avenues of candidate attraction and develop our employment proposition to attract new staff through developing a range of incentives for services to use to help attract candidates. Work programmes are ongoing to support recruitment and retention, sickness absence management and continuous review of workforce including new roles to enhance skill mix and increase patient facing time.

- In partnership with the University of Leicester and University Hospitals of Leicester we launched the first UK undergraduate nursing programme with a focus on leadership and with dual registration (mental health and adult nursing and mental health and children’s nursing)
- Educational visits to local schools and colleges to promote and engage young people with NHS and in particular nursing careers

- Recruited 39 trainee Nursing Associates, the first cohort of trainees are due to complete their qualification and register in May 2019
- Engagement with local universities and surrounding trusts to review workforce strategies in respect of future recruitment and retention
- An ongoing recruitment programme and a professional development programme to enable us to maintain safer staffing levels
- Review and introduction of new roles such as assistant practitioners, medicines administration technicians, physician associates, advanced clinical practitioners and meaningful activity co-ordinators to work as part of the multi-disciplinary team.
- Recruited clinical apprentices
- Rotational posts across our services.
- Frail Older Person graduate rotational post with University Hospitals of Leicester
- Launched a Career Development Framework for Nursing

We have also continued to implement our people strategy and are planning to embark on a Trust-wide change programme to improve our culture, leadership and inclusion.

- Enhanced leadership development offer for all our staff
- Staff survey results have seen improvements in response (51%) and in engagement levels. We were the most improved Trust in the region.
- Work with the national Workforce Race Equality Service team to involve our Black, Asian and Minority Ethnic staff in improving their experience
- Listening into Action has supported 86 teams with local improvement.
- Monthly ‘Speak to Pete’ webchats and team briefs, new weekly screensavers, and increased use of social media, including the introduction of a closed staff Facebook group
- Monthly Valued Star Awards, annual Staff Excellence Awards and Long Service Awards recognise and reward staff
- Increased focus on staff health and wellbeing through local initiatives and the introduction of around 100 health and wellbeing champions, and staff lottery which raises funds for staff health initiatives.
- Agile working roll-out to support staff to work in the most productive ways

3. Ensure Sustainability

It is important that we remain financial sustainability. We continued our 5-year all-age mental health and learning disability transformation programme, to co-design sustainable improvements with staff and service users. At the same time we are participating in a community health services review with health and social care, to ensure we work together to deliver care at the right time and place for older people. Other highlights:

- Opening of a crisis house facility to enable patients to leave hospital sooner
- Embarking on a CAMHS Transformation Programme to deliver reduced waiting times and an enhanced experience for children and young people.

- Continued delivery of contracts for the 0-19 healthy child programme through our Healthy Together service
- £8m NHS England investment for a purpose-built CAMHS acute inpatient unit on the Glenfield site, enabling us to move from our temporary unit at Coalville Hospital to a permanent, more accessible base in the city, with new local provision for young people with eating disorders.
- £70k mental health winter pressures funding
- Commencement of ward refurbishment programme on four of the wards in the Bradgate unit
- Commencement of a project to introduce a single patient record system
- Successful fundraising initiatives through our charity Raising Health
- Introduction of a new online portal called WARP-it, with the aim of reducing waste, disposal costs and carbon emissions across the Trust
- Achieving all four of our statutory financial duties

4. Partner with others to deliver the right care in the right place at the right time

- An active partner in the STP (sustainability and transformation partnership) for Leicester, Leicestershire and Rutland
- Signatory to the Armed Forces Covenant
- Healthy Together delivered in partnership with Barnardo's and Mammas
- Enhance Crisis House service delivered by Turning Point
- Mental health triage scheme with the police
- Community health services working in integrated locality teams as part of a Home First model with health and social care partners.
- Research partnerships with CRN, CLAHRC and AHSN East Midlands.
- Education and training in Leicester University and De Montfort University.

Quality improvement

Improving quality is about making healthcare safer, more effective, patient centred, timely, efficient and equitable. Our central purpose is to provide the highest quality healthcare and promote recovery and hope to our patients. We are committed to improving the quality of our care and the services we provide. Our patients value clinical outcomes together with their overall experience of our services. We want to provide the very best experience for every person using our services. Our priorities for 2019/2020 will focus on four key areas:

- **Engagement Listening and involvement with patients and carers.**
- **Care Planning**
- **Reducing avoidable harm**
- **Discharge and flow**

We continue to strengthen our approach to quality improvement (QI). The Director of Nursing and Medical Director are working together collaboratively to provide executive leadership to embed the Trust quality improvement approach. The Trust is currently in the consultation phase of developing the approach with clear timescales for each phase. Much quality improvement work has been undertaken within the organisation already and we are

implementing a consistent approach and framework to support quality improvement and facilitate shared learning and finally for quality improvement to become business as usual in all of our functions.

Our Quality Account, which details our progress in more detail, is published separately alongside the Annual Report. **Key highlights from the last year include:**

- 97% of those who completed our Friends and Families Test (FFT) said they would recommend our services to their friends and family
- Engagement with local universities to attract students to join the organisation completing their pre-registration programmes. In partnership with University of Leicester and University Hospitals of Leicester launched the first UK undergraduate nursing programme with a focus on leadership with dual registration.
- Recruited 39 trainee nursing associates. The first cohort are due to complete their qualification and register in May 2019.
- Launched a career development framework for nursing.
- We reported zero cases of MRSA bacteraemia attributed to our care delivery and 4 cases of clostridium difficile against a trajectory of 12 cases. None of the cases were attributable to our care and a review has demonstrated that improvements made within the previous year have been embedded and sustained.
- We supported 194 audits and achieved a 56% re-audit rate.
- 100% of MHSOP shift-to-shift handover sheets were updated immediately prior to the handover meeting. 44% improvement
- 99% of CT brain request forms in Memory Services East had an indication of urgency. 35% improvement
- 100% of looked-after children were offered the opportunity to be seen alone. 14% improvement.
- There have been numerous actions and learning points gleaned from investigating serious incidents these include;
    - Escort bags devised for staff, that contain all the necessary paperwork when a patient is transferred to acute services with a mental health professional.
    - Standard Operating Procedure developed for patient observation when in an acute hospital,
    - All young people have a named professional contact when waiting for an access visit.
    - Forensic Community Mental Health Team screens all cases for those needing Safeguarding advice / referral.
- The Trust has now established a Suicide Prevention Group which reports directly to the Mortality Surveillance Group.
- STORM® training is currently being reviewed by the Suicide Prevention Group and the need for training for all staff is being considered in suicide awareness
- The Learning from deaths policy is being reviewed and updated to incorporate the learnings since the policy was launched.

Financial performance -

The Summary Financial Accounts are presented with the Annual Report in Appendix A and we are pleased to have achieved all our Statutory Financial Duties for 2018-19. Our planned revenue surplus of £3.3m was delivered and as a result of this the Trust received incentive performance sustainability funding (PSF) of £2.244m from NHS Improvement. This funding was included in our final out-turn of

£5.525m surplus (excluding impairments and other technical adjustments). Read our full financial statement from our director of finance, Dani Cecchini, on page 81.

CQC report February 2019

Leicestershire Partnership NHS Trust is required to register with the Care Quality Commission and it is currently registered to provide the following conditions on registration: Accommodation for persons who require nursing or personal care; and Assessment or medical treatment for persons detained under the Mental Health Act 1983:

- Diagnostic and screening procedures
- Family planning
- Surgical procedures
- Treatment of disease, disorder or injury

The Care Quality Commission (CQC) report published in February 2019 relates to the inspection dated 19 November 2018 to 13 December 2018. The report describes the CQC's judgement of the quality of care provided with respect to the Trust's well led framework and the following five core services;

- Acute wards for adults of working age and psychiatric intensive care units
- Community-based mental health services for older people
- Specialist community mental health services for children and young people
- Long stay / rehabilitation mental health wards for working age adults
- Wards for people with a learning disability or autism.

Overall, the rating stayed the same as Requires Improvement and for Caring the rating was good however the majority of services inspected the ratings were Requires Improvement and there was a decline in the rating for Well-Led from Requires Improvement to Inadequate

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement →← Feb 2019	Requires improvement →← Feb 2019	Good →← Feb 2019	Requires improvement →← Feb 2019	Inadequate ↓ Feb 2019	Requires improvement →← Feb 2019

There were a number of positives included within the report, such as the community based mental health service for older people which achieved a Good rating for all 5 CQC domains; the report also highlights areas that exhibited examples of outstanding practice. However, the Trust was disappointed by the number of issues and concerns identified.

There are nine areas where systems and processes are not operated effectively across the Trust to ensure that the risk to patients is assessed, monitored, mitigated and the quality of healthcare improved. These relate to;

- Access to treatment for specialist community mental health services for children and young people.
- Maintaining the privacy and dignity of patients and concordance with mixed sex accommodation.
- Environmental Issues

- Fire safety issues
- Medicines Management
- Seclusion environments and seclusion paperwork
- Risk assessment of patients
- Physical healthcare
- Governance and learning from incidents

We have responded to all of the concerns identified with an immediate improvement plan and have adopted a long-term quality improvement programme to address each of the areas highlighted above to ensure sustainability. This has been compiled in consultation with the services and key stakeholders.

Figure 4: Positive findings reported by the CQC included:-

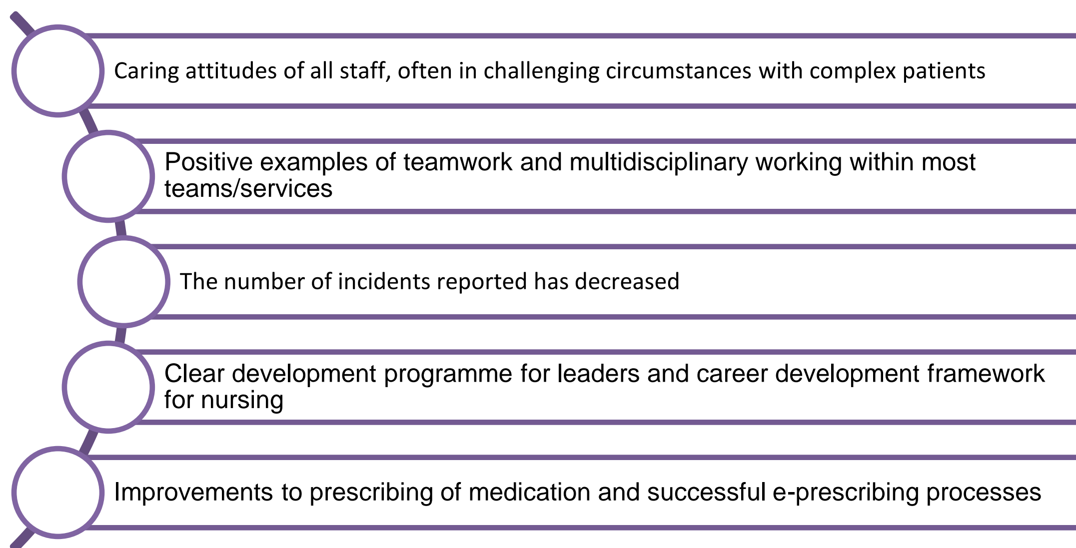
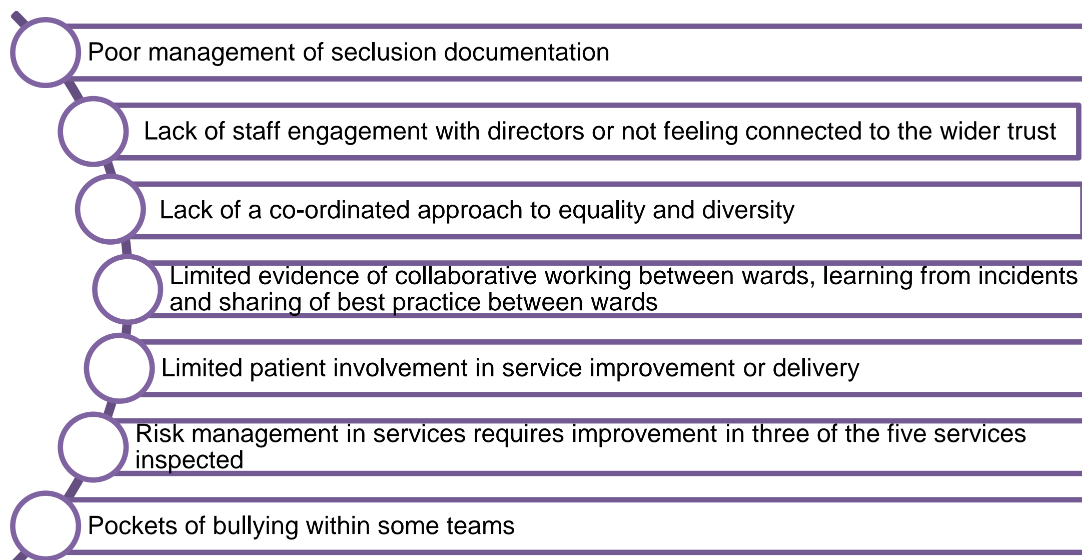


Figure 5: Areas for improvement following the CQC findings included:-



CQC inspection reports can be accessed at http://www.cqc.org.uk/provider/RT5

Sustainability report

Good corporate citizenship and sustainable development

We are committed to sustainable development – achieving improvements that meet present and future needs through the efficient use of resources, while preserving the environment. Sustainability is part of the wider corporate social responsibility we have as individuals and as a major public organisation. We all want to make a difference, and our staff and service users alike need to be confident in our Trust's commitment to supporting and adding value to our local communities.

The Trust Board has a five-year Corporate Social Responsibility (CSR) strategy with four themes: **transport, community building, procurement and estate.**

Community Building

We have developed a staff volunteering scheme called 'WeCitizen'. This provides staff with up to two days pro rata a year to give something back to our local communities by offering to volunteer their skills or services to local community capacity building projects. Some examples over the last year have been staff teaching bread baking to service users at the Bradgate Inpatient Mental Health Unit and at our Crisis House, staff spending time with the Canals and Rivers Trust picking up plastic and other types of litter, and staff supporting our multi-agency partnership mental health campaign 'RUOK?' event in Leicester City centre.

Procurement

We work with the Government Procurement Service to develop a more sustainable approach to purchasing goods and services, bringing benefits for the environment, society and the economy. Guidance on procurement of services and goods is set out to ensure we meet the requirements of the 2012 Public Services (Social Value) Act. Our sustainable approach is part of the work underpinning the CSR strategy.

We remained committed to reducing the amount of domestic waste being generated by the Trust and redirecting it into the dry mixed recycle waste stream. We also have an online physical asset re-cycle database ('Warp-it') for use by all staff so as to minimise disposals of unwanted but fit for purpose office and medical physical assets.

Reducing energy use and costs

The total gas and electricity cost comparison for LPT has increased from £1,847,238 for the year 2017-18 to £2,023,045 for year 2018-19 (excluding water costs and NHSPS Charges). This equates to a 9.5% increase in cost overall but with a slightly reduced electricity consumption along with a slight overall reduction in gas consumption.

	2015-16	2016-17	2017-18	2018-19
Electricity consumption (KWH)	14,162,031	14,182,656	9,792,422	9,624,629
Gas consumption (KWH)	35,272,885	32.425.733	24,647,572	24,073,490

Although typically, the price per kilowatt hour of energy has been rising during the period, there have been a number of large and small property sales which have directly influenced the downward trend of energy consumption. However, this downward trend is not expected to continue year on year and looking ahead for the greater part of 2019 should remain stable.

Reducing CO2 emissions and waste

Our commitment to reduce CO_2 emissions follows on from the 2008 Climate Change Act that set legally binding targets for UK to reduce carbon emissions by 80% by 2050 compared to levels in 1990. The National Carbon Plan set interim targets that the UK will reduce carbon emissions by 34% by 2020 compared to levels in 1990. All our designated premises display energy certificates and introduced automatic meter reading, the centralisation of printers on sites and during 2019 four of our Community Hospitals will receive energy efficient LED lighting upgrades.

This table shows our carbon emissions over the last few years:

	2015-16	2016-17	2017-18	2018-19
Carbon emissions as a result of electricity consumption (tonnes)	7.706	7,733	4035	3928
Carbon emissions as a result of gas consumption (tonnes)	6,532	6,005	4535	4430

The table below shows m3 water consumption over the last few years:

	2015-16	2016-17	2017-18	2018-19
Water consumption	114,118	100,453	68,869	102,078

There has been an increase in water consumption for 2018-19, but the increase has in part been due to a major ongoing leak at Narborough Health Centre and a report of water high consumption at Hynca Lodge which is currently being investigated.

Anti-fraud, bribery and corruption

While the majority of people who work in and use the NHS are honest, a minority continue to defraud it of its valuable resources. NHS Counter Fraud Authority and Local Counter Fraud Specialist (LCFS) staff are responsible for tackling all types of fraud and corruption in the NHS and protecting resources so that they can be used to provide the best possible patient care.

Our anti-fraud, bribery and corruption service provider, 360 Assurance, provides us with qualified and accredited LCFS support. Activity highlights over the last year:

- investigated allegations of fraud, bribery and corruption as required
- delivered fraud, bribery and corruption awareness training to all new staff
- developed new training tools to maximise the efficiency of training
- carried out specific prevention activities, particularly in relation to agency staffing and supplier accounts
- continued the Trust's participation with the National Fraud Initiative
- reviewed and 'fraud-proofed' Trust policies where required
- issued fraud and scam warnings to reduce the risk of loss to both the Trust and its staff.

All work has been carried out with the intention of ensuring the Trust's continued compliance with the Standards for Providers: fraud, bribery and corruption, published by NHS Counter Fraud Authority.

Social responsibility and involvement

The patient voice is central to our continuous improvement journey across the Trust. There are many ways, like those below, that we engage and listen to our patients and service users in creating, developing and improving our services and the quality of care we provide.

The NHS Friends and Family Test: What do our patients say?

During 2018-19 the Trust continue to promote the Friends and Family Test (FFT) via an app for IPads across all appropriate commissioned services. Paper and easy read versions of the survey are also available.

The FFT app asks patients ***"how likely are you to recommend our ward/service to friends and family if they needed similar care or treatment",*** and invites them to score the service using a five point range from 'extremely likely' to 'extremely unlikely'. Some services have also developed further Patient Experience surveys for service users to complete after they have completed the FFT questions.

In 2018/19 97% of service users who responded would be extremely likely or likely to recommend our services. The most valuable part of the feedback is the comments that service users leave. The majority of these are compliments (1200 in total) however where service users give comments about things that do not go so well (750 concerns) this gives us the opportunities to put things right.

Examples of improvements made prompted by feedback comments include:

Service	Comment or Theme	Action taken
AMH/LD Bradgate Unit Ashby Ward	Two comments were received from patients regarding lack of activities available on the ward.	Ashby ward has received money from a Carlton Hayes bid, which they have purchased a new pool table, books, and a bingo machine.
AMH/LD Stewart House	Comments were received in regards to patients being unhappy with the food on offer.	Stewart House now hosts monthly food focus group meetings, for patients to discuss concerns around food, new food options, and tasting sessions.
CHS Musculoskeletal service	Various comments received in regards to concerns of telephone assessments.	Directorate governance team working with the service to determine actions to be taken to improve the patient's experience.
FYPC Speech and language therapy	Comments were received stating that the groups were too big at the group SALT.	The service has now reduced the numbers in attendance at these sessions.

Some services are not considered appropriate for the FFT questionnaire. They are:

- End of life care
- Community psychiatric nurse led services at police stations, magistrate's courts and the mental health police triage car
- Assessments on looked after children (LAC)

Involving patients, carers and the community

We are committed to involving our patients, their relatives, carers and the local community to improve patient experience. In 2018 with the involvement of staff and patients the Trust refreshed its *Patient and Carer Experience and Involvement Strategy*, and our three promises remained the same:

- We will listen and learn from our patients, their carers and families about their experiences and ask for their suggestions about how services will be improved.
- We will do this by using various ways to gather feedback from patients and carers. We will find out what we need to improve, how to improve it and then check to see if it has been improved.
- We will involve people that use and are affected by our services, especially those who find it hard to be heard and aren't often listened to. We will also show how we have listened to and involved people and what action we have taken.

The strategy gives us a clear focus which we have consolidated by undertaking activities to extend the way patients and carers are involved in improving services.
The Patient Experience Team has launched Always Events across the Trust, after a successful pilot throughout 2018/19. Always Events is a quality improvement tool which

was developed in the United States, and is now being rolled out across the UK by NHS England. Always Events® are defined as ‘those aspects of the care experience that should always occur when patients, their family members or other care partners, and service users interact with health care professionals and the health care system’. Always Events® should have reliable processes or behaviours that ensure optimal patient experiences of care, co-designed with patients, and integrated in person centred care strategies.

The Always ambition is to create a ‘six in six’ rolling programme of activity. This is an aim to have six teams engaged at different stages with a view that each Always event programme is completed within six months. The team are currently working with staff on wards, as well as teams in the community to review the benefits to patient experience of Always Events®.

Principles for Remedy

Compliments, complaints and how we learn from them

Our patient experience team, made up of the complaints team and patient advice and liaison service (PALS), helps patients, carers and members of the public with any compliments, comments, concerns, complaints or enquiries they have about our services. We aim to resolve any issues raised as quickly as possible by working with service staff, and are committed to capturing all patient and carer feedback to ensure that lessons are learnt.

In 2018/19 the Trust continued to monitor the effectiveness of the revised processes, focusing on the quality of the investigation response and improving the number of investigations completed in the agreed timeframes.

During 2018-19 we received 3,197 contacts, an increase of 1.5% compared to the previous year. The contacts include general patient and public enquiries, such as signposting to different services and providing information, to compliments, concerns and complaints which required a formal investigation.

Compliments demonstrate to us when we have got it right from the perspective of our patients, services users and carers. Here are a few of the compliments we’ve received: 1,235 compliments.

This year we received 497 complaints, and in addition we provided input to 38 complaints which were led by other organisations. This is a 7% increase compared to the 466 received last year.

No complaints were referred to the Parliamentary and Health Service Ombudsman (PHSO) in 2018/19, however one complaint referred to the PHSO in 2017/18 was returned following investigation and was upheld.

Mental Health Surveys

The Care Quality Commission National Community Mental Health Survey 2018

The CQC published the results of the 2018 national community mental health survey in November 2018. This survey invites patients aged 18 years or older who received specialist care or treatment for a mental health condition and had been seen during 1 September – 30 November 2017 to share their experiences of care.

There were 243 completed surveys received from the usable cohort of 803 surveys, giving a Trust response rate of 30%. The response rate of all Trusts was 28%.

The results were compared with the Trust's results from the 2017 survey alongside the results of the other 56 trusts who participated in the survey. The results indicated that the Trust had more work to do to improve patients experience in particular in relation to -

- Knowing who to contact out of office hours if in crisis
- Support and wellbeing

The Trust has put in place an action plan to drive improvement of patients experience informed by the results of this survey.

Volunteering

The Trust benefits from the invaluable support of around 400 local people volunteering their time and skills for our patients and service users. There are around 50 different volunteer roles spread across a wide range of Trust sites and departments.

The financial value of this contribution is over £700,000 per year.

Highlights from 2018 include:

- 134 new volunteers during the last year.
- New roles developed over this year include yoga volunteer offering sessions for staff health and wellbeing, volunteer assistant psychologist at the Willows and Stewart House, and volunteer in Children's Occupational Therapy and Physiotherapy in three locations
- A café conversation was held with staff in Community Health Services to explore the development of new volunteer roles
- An e-learning module for staff called Working with Volunteers was developed.
- Our team of 22 volunteer drivers completed 3,020 journeys this year, enabling patients and service users to access our services
- Chaplaincy volunteers held 62 services for community hospital patients, including harvest and carol services, and visited 2,683 patients this year.
- Information and training sessions to promote volunteering with the Trust were held at the Recovery College, Leicester University and QEII College
- The Volunteering Team led a fundraising project, raising £1,177 to support planned future developments for volunteers
- Volunteer long service was celebrated with 23 volunteers who have volunteered either 5, 10 or 15 years for LPT
- Volunteers were given access to eLearning through uLearn for the first time.

Our Trust membership

Our public membership scheme is moving into its tenth anniversary in 2019. Our members are people who are interested in what is happening in the NHS and specifically LPT. We aim to keep our members informed and connected to developments in the Trust's services, and invite them as often as possible to contribute their views and join in with events.

Over the past year we contacted all our members having consideration to the General Data Protection Regulations that came into effect on 25 May 2018, to confirm the lawful basis on which we process their information.

In order to ensure we are cost effective with our communications, we informed our members that we would now only be sending information to them by email. We have 2,469 members who we can regularly contact with updates and invitations.

Our Membership Charter is a simple guide to two-way engagement with members:

What we will do:
- ✓ Keep you informed of changes to services
- ✓ Send you surveys for your opinion on possible developments to services
- ✓ Send you information about the Trust and invitations to events of interest
- ✓ Ensure membership is representative of our local population

What you can do:
- ✓ Feedback your views and your interests in services
- ✓ Participate in surveys if you have an interest
- ✓ Attend events if possible
- ✓ Keep us up to date about your contact details by emailing us at membership@leicspart.nhs.uk stating your name and current postal address

Membership strengthens the links between healthcare services and the local community. We want our services to be shaped with input from those that receive them. We have worked with others in the Trust and our stakeholders to find ways of reaching a range of communities. We have continued to recruit new members with consideration given to the balance between quantity and quality of engagement.

All our members were invited to attend the Trust's Annual General Meeting on 17 September 2018 after which was an opportunity for members to feed in their views on LPT's major improvement programmes by participating in a number of 'café' conversations. Our membership is open to anyone over the age of 16 who lives in Leicester Leicestershire and Rutland, and other parts of England.

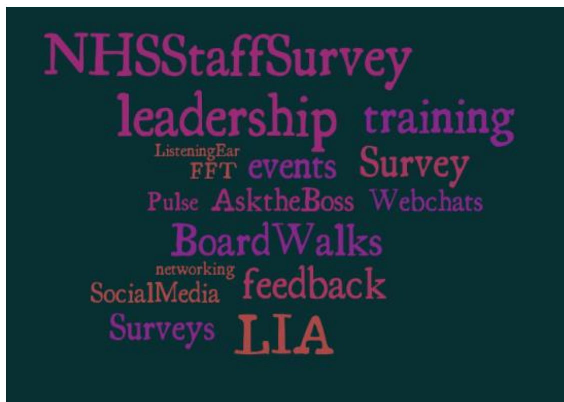
Further information about becoming a member and opportunities to engage with the Trust visit www.leicspart.nhs.uk, by ringing the membership free-phone number 0800 0132 530, or by emailing membership@leicspart.nhs.uk.

Engaging our staff

Engaging our staff

"We are LPT; a values-based Trust that delivers high quality integrated health and social care developed around the needs of our local people, families and communities. We want LPT to be a great place to work, where we have a culture of continuous improvement and recognition and where collective leadership empowers high performing, innovative teams." - ***Dr Peter Miller, Chief Executive***

Our staff are our greatest asset. There are many ways in which we ensure that we listen to and respond to them. Our national NHS staff survey results for 2018 had the best results and highest response rate since the Trust was established, providing evidence of some real progress, including an improved staff engagement score.



We continue to focus on collective leadership and staff health and wellbeing. We are also addressing race inequality in the Trust with support from the national Workforce Race Equality Standard team (WRES) team. We held a number of focus groups with BAME staff to understand the issues they are facing and a workshop with BAME staff and managers to work on solutions together. We are launching a programme of work to improve our culture, leadership and inclusion at LPT, addressing barriers and co-designing solutions together, with the support of NHS Improvement. Finally, we are reviewing our approach to quality improvement across the Trust, to support and empower staff to make local improvements, to share these with colleagues and learn from each other.

Staff experience

We value our staff, and want to ensure that they feel valued and motivated. We are committed to engaging our workforce and are working to ensure that every employee feels well informed and involved in developing the future of LPT.

Some common themes emerging from the feedback from our staff, and on which we have taken action, include:

- staff wanting us to take more positive action on health and wellbeing
- staff feeling pressure at work due to staffing levels and recruitment difficulties
- staff wanting more development opportunities within the Trust
- staff wanting a supportive line manager
- staff saying we could improve communication

NHS Annual Staff Survey

The annual staff survey is one of the ways we measure how well we are doing in improving the experience of staff. In November, 2600 staff, that's 51% of our staff, took the time to complete the 2018 NHS Staff Survey. This is around 7% more than last year and 6% above the average for the 31 Trusts that are similar to our Trust and who we are benchmarked against.

We are really encouraged by the results of the 2018 survey. They show that we are beginning to make some real progress with improving staff experience of working at LPT and that we have improved on how we compare with other similar Trusts too. Our overall staff engagement has improved – bringing it up to the average for similar Trusts. **5.1% more staff said this year that they would recommend the Trust as a place to work.**

Responses show that we have made a significant improvement from last year in relation to some of the key themes:

- supporting your health and wellbeing
- support from immediate managers
- the quality of your appraisals
- the quality of care you feel able to deliver
- providing you with a safe environment to deal with violence and an improved safety culture
- staff engagement.

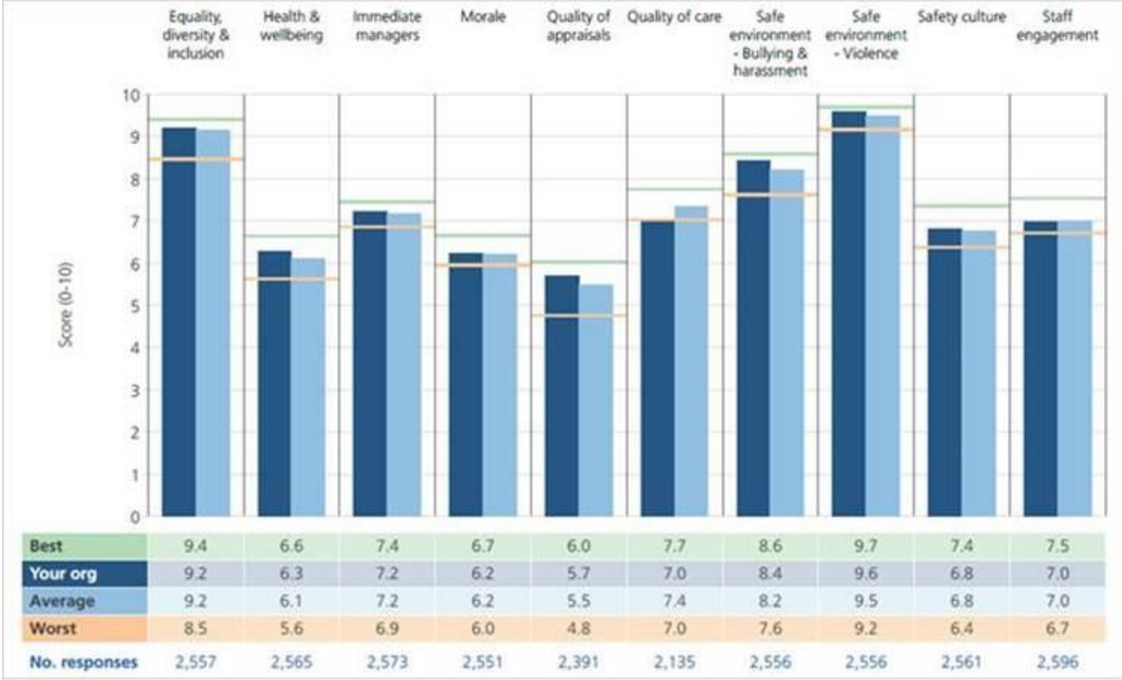
Our position hasn't changed from last year in relation to the following two key themes: equality, diversity and inclusion and safe environment around bullying and harassment. We are committed to ensuring these important priorities are focused on over the coming year as part of our forthcoming culture work and race equality work supported by the national WRES (workforce race equality standard) team.

Responses to the survey - top ten themes:

Theme	2017 score	2017 respondents	2018 score	2018 respondents	Statistically significant change?
Equality, diversity & inclusion	9.1	2220	9.2	2557	Not significant
Health & wellbeing	6.0	2224	6.3	2565	↑
Immediate managers	7.0	2229	7.2	2573	↑
Morale		0	6.2	2551	N/A
Quality of appraisals	5.5	2072	5.7	2391	↑
Quality of care	6.9	1833	7.0	2135	↑
Safe environment - Bullying & harassment	8.3	2214	8.4	2556	Not significant
Safe environment - Violence	9.5	2208	9.6	2556	↑
Safety culture	6.7	2225	6.8	2561	↑
Staff engagement	6.8	2243	7.0	2596	↑

In terms of how we compare with similar Trusts, we are the same or better than our peer Trusts on nine of the 10 themes but remain below average in relation to the quality of care you feel you can provide (see p7 of the report).

How we compare with other similar Trusts:



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement
Best	9.4	6.6	7.4	6.7	6.0	7.7	8.6	9.7	7.4	7.5
Your org	9.2	6.3	7.2	6.2	5.7	7.0	8.4	9.6	6.8	7.0
Average	9.2	6.1	7.2	6.2	5.5	7.4	8.2	9.5	6.8	7.0
Worst	8.5	5.6	6.9	6.0	4.8	7.0	7.6	9.2	6.4	6.7
No. responses	2,557	2,565	2,573	2,551	2,391	2,135	2,556	2,556	2,561	2,596

We continually review all survey results – both the annual survey and our local Staff Friends and Family Test/Pulse Survey - to ensure that our programmes of activity focus on the issues that matter to, and make a difference to staff. Our areas for focus during the year fell under the key themes of: **effective local leadership, line manager development, communication and engagement, health and wellbeing, bullying and harassment.** Focus following the 2018 survey will still fall under these main themes with a focus also on quality of care and quality improvement.

For the first time we have also undertaken a bank staff survey. The information gathered from this survey gives our Trust a high level insight of how we can further improve the experience of our bank staff, and ensure they feel valued as an important part of our workforce (see chart overleaf).

In March 2018 we launched a culture, leadership and inclusion programme with support from NHS Improvement. The programme – Our Future Our Way – will engage with staff to build a culture where everyone will feel more valued, supported and empowered.

Annual Bank Staff Survey 18/19

The highlights from those who undertook the survey

NHS Leicestershire Partnership NHS Trust

221 responses up 24% from last year

75% would recommend LPT Bank as a place to work

74% have adequate materials, supplies and equipment to do their work

84% are happy with the support they receive from peers

90% have the adequate skills to do their job

65% of bank staff have had a positive experience with CSS

37% of bank staff don't feel satisfied with the level of management support they receive whilst at work

45% of bank staff feel less satisfied in how much the organisation values their work

Some contrasting views in experiences which link to an individual's ethnicity

ACTIONS

- Bank Staff Engagement -

You said that there is a disconnect between the leaders and the frontline workers. So CSS now run drop in session for all bank only staff to attend. Here we want to support our workers and ensure their voice is heard!

- Better Communication -

We will be emailing our bank workers using the email address you provided to share Trust news and events, work opportunities and service updates.

- Influencing Bank Inclusion within LPT -

Following the survey it has shown LPT that in some areas bank staff don't feel as included or valued as part of the Trust's workforce. So CSS will be continuing to influence the managers on the importance of being open, supportive and inclusive to all bank staff. WE ARE ALL NHS.

Consultation with staff

Effective staff involvement is essential for us to shape and improve service delivery.

During 2018 - 19 we have continued to actively involve staff, across all services, through engagement and consultation linked to service transformation and development initiatives

and associated change management programmes. We produce a weekly Trust e-newsletter which is opened by over 60% of staff, and encourage the use of social media (in line with the Trust's social media policy) as a forum for staff to share their views. We have introduced a closed Facebook change which has over 1,500 users. Live monthly web chats continue and the Chief Executive delivers Team Brief 'on the road' which is filmed and shared with staff.

The Trust's formal Joint Staff Consultation and Negotiating Committee (JSCNC) meet bi-monthly. The committee acts as:

- a central forum through which we can consult staff representatives
- an opportunity for staff side representative to comment on and influence our business
- a regular opportunity to identify and discuss other issues relevant to the general interest and welfare of our employees.

In addition to the JSCNC meeting, an active medical local negotiating committee operates within the Trust and there are joint staff consultative forums for the three main clinical directorates. These meet regularly to address local issues.

Support and advisory services

Our staff have access to a wide range of support and advisory services:

- Occupational Health Service available to all staff
- confidential counselling and psychological support services (Amica)
- professional organisations and trade unions
- disabled staff support group (MAPLE)
- interfaith forum
- black, asian and minority ethnic staff support group (BAME)
- carers support group
- Spectrum (lesbian, gay, bisexual, transgender group)
- LPT Young Voices
- anti-bullying and harassment advice service (ABHAS)
- access to mediation for resolving workplace conflict
- Listening Ear service provided by department of spiritual and pastoral care
- Access to Freedom to Speak Up Guardian

We want to create a culture of openness and transparency, where staff are not afraid to raise concerns. Just some of the ways we are enabling this are:

- An 'Ask the Boss' monthly web chat giving staff a direct line to the chief executive who answers all queries and shares responses across the Trust.
- If a member of staff has concerns about an issue that affects the delivery of services or patient care, they are encouraged to speak to their line manager, head of service or director.

- They can also contact the Trust's Freedom to Speak Up Guardian for advice – referring to the 'Freedom to Speak Up: Raising Concerns (Whistleblowing) Policy for further sources of advice
- If staff have concerns about a work issue, they can contact their trade union / professional organisation representative or a member of our human resources team.
- An e-learning package is available for staff to increase awareness of how to raise concerns.

Freedom to Speak up

We are committed to creating an open and transparent culture where colleagues feel safe to speak up and raise concerns in the knowledge that they will be listened to without prejudice. Our Freedom to Speak Up guardian (recruited in December 2016) and The Freedom to Speak Up: Raising Concerns (Whistleblowing) policy support this. The FTSU Guardian provides confidential and impartial advice, or practical support where requested, to those that want to speak up. In addition the Guardian is tasked with raising awareness about speaking up and developing an open and transparent culture where 'speaking up is business as usual'. Currently there are 15 Freedom to speak up partners in the Trust. The policy provides assurance to staff and explicitly states that harassment or victimisation of anyone raising a concern, or any form of reprisal will not be tolerated and could be dealt with through disciplinary procedures.

There are a variety of ways in which staff can speak up within the Trust in addition to the FTSU Guardian for example, to their line manager, senior managers and Directors, Chaplaincy 'Listening Ear', AMICA counselling services, Occupational Health and HR services. However, the policy also identifies the specific non-executive director with responsibility for FTSU, and other external mechanisms such as CQC, Public Concern at Work and the National Whistleblowing help-line. The responsible person is tasked with providing support and staying in touch with the individual raising concerns.

Listening into Action (LiA)

We introduced Listening into Action (LiA) to our staff in May 2013. It has seen 130 traditional teams use the approach of a 20-week programme and is now one of the key ways that the Trust empowers staff to make changes that improve their working life and patient care.

To increase accessibility to using the approach teams are now able to join at any point, meaning that they don't have to wait to join a cohort in either March or September. This has resulted in an increase in team applications over the past 6 months. The Pass it on event has also been rebranded to help staff to understand the benefits in attending. The 'ideas bank' is an event that any member of staff can attend to come and see what has been achieved by using LiA and take away ideas/improvements to their own areas, thus improving sharing of quality improvements in the Trust.Cohort 9 and 10 have had some significant successes that have improved the environment and experiences for service users and staff alike.

Cohort 9	Outcomes
Leicestershire Recovery College	Set out to understand the barriers people face when accessing their courses and to find out how they could raise the profile of the college. As a result of their Big Conversation they have made more connections with both internal and external services and have set up a Facebook group to promote their courses. Through LiA funding they have been able to buy new signage for the college so that they are more visible and are looking to develop a promotional film which inspires new students to attend.
Diana Team	Wanted to understand and improve the transition between children and adult services. LiA helped them to open up conversations with adult services and through shadowing they have a better understanding of departmental roles and have developed personal handovers. Emma from the Diana team said: “If a conversation is worth having, be persistent.”
Qlikview	Increased understanding of how to improve recording errors in QlikView, so that the data accurately reflected their team’s contacts. Their Big Conversation helped them to gain feedback from a number of staff members on how they can improve their processes. LiA also gave them the protected time to look at their data in detail and they have devised a reference booklet on the back of this to give out to all public health nurses to ensure data is accurately recorded moving forwards. They have already seen an increase in the percentage of universal contacts recorded in QlikView.
Privacy and Dignity Team	Ensuring that LPT was taking proactive steps to improve the privacy and dignity of our service users under our care was this team’s aim. Their Big Conversation incorporated a mix of service users, carers, staff and stakeholders who shared their experiences and thoughts on how this could be improved. They have updated the Privacy and Dignity Policy and created information resources for staff and patients. In addition, through LiA funding they have produced an awareness film which will be embedded into Trust induction.
Medical Devices Team	To review the process of how medical devices are serviced across the Trust in a timely manner, that doesn’t interrupt care. Four LiA roadshows identified the need for a consistent approach, but also highlighted a couple of areas of good practice which have been replicated across LPT. A ‘swap out’ service has also been implemented so that staff are not without their device when they are being serviced.
Bradgate MHU recreation room	Explored how they could make better use of the recreation room for both staff and service users. Their Big Conversation identified some common themes of changes that could be made and small task groups were assigned ‘next steps’ to get the ball rolling. New chairs and tables were bought and funding went towards new flooring and solar films for the windows to ensure that the room is fit for purpose. A co-ordinator is now in charge of taking bookings,

	which has led to an increase in its use for patient groups to be held in the day time and more staff health and wellbeing events being provided in the evenings.
Adult Mental Health & Crisis Team	Wanted to understand how they could improve recruitment and retention in their services. Their Big Conversation helped them to identify the reasons that staff move roles and the changes they could make to encourage staff to stay. The sponsor group looked at the key comments such as the need for more team days, investment in equipment and a collective leadership approach. They made some 'quick win' improvements such as ensuring the mental health triage team have the appropriate resources for them to do their daily job and they held a team away day for which staff were involved in setting the agenda.
CAMHS SystmOne Team	Helping staff to better understand how to use SystmOne and how they could achieve gold standard training on the system was this team's mission. Their Big Conversation highlighted a few different areas where support could be improved and as a result they have introduced SystmOne champions across the service and now hold hands-on training sessions for staff. Changes to the system are now communicated in a timely manner and a two-screen hot desk area to make data inputting easier has been set up.

Cohort 10	Outcomes
The Mett Centre	Aimed to look at how mental health nurses could be more proficient in comprehensive screening in order to identify clients at risk of physical health conditions and manage them effectively. Clients are involved with the planning and development of the clinic at all stages. The clinic supports LPTs physical health initiatives & involved many of the staff from the physical health steering group.
Social Prescribing	This team wanted to explore the potential for the development of social prescribing within practice and are now implementing a social prescribing tool kit for the Trust.
Quality Improvement in Clinical Audit	Held roadshows in order to better understand the support that front-line staff need for delivering quality improvement projects.
Menopause Awareness	A well-attended big conversation has led to menopause awareness leaflets being developed, along with two drop in clinics being held for staff. The team have also purchased hand held fans for staff requiring them. There is now a Whatsapp group for staff to share experiences and information. In order to support the raising awareness of staff experiencing menopause symptoms a month has been dedicated to the topic in the Health and Wellbeing calendar.
Flu Fighters	Roadshows explored the reasons why staff did and didn't have their flu vaccination which has helped to inform the flu campaign. Equipment was purchased to support vaccinators to carry out clinics and incentives bought to encourage staff to attend clinics.
Make in, Not Take	With drive and passion from staff on Bosworth ward a new group to

Out	promote healthier choices for patients at supper time has been started. Patients on the ward are now able to make evening snacks in the group, with a focus on healthy choices.
Tracking Syringe Drivers	New systems to improve the process of tracking syringe drivers and reduce the loss of these devices was implemented across the Trust as a result of a number of roadshows to look at what contributed to them being lost and how systems could support the tracking of them.

Cohort 11 are well underway with their Lia Journey, some having held their big Conversations and moving forward their actions to celebrate at the next Ideas Bank event (formerly Pass it on) in March.

Cohort 10	Mission
Charnwood CMHT Breaks	We would like to create a space for staff to take their breaks, so that we can improve their wellbeing at work and help to build better working relationships. Improvements to their kitchen area to include a table and chairs for staff to take a break away from their desks. Funding has been agreed to buy a new fridge to release some space.
Values and Culture	Involve staff in helping to co-design a film to communicate our values and pledge and show what a great place LPT is to work. Staff have contributed to how this will look and filming is due to start soon. The end result will be a film which is shown to all new and existing staff.
ECT follow up clinic	This team's initial mission was to develop a clinic in ECT to follow-up on patients that have completed treatments. Having held a big conversation and heard the voices of both staff and service users a follow up clinic is being set up but will have more of an emphasis on support and information sharing by service users in attendance, as this was what was identified as being needed at the big conversation.
NICE guidelines	Raise the profile of the National Institute for Health & Care Excellence (NICE) guidance, by improving communication and engagement of staff. This team are collating replies from questionnaires to formulate their actions.
Communications team	Review our Trust's communications strategy, and find out what more we can do to help staff feel as informed and engaged as possible. Big Conversation has identified what staff want and find useful, and more engagement work is to follow to help form the new strategy.
This is Me	Creation of a system of capturing the lives of each individual on our ward - their likes, dislikes, preferences, needs, fears and wishes. Personalised boxes will now be created for each patient on this ward.
Whole Family Approach at Bradgate MHU	To develop a dedicated family focused space at the Bradgate Mental Health Unit. This team have applied for LiA funding to improve an area which will be used for families visiting the unit, providing a safe and therapeutic area for the people who use it.
Incident Debriefing	To improve post incident support /debrief to ensure that all involved in incidents feel valued and supported by the Trust. Links throughout LPT have been established to address the changes that are required

	not only in AMH/LD but across other directorates.
Working with independent SLTs	To improve communication between independent Speech and language therapists (SLTs) and NHS therapists to improve the quality of patient care. Work is underway to improve communication between both parties and sharing of information
Welcome to Bradgate MHU	We want to improve the experience of patients, carers, staff and visitors when they arrive at the reception of the Bradgate Mental Health Unit. Alterations to the reception area are being planned to make it more welcoming
Supporting Newly Qualified Nurses	Improving the emotional and psychological support of newly qualified nurses coming in to LPT. Following an engaging Big Conversation, plans are afoot to help better support newly qualified and raise awareness of the issues they face.
CAMHS System One	Following an initial LiA big Conversation last year and through the CAMHS improvement work, changes were made to SystmOne. A series of further events were set up to understand what was and wasn't working for staff following initial changes from the first LiA.
One Revelation at a time	To encourage more people to cycle to and from the Bradgate unit, by improving cycling facilities, and busting some myths about cycling. Planning is underway for a Big conversation to hear what would encourage staff to cycle to the Bradgate mental health unit.
BPP- How we use our space	The Agile programme board plan to carry out a Listen in Action event allowing staff an opportunity to be involved in shaping the future state of LPT's workspaces. This event will support the re-design of LPT estate to enable reduction, and provide a vision for the future of workspaces across the Trust to support activity-based working (ABW) providing a workspace suited to the technology-enabled, Agile workforce of the future.

Developing our staff

We have a dedicated Learning and Development service which provides opportunities for staff to develop their skills and knowledge, and to enable them to deliver a quality service to our patients. We support and encourage staff to develop and pursue their careers aligned to organisational need and personal aspiration. We also support our future workforce through student placements, access to work experience, internships and apprenticeships.

Our Learning and Development Plan for 2018/19 focused on:

- induction and welcoming new starters
- leadership and organisational development
- support for undergraduate and postgraduate learners
- apprenticeships
- Growing our own staff

Leadership Development training continues to be a high priority to support high quality leadership and patient care. Coaching is available to all our staff, and we have a solid community of qualified trainers from all areas within the Trust to provide help and support.

Our Organisational Development team implemented a new induction and welcome for all of our new starters to the Trust. Team Development support is made available to Leaders, to enable high performing and cohesive team work. Our Appraisal training supports leaders and staff to have a quality conversation about their performance, and we are also concentrating on supporting staff to enable career progression through the organisation when they are ready to advance their career.

Our new Values film will be released in the summer of 2019 and will showcase what a great place LPT is to work at – emphasising Trust, Compassion, Integrity and Respect for all. The Team are leading a large scale cultural programme and our staff will be trained as Change Champions to help make improvements within the organisation, making LPT a great place to work.

Growing our own staff into new roles with the Trust is something we value and this year we saw over 80 staff undertake education programmes that will lead to new posts and improve the quality and range of the patient care we can offer. We have also seen the recruitment of our third cohort of trainee nursing associates and the graduation of our first cohort of Registered Nursing Associates this year.

Our programme in Leicester is unique, as it is delivered as a partnership between De Montfort University and healthcare providers. We have also seen our partnership with the University of Leicester develop a new dual-registration nursing programme with our first cohort of students starting in September.

Embracing equality and diversity

Over the last twelve months, we have continued to make progress with mainstreaming the diversity and inclusion agenda into the day-to-day work of LPT.

Being an inclusive employer is key to ensuring that we have a workforce with the skills and knowledge to provide the best service possible to the people of Leicester, Leicestershire, and Rutland; delivering on our vision and values.
Inclusive services ensure that the local community receive the right care at the right time.

Key achievements for equality and diversity:

April 2018	May 2018	June 2018
Provided support to LiA menopause sponsor group.	LLR Partnership Diversity and Inclusion Conference held for health and social care National Staff network day 9th May 2018, Vlog published on LPT You Tube channel	Staff support networks met. Reasonable adjustment policy review. 4 staff attended Cultural Ambassador training

	https://youtu.be/uNNsq2qLR0w Due regard meetings took place as part of the all age transformation plan.	
July 2018 Celebrated 70 years of NHS by engaging with staff and supporting Trust-wide events. WRES National team met with Executive Team The Annual Workforce Equality Monitoring Report was completed and shared with senior leaders to inform equality action plans.	**August 2018** Attended the EDS3 workshop We reported against the Workforce Race Equality Standard aimed at identifying gaps for minority ethnic groups in employment and putting in place appropriate actions that address those gaps. Equality monitoring metrics, the Workforce Race Equality Standard and the Gender Pay Gap, were published with action plans to address the issues identified.	**September 2018** Attendance at Leicester Pride 2018 event to raise awareness of mental health services for LGBTQ community. Celebrated Inclusive communications week with a drop in session for staff.
October 2018 Raised awareness via comms to help celebrate black history month. Attended LPT Collabrative Café Conversation for staff and service users and delivered a presentation alongside lead advocate of Spectrum (LGBTQ+ staff network) raising the profile of our recent trans ally top tips that are included in the newly reviewed Gender Reassignment policy.	**November 2018** Attended the WRES Expert Programme launch in London. Supported developments and attended this year's health and wellbeing event. Raising awareness of all our current staff networks and recruiting a new lead to our Carers and LPT Young voices network. Interviews for and appointment of Equality Diversity and Inclusion (EDI) Lead Reviewed EDS2 evidence in preparation for grading	**December 2018** Anti-Bullying and Harassment Survey developed to review service. Staff engagement work commenced for EDI team to meet teams across the trust to raise awareness of staff networks and any up to date news from the team. Completed EDS2 grading LLR Reverse Mentoring launched
January 2019 WRES National team Focus Groups with BAME staff.. EDI Coordinators attended Freedom to Speak up partners training Equality monitoring information was published on our workforce and service users, in line with Public Sector Equality Duty.	**February 2019** WRES feedback workshop with national team. Focus for action plan identified New lead advocate for Carers staff network group appointed.	**March 2019** Carers policy review renewal. EMLA Empowering BAME Leadership Conference EDI Lead started in post

Our equality objectives 2017 - 2021

The Trust has an agreed Diversity and Inclusion Approach to cover the period 2017 - 2021. This is aimed at improving services and employment practices for target groups.

The Equality Delivery System 2

The Trust is required by NHS England to embed the Equality Delivery System 2 (EDS2) standard into all service delivery and employment practices. This process is designed to ensure that all relevant equality considerations are reflected in both the delivery of services and in the implementation of employment practices. The Equality Diversity and Inclusion team are engaging with services to improve how evidence is gathered to help us prove that we are progressing against the EDS2 standard. EDS2 will be replaced by EDS3 in 2019.

Workforce Race Equality Standard

The Trust reports against the nine indicators of the Workforce Race Equality Standard (WRES) on an annual basis and acts where there is evidence of disadvantage and inequality. The WRES gauges how well the Trust is performing to ensure employees from black, asian and minority ethnic (BAME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. As a result of feedback from staff we invited the national Workforce Race Equality Standard (WRES) team in to work with us to identify how we can improve the experience at work of our Black Asian and Minority Ethnic (BAME) staff. This work will continue into 2019/20.

Gender Pay Gap

The Gender Pay Gap Regulations (a 2017 update to the Equality Act 2010) introduced a requirement for listed public authorities and private sector organisations with 250 or more employees to publish information relating to the difference between the pay of female and male employees. For public authorities, reporting on the Gender Pay Gap took place for the first time on 30 March 2018. This information is being using alongside other equality monitoring information to inform initiatives to promote gender equality in pay and career progression.

Workforce Disability Equality Standard

The Workforce Disability Equality Standard (WDES) aims to promote and inform initiatives to address the national finding that disabled people in the workforce often have poorer experiences of employment than their colleagues who are not disabled. NHS Trusts are required to report against the metrics of the WDES for the first time in August 2019. Having taken part in a pilot study on reporting against the WDES in 2017, LPT is ready to report against this metric and to act upon the associated findings. The WDES will complement the Trust's ongoing workforce equality monitoring scheme, which looks at equality within the workforce across protected characteristics including disability, based upon the requirements of the Public Sector Equality Duty.

Due regard

LPT has a process for carrying out the ‘Due Regard’ (equality analysis) to ensure that its functions, policies, processes and practices do not have an adverse impact on any person described in the Equality Act 2010 in terms of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.

A toolkit and templates are available to support staff in ensuring that they have due regard to the aims of the Equality Act, ensuring that we meet our equality duty and moral obligations. Where there is a need, the Equality Diversity and Inclusion team offers bespoke training on undertaking “due regard” and ensuring that the requirements of the Equality Act are embedded into the day-to-day work of the Trust.

Equality and diversity training

Equality and Diversity training is mandatory for all staff. Training is available through an e-learning module.. It looks at our legal duties in relation to the Equality Act as well as giving insight into meeting the needs of different people and communities. The programme has a focus on the needs of, and difficulties faced by, lesbian, gay, bi-sexual and transgender (LGBT) people. Unconscious bias training is being developed for staff.

Looking ahead: 2019 Activity

Activity 1:	**To comply with the Equality Act 2010 and the Public Sector Equality Duty (PSED).**
Activity 2:	To report and develop actions to address issues identified in the course of the equality monitoring of the workforce and service users.
Activity 3:	To embed and mainstream the Equality Delivery System 3 (EDS3) into all service and enabling activity.
Activity 4:	To report and develop actions to address gaps identified against the Workforce Race Equality Standard, Workforce Disability Equality Standard, and Gender Pay Gap reporting metrics.
Activity 5:	To work in partnership locally, regionally and nationally to share best practice and develop inclusive initiatives that improve outcomes for staff and patients.
Activity 6:	To design, develop and deliver training programmes that help staff and managers to foster positive working relationships that lead to a higher quality of care.

Reducing staff sickness and absence levels

Sickness absence

The Trust's average rate of sickness absence in 2018/19 was 5.1%, a slight increase from the 2017/18 rate of 4.8%. The main reasons for sickness absence are linked to mental health issues including stress and anxiety (whether home or work related) and musculoskeletal (MSK) problems.

Steps taken during the year to reduce staff sickness and absence and improve health and wellbeing include:

- emotional resilience workshops and bespoke programmes for staff groups
- access to mindfulness half day and 8 week programmes
- provision of yoga and dance classes
- encouraging staff to 'take a break'
- provision of a Trust-wide staff physiotherapy service to enable early access to physiotherapy and keep staff at work
- delivery of monthly training sessions jointly with occupational health to assist managers in managing ill-health
- continued promotion of the 'Wellbeing Zone' – a web based resource and smartphone app to educate staff on health and wellbeing issues and enable them to manage their own health and wellbeing goals
- delivery of a comprehensive health and wellbeing programme with a specific monthly focus
- local health and wellbeing groups
- health and wellbeing champions across the Trust
- delivery of annual health and wellbeing event
- provision of volunteering opportunities for staff

In addition, the Trust has continued to deliver a programme of essential training for all new line managers including supportive management behaviour, Essential HR and Healthy Conversations. This, coupled with programmes of work around improving our leadership, culture and inclusion, and quality improvement framework, including Listening into Action, will contribute to our ambition of improving staff experience and have a positive impact on staff health and wellbeing.

Supporting disabled staff

The Trust meets all requirements to use the 'Disability Confident' symbol. Applicants with a disability who meet essential requirements for posts are guaranteed an interview. The Trust also has a reasonable adjustments policy to ensure that appropriate measures are put in place for staff who either have a disability on appointment or develop a disability during employment. We work closely with Access to Work and our Occupational Health department who provide advice and support, and our management of ill-health policy and associated training ensures that managers are aware of the steps to be taken to retain staff with disabilities in employment.

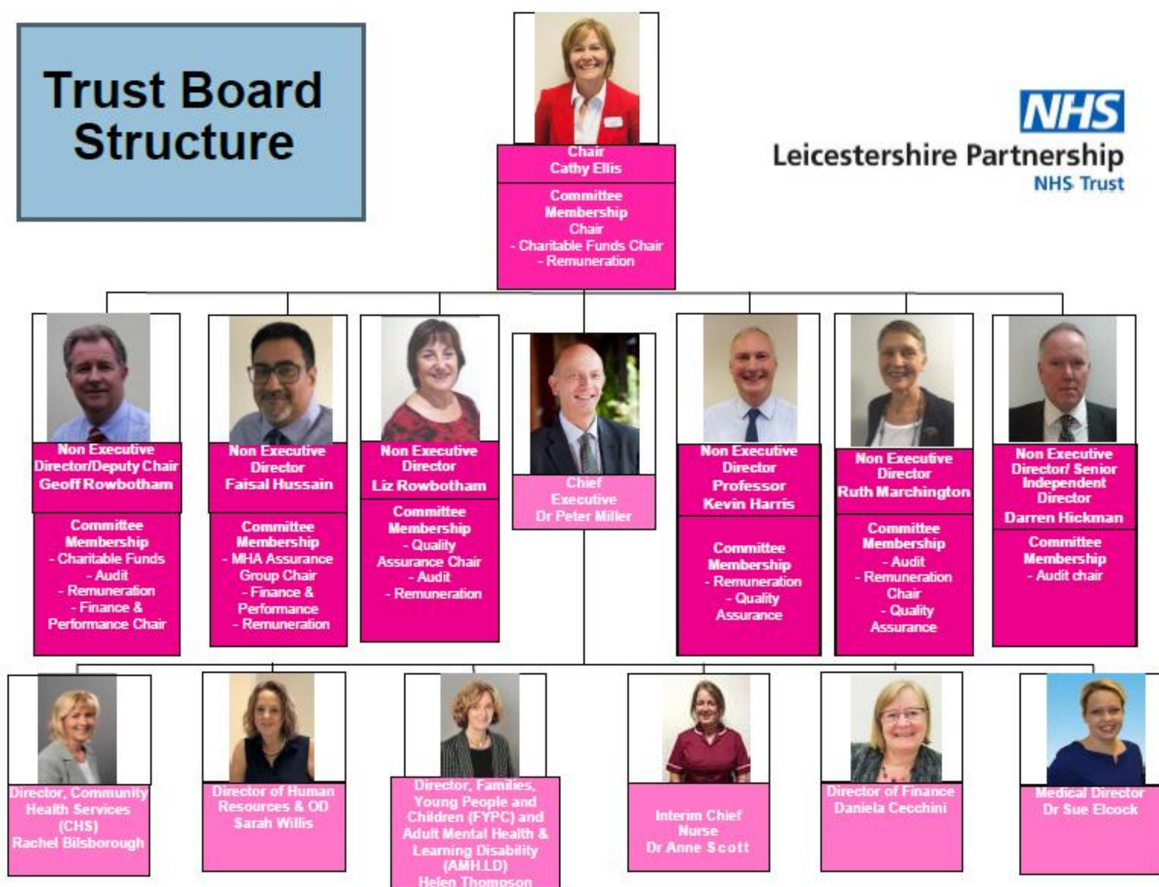
Accountability report

How we govern - Director's Report

There are seven non-executive directors (including the chair) at the Board. Dr Claire Gibson left the Trust on 31 July 2018 and was replaced by our university appointed non-executive director, Professor Kevin Harris with effect from 17 September 2018.

There have been a number of changes amongst the three executive directors (which include the chief nurse, director of finance and medical director). On 1 January 2019 Dr Anne Scott became interim chief nurse after Professor Adrian Childs retired from his role in the Trust. Ms Sharon Murphy was interim Director of Finance until 31 May 2018, when Danielle Cecchini joined the Trust on 1 June 2018. The medical director role was held by Dr Satheesh Kumar until 30 April 2018, and in the intervening period before Dr Sue Elcock commenced in post on 1 October 2018, the interim medical director was Dr Saquib Muhammad.

Members of the Trust Board at 31 March 2019 are shown below.



From Ward to Board

We run an established programme of Board Walks every month where Board members visit services to see the day to day activities of frontline staff and meet with patients and staff to hear about their experiences. Board Walks build communication and engagement between the board members and staff whilst highlighting areas of good practice and areas where support for changes may be required.

During 2018/19, Board members completed 84 visits to our services of which: FYPC received 18, CHS received 29, AMH/LD received 32 and 5 in corporate services.

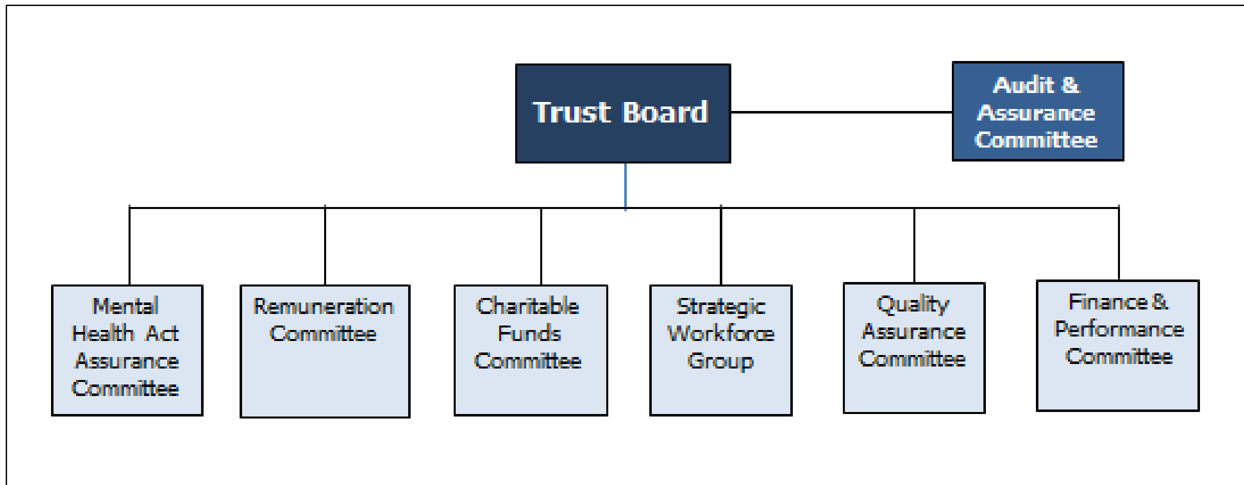
Providing assurance

A number of key sub-committees provide assurance to the Board. Key reports and issues are scrutinised by the appropriate Board committee prior to being submitted for review by our Trust Board. Our Board agenda, which have a service related theme for each meeting, are focused on; quality of patient safety and treatment experience, strategic developments, operational and financial performance trend analysis and exception reporting, staffing and organisational developments, and key risks.

Being accountable

Corporate governance and clinical governance are the terms used in the NHS to describe the framework through which NHS organisations are accountable for improving the quality of their services, safeguarding high standards of care and managing public resources effectively. It also describes the way in which senior managers execute their responsibilities and authority, in relation to the assets and resources entrusted to them, and ensures compliance with statutory legislation.

Our governance structure



Key Board committees

Our **Audit and Assurance Committee** (A&AC) has non-executive director membership. It meets not less than four times a year and reports to the Board annually on its work in support of the Annual Governance Statement. The primary roles of the committee are to independently monitor and review our internal control systems, and provide independent advice and assurance to our Trust Board.

- Our **Quality and Assurance Committee** (QAC) is chaired by a non-executive director, has two other non-executive director members, and meets on a monthly basis. It also includes members who are Board executive directors, as well as there being senior clinical directors, senior clinicians, and commissioners in attendance. It is the key forum for discussion and assurance that robust risk management and quality governance arrangements are in place throughout the Trust and that they are working effectively.
- Our **Finance and Performance Committee** (FPC) is chaired by a non-executive director and meets on a monthly basis. Its membership has key executive directors and one other non-executive director. It is tasked with undertaking financial reviews, including capital planning and infrastructure developments, on behalf of the Trust Board, and considers actions to mitigate any major financial risks facing our Trust. Business development opportunities form part of their considerations, as does the production of both the annual and longer term business plans. The committee's second major role is to provide assurance in relation to our operational performance to the Trust Board, including performance against the national priorities as set out in the NHS Operational Planning and Contracting Guidance 2018/19.
- Our **Strategic Workforce Group** (SWG) is chaired by the chief executive. It meets bi-monthly, and its membership comprises of one non-executive director, the director of human resources and organisational development, medical director, chief nurse, and a

service director. This is a key forum for discussion and assurance on the development of our workforce and development strategies, plans and associated risks.

- Our **Mental Health Act Assurance Committee** (MHAAC) is chaired by a Non-Executive Director and also has the Medical Director and Chief Nurse Director as members. It provides assurance to the Board for the continued management and monitoring of key aspects of the MHA and the Code of Practice (2015) commensurate with its Terms of Reference.
- Our **Remuneration Committee** (REMCOM) has non-executive director membership and is advised by the director of human resources and organisational development. It meets as required, but at least twice a year, to ensure there is a fair and transparent procedure for developing and maintaining policy on executive remuneration and for fixing the remuneration packages of individual directors. It also receives assurance on executive and senior directors' performance and advises on contractual arrangements.
- The purpose of the **Charitable Funds Committee** (CFC) is to manage, on behalf of the Trust Board and in accordance with standing orders, charitable funds held; also to provide assurance to the Trust Board on the effective management of these. It meets four times a year and is chaired by our Trust chair and a non-executive director attends.

How the committees work

The attendance at all of the Board committees is recorded, and terms of reference state a requirement of 75% attendance for all formal members. Attendance is reported within the annual reports of committees to Trust Board, as well as when the work of the committees is reviewed annually by A&AC. Highlight reports from Board committees are presented to the next available Trust Board meeting, and reporting back is led by the non-executive chair of the meeting.

Performance assessment of committees is on an annual basis. Committees reflect on their own achievements and challenges, and the A&AC considers each report at one of its meetings, with the chair and executive lead of the Board committee in attendance. The final report is then submitted to the Trust Board.

The Trust Board sets up task and finish groups, with pertinent membership, to consider key issues in more depth. There is an annual review of standing orders and standing financial orders, along with the Board's scheme of reservation and delegation.

The Board reviews its commitment to the codes of conduct and accountability for NHS Boards annually, and is compliant with the codes of good practice for Boards, as applicable to a provider service NHS Trust, of the HM Treasury/Cabinet Office Corporate governance code.

Non-executive director responsibilities during 2018-19 were as follows:

Committee	Members
Remuneration Committee	Ruth Marchington (Chair) Claire Gibson – until July 2018 Faisal Hussain Liz Rowbotham Geoff Rowbotham Kevin Harris – from September 2018 Cathy Ellis
Charitable Funds Committee	Cathy Ellis (Chair) Geoff Rowbotham
Quality Assurance Committee	Liz Rowbotham (Chair) Claire Gibson – until July 2018 Kevin Harris – from September 2018 Geoff Rowbotham – until August 2018 Ruth Marchington – from September 2018
Mental Health Act Assurance Committee	Faisal Hussain (Chair)
Finance and Performance Committee	Geoff Rowbotham (Chair) Faisal Hussain
Audit and Assurance Committee	Darren Hickman (Chair) Liz Rowbotham Ruth Marchington – until July 2018 Geoff Rowbotham – from October 2018
Strategic Workforce Group	Geoff Rowbotham – until July 2018 Ruth Marchington – from September 2018

Risk management

Patient and staff safety remains our top priority, and to ensure we manage strategic and operational risks, we maintain a robust system of internal control. We do this proactively by identifying and responding quickly and efficiently to potential risks.

Identifying and responding to potential risks

Healthcare is complex and carries inherent clinical risk. Similarly the healthcare system within which the Trust operates is complex and constantly changing. Risk may be associated with many aspects of the healthcare system, for example buildings, equipment, hazardous substances, medicines, medical interventions and therapies, people, systems, processes and management practices.

Our strategy for managing risk is an integral component of our system of governance, which includes quality, risk, performance and guidance for our staff in effectively managing all aspects of healthcare risk.

Our Board Assurance Framework is a system designed to identify and manage the risk to the delivery of our strategic objectives to an acceptable level. We have a clear structure of

accountability and a rigorous process that identifies and prioritises issues. A clear set of roles, responsibilities and reporting arrangements is in place from Board level down.

Our risk management strategy and supporting processes enable each of our services to operate and maintain risks using a register held within a centralised, electronic database. Services manage their risk registers directly from this system using a web based interface.

Board	Our Board has ultimate responsibility for risk management, and its members agree the annual governance statement (see Appendix B). As part of the Board Assurance Framework, the Board needs to be satisfied that appropriate policies and strategies are in place and that systems to reduce risk are functioning well.
Audit and Assurance Committee	The committee reviews our systems and processes and confirms their effectiveness to the Board.
Quality Assurance Committee	The lead Risk Management Committee scrutinises the quality of our services using a variety of information including that associated with risk management. Where we are not achieving the required level, they need to be assured that appropriate plans are in place to achieve this within agreed timescales.
Chief Nurse/Deputy Chief Executive	Our Chief Nurse ensures an effective risk management system is in place, statutory requirements are met and Department of Health guidance is followed.
Executive directors	Our Executive Directors hold corporate responsibility for the day-to-day management of risk against our strategic objectives. They ensure that systems are in place to manage risks and monitor performance against delivery of planned mitigations.

Information management

We ensure the effective management of all personal and sensitive information relating to our service users and employees, working to established principles and standards.

Policies and procedures

We operate rigorous policies and procedures to comply with the legal requirements of the Data Protection Act 1998, the Common Law Duty of Confidence, the Freedom of Information Act 2000 and NHS requirements for safeguarding and sharing information; updating where legislation and national guidance changes. The focus for this year has been around review to ensure that they reflect new data protection legislation (General Data Protection Regulation (GDPR)) coming into force on 25 May 2018.

Improvements in Information Governance during 2018-19

We are always looking to support the clinical services where service redesign and change occurs, developing new guidance and reviewing existing guidance where the Trust is exploring the exploitation of technology to support the clinical care of service users and be more accessible. The governance arrangements for this are constantly reviewed to ensure that they meet our needs and provide assurance to the Board.

We take our legal obligations very seriously and therefore 2018-19 saw a number of key changes and challenges with the implementation of the General Data Protection Regulation (EU) 2016/679 and Data Protection Act 2018. We continue to review the management and handling of information and information requests ensuring that our processes enable us to meet our statutory obligations. In terms of information requests the Trust received 1,100 requests during 2018-19 as subject access and access to health records requests, and 406 as Freedom of Information and Environmental Information Regulations.

The Trust continued its work on information and cyber security including engagement with NHS Digital on the provision of training for the Trust Board and preparations for achieving Cyber Essential Plus accreditation.

This year was the inaugural year for the Data Security and Protection Toolkit (which replaced the information governance toolkit in April 2019) and the Trust reported ‘Standards Unmet with approved Action Plan’ supported and approved by NHS Digital

Data losses

We take the security and integrity of patient data and confidentiality very seriously. During 2018-19 we had two incidents in relation to the mishandling of personal identifiable data classified as a ‘personal data breach’ under GDPR and the guidance issued by the Information Commissioners Office (ICO) and NHS Digital.

Emergency Preparedness, Resilience and Response (EPRR)

EPRR compliance

The Civil Contingencies Act 2004 (CCA 2004) states that; as an NHS funded organisation, LPT are required to have robust emergency and business continuity plans in place. This is to ensure that we continue to be adequately prepared to respond to an emergency or major incident that may pose a significant disruption to service delivery, or that has the potential to seriously damage the wider community's welfare, environment or security.

In October 2018, NHS England reviewed our compliance against the NHS England, EPRR Core Standards. The purpose of the EPRR Annual Assurance Process is to assess the preparedness of the NHS, both commissioners and providers, against common NHS EPRR Core Standards. NHS England were fully assured that LPT are fully compliant against all applicable NHS EPRR core standards, so by definition;

LPT's EPRR arrangements are in place, the organisation is fully compliant with all core standards that the organisation is expected to achieve. The Board has agreed with this position statement.

Business continuity and emergency planning

LPT's Business Continuity Management System (BCMS) has been developed in line with the international standard for Business Continuity Management, (ISO 22301), and the NHS England Business Continuity Management Toolkit. Each directorate within the Trust is required to have site and service specific business continuity plans in order to protect and maintain critical services in the event of disruptive events. We have over ninety live Business Continuity Plans (BCP) across all directorates; these are reviewed annually and updated post any incident or exercise.

Our Major Incident Plan is reviewed annually and sets out the framework and arrangements for instigating a response to a major incident, or significant disruption to service provision. The plan sets out a framework for coordinating the Trust's response with healthcare partners and other stakeholders in a multi-agency emergency response.

We continued to deliver internal training and exercises. During 2018/19 we had a strong focus on developing the directorates command groups at strategic and tactical level, this will continue into 2019/20, culminating in a planned trust wide live exercise during Q4 2019/20. The Trust has also taken part in external exercises as part of the Local Resilience Forum (LRF). These are multi-agency exercises that test the whole system response to potential emergencies in Leicester, Leicestershire and Rutland. These exercises focussed on Counter Terrorism and recovery post a major incident, specific work has been focused around psychosocial support and LPT's role in the wider recovery picture.

Next Steps

The focus for 2019/20 is to build on the strong base that has been created around command and control, and continue to develop our BCMS and incident response plans, with a strong focus on developing the whole Trust response to a major incident.

Modern Slavery Act Statement 2015

The UK Modern Slavery Act became law on the 26 March 2015. It aims to prevent all forms of labour exploitation, and to increase transparency of labour practices in supply chains. Section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015 requires eligible commercial organisations to make a public statement as to the actions they have taken to detect and deal with forced labour and trafficking in their supply chains. We are committed to meeting the requirements of this Act. You can read our latest progress statement, republished in March 2019, on our website here: http://www.leicspart.nhs.uk/_Aboutus-ModernSlaveryActStatement.aspx

Preparing for EU exit

An internal working group of key managers has been working together to ensure we have a co-ordinated approach in line with NHS England guidelines, in preparation for Britain exiting the EU.This includes having an overview over our procurement relationships with suppliers and contractors, medical equipment and supplies, our workforce, our data, research trials and our business continuity plans. This is in liaison with our local health and social care system and regional EU exit leads. We currently have no concerns and have a plan in place. More details and advice for the public can be found on the NHS England website at https://www.england.nhs.uk/eu-exit/

Directors' Statements

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, other items of comprehensive income 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

Chief Executive **Danielle Cecchini, Director of Finance**

Statement of Accountable Officer's responsibilities

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

Dr Peter Miller, Chief Executive, Leicestershire Partnership NHS Trust

Annual Governance Statement

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum. For the full Annual Governance Statement please see Appendix B.

Dr Peter Miller, Chief Executive

Remuneration and staff report

Remuneration

Table 1 shows the remuneration (excluding employer's National Insurance contributions) of the Trust's Board of Directors.

The Remuneration Committee, which comprises all of the non-executive directors, other than the Trust Chair and the Chair of Audit and Assurance Committee, annually reviews the salaries of its most senior managers taking into account market rates and the pay awards determined nationally for all other groups of staff. The policy for the remuneration of the Trust's senior managers for current and future financial years is as follows:

Executive Directors: pay is based on national guidance and is agreed by the Trust Remuneration Committee.

Non–Executive Directors: up to 30 September 2012 the appointment and pay of Non-Executive Directors was determined by the Appointments Commission, this responsibility passed to NHS Improvement on 1 October 2012.

Performance of the Executive Directors is assessed through the Trust annual individual performance reviews. Performance related pay is not part of the remuneration package.

The performance of the Non-executive directors is assessed annually by the Chair using the NHS Improvement appraisal system.

The summary and explanation of the Trust policy on the duration of contracts, notice periods and termination payments is as follows:

Executive Directors are on permanent employment contracts. The notice period that the Trust is required to give the Executive Directors is six months. The notice period the Executive Directors are required to give the Trust is three months.

Non-Executive Directors serve tenure of three or four years, appointed by NHS Improvement (Appointments Commission up to 30 September 2012). There is no provision for compensation due to early termination of contracts.

Dr Peter Miller, Chief Executive

Salaries and allowances of senior managers

TABLE 1: SALARIES AND ALLOWANCES OF SENIOR MANAGERS

Name and Title	2018/19					2017/18				
	Salary (bands of £5,000)	Expense Payments (taxable) total to nearest £100	Performance Pay and Bonuses (bands of £5,000)	All Pension related benefits (bands of £2,500)	Total (bands of £5,000)	Salary (bands of £5,000)	Expense Payments (taxable) total to nearest £100	Performance Pay and Bonuses (bands of £5,000)	All Pension related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000	£00	£000	£000	£000
Rachel Bilsborough, Divisional Director CHS	105-110	0	0	5-7.5	115-120	105-110	0	0	7.5-10	115-120
Danielle Cecchini, Director of Finance (wef 01/06/18)	100-105	45	0	60-62.5	165-170	0	0	0	0	0
Adrian Childs, Chief Nurse/Deputy Chief Executive (Upto 31/12/18)	95-100	0	0	0	95-100	120-125	0	0	5-7.5	130-135
Peter Cross, Director of Finance, Business & Estates (upto 07/01/2018)	0	0	0	0	0	90-95	0	0	0	90-95
Alan Duffell, Director of HR & Organisational Development (upto 04/04/17)	0	0	0	0	0	0-5	0	0	85-87.5	85-90
Dr Sue Elcock, Medical Director (wef 01/10/18)	45-50	22	30-35	132.5-135	220-225	0	0	0	0	0
Cathy Ellis, Chair	35-40	0	0	0	35-40	35-40	0	0	0	35-40
Dr Satheesh Kumar Gangadharan, Medical Director (Upto 30/04/18)	5-10	4	5-10	0	15-20	95-100	0	75-80	70-72.5	250-255
Dr Claire Gibson, Non-Executive Director (Upto 31/07/18)	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Professor Kevin Harris, Non-Executive Director (wef 17/09/18)	0-5	0	0	0	0-5	0	0	0	0	0
Darren Hickman, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Faisal Hussain, Non-Executive Director	5-10	0	0	0	0-5	0-5	0	0	0	0-5
Professor James Lindesay, Non-Executive Director (upto 31/07/2017)	0	0	0	0	0	0-5	0	0	0	0-5
Ruth Marchington, Non-Executive Director (w.e.f. 05/09/2017)	5-10	0	0	0	5-10	5-10	0	0	0	5-10
David Mell, Non-Executive Director (upto 31/08/2017)	0	0	0	0	0	0-5	0	0	0	0-5
Dr Peter Miller, Chief Executive	165-170	0	0	25-27.5	195-200	160-165	0	0	17.5-20	180-185
Dr Saquib Muhammad, Interim Medical Director (01/05/18 - 30/09/18)	40-45	0	30-35	0	75-80	0	0	0	0	0
Sharon Murphy, Interim Director of Finance (Upto 31/05/2018)	15-20	0	0	15-20	30-35	20-25	0	0	150-152.5	170-175
Elizabeth Rowbotham, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Geoff Rowbotham, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Dr Anne Scott, Interim Chief Nurse (wef 1/1/19)	25-30	0	0	0	25-30	0	0	0	0	0
Helen Thompson, Divisional Director FYPC & AMHS	105-110	0	0	25-27.5	135-140	105-110	0	0	12.5-15	120-125
Sarah Willis, Director of HR & Organisational Development (w.e.f. 05/04/17)	100-105	0	0	27.5-30	135-140	100-105	0	0	285-287.5	385-390

Notes

There have been no long term performance pay and bonuses

Dr Anne Scott was not in a Director role during 2017/18 therefore, the pension benefits has been left as 0

Dr Saquib Muhammad was not in a Director role during 2017/18 therefore, the pension benefits has been left as 0

TABLE 2: PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of	Cash Equivalent Transfer Value at 1 April 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
Rachel Bilsborough, Divisional Director CHS	0-2.5	0	40-45	115-120	892	793	99
Danielle Cecchini, Director of Finance	2.5-3	5-7.5	35-40	110-115	857	711	122
Adrian Childs, Chief Nurse/Deputy Chief Executive	0	0-2.5	50-55	155-160	0	1133	0
Dr Sue Elcock, Medical Director	5-7.5	2.5-5	35-40	75-80	577	420	65
Dr Satheesh Kumar Gangadharan, Medical Director	0	0	10-15	5-10	181	772	0
Dr Peter Miller, Chief Executive	2.5-3	0	70-75	205-210	1568	1385	183
Dr Saquib Muhammad, Interim Medical Director	17.5-20	47.5-50	45-50	115-120	905	0	379
Sharon Murphy, Interim Director of Finance	0-2.5	0	5-10	10-15	141	117	4
Dr Anne Scott, Interim Chief Nurse	7.5-10	22.5-25	30-35	90-95	626	0	154
Helen Thompson, Divisional Director FYPC & AMHS	0-2.5	0	40-45	115-120	897	784	113
Sarah Willis, Director of HR & Organisational Development	0-2.5	0-2.5	15-20	25-30	246	190	56

Real increase/decrease in CETV is subject to rounding

Note
Dr Saquib Muhammad was not in a Director role during 2017/18 therefore, there is not a CETV value for 2017/18
Dr Anne Scott was not in a Director role during 2017/18 therefore, there is not a CETV value for 2017/18

Pay Multiples

Table 3: Pay Multiples

	2018-19	2017-18
Mid band of highest paid staff's total remuneration (£)	172,500	177,500.00
Median total remuneration (£)	28,800	28,746.00
Ratio	5.99	6.17

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

The mid band of the highest paid member of staff in Leicestershire Partnership NHS Trust in the financial year 2018/19 was £172,500 (2017/18: £177,500 at mid band). This was 5.99 times (2017/18: 6.17 times) the median remuneration of the workforce, which was £28,800 (2017/18: £28,746).

In 2018/19 one employee received remuneration in excess of the highest-paid director/member (2017/18: none). Remuneration ranged from £7,300 to £174,000 (2017/18 £6,500-£179,000).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in kind, as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Remuneration also includes any costs associated with agency workers.

Consultancy

There are occasions that the Trust considers expenditure on consultancy to be the most cost appropriate course of action. Over the 2018-19 financial period, the Trust spent £339,000 with various consultancies. The vast majority of this spend relates to general management and IT consultancy services. Such expense enables the Trust to be best placed to deal with future health care needs of the population that it serves.

Exit Packages

Exit packages totalling £98,000 were agreed during 2018-19 for staff leaving the Trust. These related to compulsory redundancies and contractual payments in lieu of notice. More details are shown at Table 4: Exit Packages.

Off-payroll Engagements

The Treasury instructs all NHS bodies to disclose in their annual report details of any off-payroll engagements that have a cost of more than £245 per day and that last longer than six months.

Table 1: Off-payroll engagements longer than 6 months

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

	Number
No. of existing engagements as of 31 March 2019	2
Of which:	
No. that have existed for less than one year at time of reporting	1
No. that have existed for between one & two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	1
No. that have existed for four or more years at time of reporting	0

All off-payroll engagements are requested to confirm that they are paying the correct amount of tax and national insurance contributions. Assurance is sought for all engagements that meet the criteria laid out by the Treasury.

Table 2: New Off-payroll engagements

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	1
Of which:	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental 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

Table 3: Off-payroll board member/senior official engagements

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
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements	11

Table 4: Exit Packages

Insert table

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	**Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments	Cost of special payment element included in
	Number	£0s	Number	£0s	Number	£0s	Number	£0s
Less than £10,000			9	35000	9	35,000		
£10,000 - £25,000	2	41,000	2	22000	4	63,000		
£25,001 - £50,000					0	0		
£50,001 - £100,000					0	0		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
>£200,000					0	0		
Total	**2**	**41,000**	**11**	**57000**	**13**	**98,000**	**0**	**0**

* Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pension Agency. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the organisation and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

** All of the other departures agreed outside of compulsory redundancies (11 in total) relate to contractual payments in lieu of notice (£57,000).

Table 5: Staff costs

	Permanent	Other	2018/19 Total	2017/18 total
	£000	£000	£000	£000
Salaries and wages	147,269	15,709	162,978	159,870
Social security costs	14,618		14,618	14,186
Apprenticeship levy	785		785	769
Employer's contributions to NHS pensions	20,326		20,326	20,080
Pension cost - other	26		26	107
Termination benefits	603		603	328
Temporary staff - Agency		8,916	8,916	10,310
Total Gross staff costs	**183,627**	**24,625**	**208,252**	**205,650**
Recoveries from other bodies in respect of staff cost netted off expenditure		-250	-250	
Total Staff Costs	**183,627**	**24,375**	**208,002**	**205,650**
Of which costs capitalised as part of assets	1,284			981

Table 6: Average number of employees (WTE basis)

	Permanent	Other	2018/19 Total	2017/18 Total
	Number	Number	Number	Number
Medical and dental	179	6	185	196
Administration and estates	1,097	118	1,215	1,212
Healthcare assistants and other support staff	868	341	1,209	1,103
Nursing, midwifery and health visiting staff	1,542	201	1,743	1,757
Scientific, therapeutic and technical staff	890	26	916	911
Social care staff	4	0	4	5
Total average numbers	**4,580**	**692**	**5,272**	**5,184**
Of which:				
Number of employees (WTE) engaged on capital projects	28		28	23

Other financial information

Better Payment Practice Code

The Late Payment of Commercial Debts (Interest) Act 1988 gives effect to the Government's commitment to introduce a statutory right for businesses to claim interest on the late payment of commercial debts. Unless other agreed terms apply, all undisputed bills are to be paid within 30 days of receipt of goods/services or a valid invoice, whichever comes later. The Trust has signed up to the Better Payment Practice Code. Measure of compliance against the Better Payment Practice Code is available in our financial accounts.

Parliamentary accountability and audit report

Leicestershire Partnership NHS Trust is exempt from providing this report as we do not directly report to parliament.

Audit Fee

The Trust's external auditor for the period 1 April 2018 to 31 March 2019 was KPMG. The 2018/19 audit fee of £62k relates to services provided by external audit, including the annual statutory audit of the Trust's financial accounts (£52k) and the audit of the quality accounts (£10k).

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF LEICESTERSHIRE PARTNERSHIP NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Leicestershire Partnership NHS Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health Group Accounting Manual 2018/19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions we considered the inherent risks to the Trust's operations, including the impact of Brexit, and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2018/19. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2018/19.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 70, the Directors are responsible for: the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on page 71 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Leicestershire Partnership NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2019.

Basis for qualified conclusion

In considering the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources and specifically in terms of informed decision making, we identified the points below relating to the concerns raised by the CQC and NHSI in relation to the Trust failing to demonstrate adequate governance arrangements and quality management. In coming to our conclusion we have considered the following factors:

- Following the CQC inspection in November/December 2018, the Trust was rated overall, 'Requires Improvement' with an 'inadequate' rating given on the Well Led Criteria. This is a deterioration against the previous rating. The Trust was served under

Section 29a a Warning Notice from the CQC on 30 January 2019. The notice notified the Trust that the CQC had formed a view that the quality of health care required significant improvement over nine areas.

- NHSI subsequently moved the Trust to Segment 3 under the NHSI Operating Framework meaning the Trust receives mandated support for significant concerns as there is a breach of the licence.
- In May 2019, the Trust was issued with an undertaking from NHSI due to concerns with quality and performance. The letter stated concerns that the Trust has provided health services whilst failing to comply with certain conditions of its licence.

We have concluded that these issues were evidence of weaknesses in the Trust's arrangements for informed decision making.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 1, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of Leicestershire Partnership NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Leicestershire Partnership NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Bostock
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Queensway
Birmingham
B4 6GH

28 May 2019

Leicestershire Partnership NHS Trust

Annual accounts for the year ended 31 March 2019

Audited

Statement of Comprehensive Income

	Note	2018/19 £000	2017/18 £000
Operating income from patient care activities	3	247,141	243,755
Other operating income	4	31,181	30,748
Operating expenses	6, 8	(267,899)	(259,484)
Operating surplus/(deficit) from continuing operations		**10,423**	**15,019**
Finance income	11	114	31
Finance expenses	12	(1,006)	(986)
PDC dividends payable		(6,116)	(5,958)
Net finance costs		**(7,008)**	**(6,913)**
Other gains / (losses)	13	(197)	(83)
Surplus / (deficit) for the year from continuing operations		**3,218**	**8,023**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	-	-
Surplus / (deficit) for the year		**3,218**	**8,023**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(5,045)	2,877
Revaluations		-	13,960
Total comprehensive income / (expense) for the period		**(1,827)**	**24,860**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period (exc incentive PSF)		974	6,470
Incentive PSF		2,244	1,553
Surplus / (deficit) for the period		**3,218**	**8,023**
Remove net impairments not scoring to the Departmental expenditure limit		2,324	(3,262)
Remove I&E impact of capital grants and donations		(17)	(86)
Adjusted financial performance surplus / (deficit)		**5,525**	**4,675**

Statement of Financial Position

	Note	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	15	1,911	1,804
Property, plant and equipment	16	200,260	206,875
Receivables	24	653	580
Total non-current assets		**202,824**	**209,259**
Current assets			
Inventories	23	320	306
Receivables	24	13,803	14,258
Cash and cash equivalents	28	8,356	3,723
Total current assets		**22,479**	**18,287**
Current liabilities			
Trade and other payables	29	(14,431)	(15,455)
Borrowings	32	(410)	(394)
Provisions	34	(1,202)	(623)
Other liabilities	31	(428)	(394)
Total current liabilities		**(16,471)**	**(16,866)**
Total assets less current liabilities		**208,832**	**210,680**
Non-current liabilities			
Borrowings	32	(11,535)	(11,918)
Provisions	34	(1,129)	(1,234)
Total non-current liabilities		**(12,664)**	**(13,152)**
Total assets employed		**196,168**	**197,528**
Financed by			
Public dividend capital		83,675	83,048
Revaluation reserve		64,205	69,250
Income and expenditure reserve		48,288	45,230
Total taxpayers' equity		**196,168**	**197,528**

The notes on pages 5 to 46 form part of these accounts

Name Peter Miller

Sign

Position Chief Executive

Date **23 May 2019**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2018 - brought forward	**83,048**	**69,250**	**45,230**	**197,528**
Impact of implementing IFRS 9 on 1 April 2018	-	-	(160)	**(160)**
Surplus/(deficit) for the year	-	-	3,218	**3,218**
Impairments	-	(5,045)	-	**(5,045)**
Public dividend capital received	627	-	-	**627**
Taxpayers' equity at 31 March 2019	**83,675**	**64,205**	**48,288**	**196,168**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - brought forward	**82,940**	**54,943**	**34,677**	**172,560**
Surplus/(deficit) for the year	-	-	8,023	**8,023**
Other transfers between reserves	-	(577)	577	**-**
Impairments	-	2,877	-	**2,877**
Revaluations	-	13,960	-	**13,960**
Transfer to retained earnings on disposal of assets	-	(1,953)	1,953	**-**
Public dividend capital received	108	-	-	**108**
Taxpayers' equity at 31 March 2018	**83,048**	**69,250**	**45,230**	**197,528**

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 as the public dividend capital dividend.

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

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

Statement of Cash Flows

	Note	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Operating surplus / (deficit)		10,423	15,019
Non-cash income and expense:			
Depreciation and amortisation	6.1	7,575	7,502
Net impairments	7	2,324	(3,262)
Income recognised in respect of capital donations	4	(31)	(100)
(Increase) / decrease in receivables and other assets		401	(869)
(Increase) / decrease in inventories		(14)	(17)
Increase / (decrease) in payables and other liabilities		(1,030)	(4,164)
Increase / (decrease) in provisions		473	(378)
Net cash generated from / (used in) operating activities		**20,121**	**13,731**
Cash flows from investing activities			
Interest received		114	31
Purchase of intangible assets		(398)	(436)
Purchase of property, plant, equipment and investment property		(8,232)	(6,969)
Sales of property, plant, equipment and investment property		-	1,500
Receipt of cash donations to purchase capital assets		100	-
Net cash generated from / (used in) investing activities		**(8,416)**	**(5,874)**
Cash flows from financing activities			
Public dividend capital received		627	108
Movement on loans from the Department of Health and Social Care		(163)	(163)
Capital element of PFI, LIFT and other service concession payments		(231)	(226)
Interest on loans		(76)	(81)
Interest paid on PFI, LIFT and other service concession obligations		(930)	(905)
PDC dividend (paid) / refunded		(6,299)	(5,859)
Net cash generated from / (used in) financing activities		**(7,072)**	**(7,126)**
Increase / (decrease) in cash and cash equivalents		**4,633**	**731**
Cash and cash equivalents at 1 April - brought forward		**3,723**	**2,992**
Cash and cash equivalents at 1 April - restated		**3,723**	**2,992**
Cash and cash equivalents at 31 March	28.1	**8,356**	**3,723**

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

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis. Following an assessment of the organisation, the Trust Board believes it has the resources in place to remain viable for the foreseeable future, and will be able to realise its assets and discharge its liabilities in the normal course of business.

Note 1.1.3 Interests in other entities

The Trust does not have any interests in other entities, including Associates, Joint Ventures and Joint Operations.

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:

(i) Private Finance Initiative (PFI)

During the 2009/10 IFRS restatement process the Trust reviewed the details of its PFI contract and concluded that it fell within the scope of International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements. This conclusion was based on the fact that the Trust controls and regulates the services that the asset provides, to whom it is provided to, and retains entitlement to the building at the end of the lease term. The PFI asset was brought onto the balance sheet and is being depreciated over its useful life.

(ii) Local Improvement Finance Trust (LIFT)

During 2010/11 the Trust's LIFT asset was brought onto balance sheet. The Trust occupies 22.9% of St Peters Health Centre and under the arrangements of IFRIC 12: Service Concession Arrangements, the Trust has recognised both the asset and liability on the balance sheet.

Note 1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Asset Valuation

The Trust instructs the District Valuer to undertake formal revaluations of its land and buildings every three years, supplemented by an internal annual property review to identify any significant valuation issues in between formal revaluations. The last formal asset valuation was carried out by the District Valuer in 2017/18 therefore a full asset valuation is not required until in 2020/21.

The annual indexation used for the 2018/19 valuations comprises of the BCIS (Building Cost Information Service) annual indices, adjusted by the East Midlands location factor. Because concerns have been expressed nationally over the accuracy of the location factors and the significant swings in annual trends, the Trust has adopted an 8-year average location factor, which will be applied on a rolling basis. The impact of applying the 2018/19 indices to this year's accounts is a reduction in buildings valuations of £4,870,000 (3.5%). The District Valuer has confirmed there are no changes in land valuations.

As in previous years, following advice from the District Valuer, any capital additions made to buildings during the year have also been impaired. The total impairment value (including the application of the annual adjusted BCIS indices) is £7,369,000.

(ii) Asset Lives

In accordance with IAS 16: Property, Plant and Equipment, the Trust has undertaken a review of the useful life of all asset types. Buildings lives have been updated to reflect advice from the Trust's Surveyor. These changes have been accounted for as a change in an accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting estimates and Errors.

(iii) New Provisions

During the year the Trust has provided for new provisions totalling £1,026,000. These mainly relate to additional restructuring, lease dilapidations, legal claims and annual leave provisions recognised in 2018/19.

In addition to the above and in line with IFRS 9 Financial Instruments, the Trust has also provided for £1,106,000 of credit losses (previously referred to as doubtful debts). £374,000 of the expected credit loss relates to the revised IFRS 9 calculation for providing for future unpaid debts based on previous payment performance (the provision is no longer linked to specific customers). The remaining balance of £732,000 relates to one debtor where significant concerns have been raised over the successful outcome of a payment dispute.

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.

(i) Revenue from NHS contracts

The main source of income for Trusts 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, Trusts accrue income relating to activity delivered in that year, where a patient care spell is incomplete. Due to the nature of the Trust's contract arrangements, it does not have any partially completed patient care spells as at 31st March 2019. Where income has been received for future service delivery, it is deferred into the following financial year.

(ii) 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.

(iii) NHS injury cost recovery scheme

Trusts receive income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. Trusts recognise the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

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.

The value of the benefit received when accessing funds from the 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 is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.6 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., 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 assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful 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' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating 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 i.e.:

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

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, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

Note 1.6.6 Useful lives of property, plant and equipment
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	1	69
Plant & machinery	1	14
Information technology	1	9
Furniture & fittings	1	10

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

Note 1.7 Intangible assets

Note 1.7.1 Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

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 of IFRS 5.

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.7.3 Useful economic life of intangible assets

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

	Min life Years	Max life Years
Information technology	1	3
Development expenditure	2	5
Websites	2	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 Carbon Reduction Commitment scheme (CRC)
The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 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 ONS.

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

Note 1.11.2 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 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. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Credit losses are only applied to Non-NHS bodies and excludes any expected credit losses in relation to other NHS bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Note 1.11.3 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 1.12 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The trust as lessee
Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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

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

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

Note 1.13 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34.1 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling
The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any “excesses” payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax
Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Corporation tax
The Trust has determined that it is has no corporation tax liability due to the structure of the organisation and the services it provides.

Note 1.18 Foreign exchange
The NHS Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

Note 1.19 Third party assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust 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 1.21 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 1.22 Transfers of functions [to / from] [other NHS bodies / local government bodies]

This note is not relevant to the Trust for 2018/19 as it did not participate in any transfer of functions to or from other NHS or local government bodies.

Note 1.23 Early adoption of standards, amendments and interpretations

The main changes to this year's accounts include (i) the adoption of IFRS 9, Financial Instruments, superseding IAS 39, Financial Instruments: Recognition and Measurement and (ii) adoption of IFRS 15, Revenue from Contracts with Customers, superseding IAS 18, Revenue and IAS 11, Construction Contracts.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

As required by IAS 8, trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector. This applies to the following four standards, with IFRS 16 Leases having the most significant impact on next year's financial statements; early indications are that most of the Trust's leases will be recognised as finance leases instead of operating leases.

- IFRS 14 Regulatory Deferral Accounts
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax treatments

Note 2 Operating Segments

The Trust's operating segments reflect the organisational structure and align with governance and reporting arrangements

Division	2018/19 Total Revenue £000s	%	2017/18 Total Revenue £000s	%
Adult Mental Health & Learning Disabilities	76,709	28%	80,025	29%
Community Health Services	104,818	38%	104,871	38%
Families, Young People and Children Services	57,514	21%	58,224	21%
Enabling Services	11,478	4%	10,625	4%
Trust Central reserves	10,908	4%	2,786	1%
Sub-total healthcare	**261,427**	**94%**	**256,531**	**93%**
Hosted Services & Estates	16,895	6%	17,972	7%
Total revenue	**278,322**	**100%**	**274,503**	**100%**

Note 3 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)	**2018/19 £000**	**2017/18 £000**
Mental health services		
Cost and volume contract income	15,253	14,117
Block contract income	102,942	101,025
Community services		
Community services income from CCGs and NHS England	103,861	104,587
Income from other sources (e.g. local authorities)	18,491	18,540
All services		
Agenda for Change pay award central funding	3,166	-
Other clinical income	3,428	5,486
Total income from activities	**247,141**	**243,755**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2018/19 £000**	**2017/18 £000**
NHS England	8,406	11,141
Clinical commissioning groups	213,812	210,886
Department of Health and Social Care (payaward)	3,166	-
Other NHS providers	3,160	2,926
NHS other	1	-
Local authorities	18,491	18,802
Non NHS: other	105	-
Total income from activities	**247,141**	**243,755**
Of which:		
Related to continuing operations	247,141	243,755
Related to discontinued operations	-	-

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

No income was recognised in the accounts for Overseas Visitors charges (for 2018/19 or 2017/18)

Note 4 Other operating income

	2018/19	2017/18
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	586	879
Education and training (excluding notional apprenticeship levy income)	9,421	9,151
Non-patient care services to other bodies	13,469	12,929
Provider sustainability / sustainability and transformation fund income (PSF / STF)	4,592	3,226
Income in respect of employee benefits accounted on a gross basis	250	291
Other contract income	2,292	3,639
Other operating income recognised in accordance with other standards:		
Receipt of capital grants and donations	31	100
Rental revenue from operating leases *	540	533
Total other operating income	**31,181**	**30,748**
Of which:		
Related to continuing operations	31,181	30,748
Related to discontinued operations	-	-

Note 5 Additional information on revenue from contracts with customers recognised in the period

Because the Trust's revenue relates to contracts with an expected duration of one year or less, and contracts where the trust recognises revenue directly corresponding to work done to date (i.e. all performance obligations have been satisfied), no further IFRS15 disclosure notes are required.

Note 6 Fees and charges

The Trust did not incur any fees or charges in either 2018/19 or 2017/18

Note 6.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,615	1,281
Purchase of healthcare from non-NHS and non-DHSC bodies *	1,654	2,948
Staff and executive directors costs	203,658	201,655
Remuneration of non-executive directors	75	78
Supplies and services - clinical (excluding drugs costs)	3,339	3,185
Supplies and services - general	3,103	2,845
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	2,713	2,684
Inventories written down	19	18
Consultancy costs	339	1,072
Establishment	7,247	6,359
Premises **	21,619	21,221
Transport (including patient travel)	285	293
Depreciation on property, plant and equipment	7,284	7,291
Amortisation on intangible assets	291	211
Net impairments	2,324	(3,262)
Movement in credit loss allowance: contract receivables / contract assets	-	
Movement in credit loss allowance: all other receivables and investments	738	34
Change in provisions discount rate(s)	72	58
Audit fees payable to the external auditor:		
- audit services- statutory audit	52	52
- other auditor remuneration (external auditor only)	10	8
Internal audit costs	135	153
Clinical negligence	1,037	1,129
Legal fees	416	266
Insurance	39	15
Research and development	593	618
Education and training	2,721	2,545
Rentals under operating leases	4,849	5,076
Early retirements	-	104
Redundancy	603	395
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	495	459
Hospitality	30	24
Other services, eg external payroll	144	353
Other	400	316
Total	**267,899**	**259,484**
Of which:		
Related to continuing operations	267,899	259,484
Related to discontinued operations	-	-

* The reduction in 'Purchase of healthcare from non-NHS and non-DHSC bodies' expenditure is due to the revised accounting treatment of those Out Of Area (OOA) patient costs which are recharged in full to CCGs. These are now treated as pass-through costs and netted off against income and expenditure. In previous years these were disclosed using gross accounting principles.

** Premises expenditure mainly relates to utilities, facilities and estates management costs, Information technology equipment, and property rental charges.

Note 6.2 Other auditor remuneration

The Trust did not incur any other auditor remuneration costs during the year (2017/18: £8k)

Note 6.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2018/19 or 2017/18.

Note 7 Impairment of assets

	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price *	1,100	(6,206)
Other **	1,224	2,944
Total net impairments charged to operating surplus / deficit	**2,324**	**(3,262)**
Impairments charged to the revaluation reserve	5,045	(2,877)
Total net impairments	**7,369**	**(6,139)**

* Changes in market price relate to the application of the Building Cost Information Service (BCIS) indices as advised by the District Valuer, adjusted for the East Midlands location factor (using an 8-year rolling average factor) as at 31st March 2019

** Other impairments relate to subsequent valuations following capital investment in leased and owned buildings, as advised by the District Valuer, including the impairment on the new Bradgate Unit carpark which was completed during the year.

Note 8 Employee benefits

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	162,948	159,870
Social security costs	14,618	14,186
Apprenticeship levy	785	769
Employer's contributions to NHS pensions	20,326	20,080
Pension cost - other	26	107
Termination benefits	603	328
Temporary staff (including agency)	8,946	10,310
Total gross staff costs	**208,252**	**205,650**
Recoveries in respect of seconded staff	**(250)**	-
Total staff costs	**208,002**	**205,650**
Of which		
Costs capitalised as part of assets	1,284	981

Note 8.1 Retirements due to ill-health

During 2018/19 there were 4 early retirements from the Trust agreed on the grounds of ill-health (5 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £201k (£556k in 2017/18).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

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

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

c) Other Pension Schemes

In 2013/14 the Trust participated in the pensions auto-enrolment exercise. The Trust's preferred pensions provider was the National Employment Savings Trust. (NEST). Staff who previously were not members of the NHS pensions scheme automatically enrolled on to this scheme and they then had the option to opt out of NEST. As at 31 March 2019, 95 employees were members of NEST.

Note 10 Operating leases

Note 10.1 Leicestershire Partnership NHS Trust as a lessor

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

	2018/19	2017/18
	£000	£000
Operating lease revenue		
Minimum lease receipts	540	533
Contingent rent	-	-
Other	-	-
Total	**540**	**533**

	31 March 2019	31 March 2018
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	891	926
- later than one year and not later than five years;	1,916	2,301
- later than five years.	726	846
Total	**3,533**	**4,073**

Note 10.2 Leicestershire Partnership NHS Trust as a lessee

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

	2018/19	2017/18
	£000	£000
Operating lease expense		
Minimum lease payments	4,849	5,076
Contingent rents	-	-
Less sublease payments received	-	-
Total	**4,849**	**5,076**

	31 March 2019	31 March 2018
	£000	£000
Future minimum lease payments due:		
- not later than one year;	4,218	4,388
- later than one year and not later than five years;	12,116	13,629
- later than five years.	7,023	7,041
Total	**23,357**	**25,058**
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2018/19	2017/18
	£000	£000
Interest on bank accounts	114	31
Total finance income	**114**	**31**

Note 12.1 Finance expenditure

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

	2018/19	2017/18
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	75	78
Main finance costs on PFI and LIFT schemes obligations	637	656
Contingent finance costs on PFI and LIFT scheme obligations	293	249
Total interest expense	**1,005**	**983**
Unwinding of discount on provisions	1	3
Other finance costs	-	-
Total finance costs	**1,006**	**986**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

The Trust did not incur any charges for late payment of commercial debts in 2018/19 or 2017/18

Note 13 Other gains / (losses)

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	(197)	(83)
Total other gains / (losses)	**(197)**	**(83)**

Note 14 Discontinued operations

The Trust did not discontinue any of its operations in 2018/19

Note 15 Intangible assets - 2018/19

	Software licences	Internally generated information technology	Development expenditure	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - brought forward	**131**	**242**	**1,574**	**-**	**658**	**2,605**
Additions	-	-	-	117	281	**398**
Reclassifications	-	-	(17)	17	-	**-**
Disposals / derecognition	(125)	(46)	(391)	-	-	**(562)**
Valuation / gross cost at 31 March 2019	**6**	**196**	**1,166**	**134**	**939**	**2,441**
Amortisation at 1 April 2018 - brought forward	**127**	**119**	**555**	**-**	**-**	**801**
Provided during the year	4	45	227	15	-	**291**
Disposals / derecognition	(125)	(46)	(391)	-	-	**(562)**
Amortisation at 31 March 2019	**6**	**118**	**391**	**15**	**-**	**530**
Net book value at 31 March 2019	**-**	**78**	**775**	**119**	**939**	**1,911**
Net book value at 1 April 2018	**4**	**123**	**1,019**	**-**	**658**	**1,804**

Note 15.1 Intangible assets - 2017/18

	Software licences	Internally generated information technology	Development expenditure	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - as previously stated	**131**	**242**	**482**	**-**	**1,314**	**2,169**
Valuation / gross cost at 1 April 2017 - restated	**131**	**242**	**482**	**-**	**1,314**	**2,169**
Additions	-	-	20	-	416	**436**
Reclassifications	-	-	1,072	-	(1,072)	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2018	**131**	**242**	**1,574**	**-**	**658**	**2,605**
Amortisation at 1 April 2017 - as previously stated	**102**	**74**	**414**	**-**	**-**	**590**
Prior period adjustments	-	-	-	-	-	**-**
Amortisation at 1 April 2017 - restated	**102**	**74**	**414**	**-**	**-**	**590**
Provided during the year	25	45	141	-	-	**211**
Disposals / derecognition	-	-	-	-	-	**-**
Amortisation at 31 March 2018	**127**	**119**	**555**	**-**	**-**	**801**
Net book value at 31 March 2018	**4**	**123**	**1,019**	**-**	**658**	**1,804**
Net book value at 1 April 2017	**29**	**168**	**68**	**-**	**1,314**	**1,579**

Note 16.1 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	**45,787**	**143,280**	**1,915**	**5,338**	**20,908**	**2,129**	**219,357**
Additions	-	3,007	1,059	538	3,545	86	**8,235**
Impairments	-	(7,490)	-	-	-	-	**(7,490)**
Revaluations	-	-	-	-	-	-	**-**
Reclassifications	-	407	(778)	-	371	-	**-**
Disposals / derecognition	-	(164)	-	(122)	(174)	(124)	**(584)**
Valuation/gross cost at 31 March 2019	**45,787**	**139,040**	**2,196**	**5,754**	**24,650**	**2,091**	**219,518**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**148**	**-**	**2,390**	**8,756**	**1,188**	**12,482**
Provided during the year	-	3,638	-	474	2,956	216	**7,284**
Impairments	-	(121)	-	-	-	-	**(121)**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(62)	-	(76)	(157)	(92)	**(387)**
Accumulated depreciation at 31 March 2019	**-**	**3,603**	**-**	**2,788**	**11,555**	**1,312**	**19,258**
Net book value at 31 March 2019	**45,787**	**135,437**	**2,196**	**2,966**	**13,095**	**779**	**200,260**
Net book value at 1 April 2018	**45,787**	**143,132**	**1,915**	**2,948**	**12,152**	**941**	**206,875**

Note 16.2 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017	**45,502**	**122,691**	**4,522**	**5,544**	**20,401**	**3,164**	**201,824**
Additions	-	2,831	617	578	2,073	51	**6,150**
Impairments	-	(5,432)	-	-	-	-	**(5,432)**
Reversals of impairments	-	11,380	-	-	-	-	**11,380**
Revaluations	285	9,948	-	-	-	-	**10,233**
Reclassifications	-	1,862	(3,224)	-	1,362	-	**-**
Disposals / derecognition	-	-	-	(784)	(2,928)	(1,086)	**(4,798)**
Valuation/gross cost at 31 March 2018	**45,787**	**143,280**	**1,915**	**5,338**	**20,908**	**2,129**	**219,357**
Accumulated depreciation at 1 April 2017	**-**	**250**	**-**	**2,656**	**8,943**	**1,975**	**13,824**
Provided during the year	-	3,816	-	496	2,716	263	**7,291**
Impairments	-	(412)	-	-	-	-	**(412)**
Reversals of impairments	-	221	-	-	-	-	**221**
Revaluations	-	(3,727)	-	-	-	-	**(3,727)**
Reclassifications	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(762)	(2,903)	(1,050)	**(4,715)**
Accumulated depreciation at 31 March 2018	**-**	**148**	**-**	**2,390**	**8,756**	**1,188**	**12,482**
Net book value at 31 March 2018	**45,787**	**143,132**	**1,915**	**2,948**	**12,152**	**941**	**206,875**
Net book value at 1 April 2017	**45,502**	**122,441**	**4,522**	**2,888**	**11,458**	**1,189**	**188,000**

Note 16.3 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	45,787	126,190	2,196	2,966	13,095	779	**191,013**
On-SoFP PFI contracts and other service concession arrangements	-	8,726	-	-	-	-	**8,726**
Owned - donated	-	521	-	-	-	-	**521**
NBV total at 31 March 2019	**45,787**	**135,437**	**2,196**	**2,966**	**13,095**	**779**	**200,260**

Note 16.4 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018							
Owned - purchased	45,787	133,413	1,915	2,948	12,152	941	**197,156**
On-SoFP PFI contracts and other service concession arrangements	-	9,192	-	-	-	-	**9,192**
Owned - donated	-	527	-	-	-	-	**527**
NBV total at 31 March 2018	**45,787**	**143,132**	**1,915**	**2,948**	**12,152**	**941**	**206,875**

Note 17 Donations of property, plant and equipment

The Trust was donated £31,000 from its Charity (Raising Health), for the refurbishment of the Bradgate Unit gym

Note 18 Revaluations of property, plant and equipment

The Trust instructs the District Valuer to undertake formal revaluations of its land and buildings every three years, supplemented by an internal annual property review to identify any significant valuation issues in between formal revaluations. The last formal asset valuation was carried out by the District Valuer in 2017/18 hence no requirement for a full asset valuation in 2018/19. This year's annual review comprised of the application of the 2018/19 Building Cost Information Service (BCIS) indices, as advised by the District Valuer, adjusted for the East Midlands location factor (an 8-year rolling average location factor has been used). The impact of applying these indices on this year's accounts is a decrease in asset base of £7,369,000 and solely relates to buildings. The District Valuer has confirmed there is no change to land valuations as at 31st March 2019.

Note 19 Investment Property

The Trust did not hold any investment property as at 31st March 2019 or 31st March 2018

Note 20 Investments in associates and joint ventures

The Trust did not have any investments in associates or joint ventures as at 31st March 2019 or 31st March 2018

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

The Trust did not hold any other investments or financial assets as at 31st March 2019 or 31st March 2018

Note 22 Disclosure of interests in other entities

The Trust did not have any interests in other entities as at 31st March 2019 or 31st March 2018

Note 23 Inventories

	31 March 2019	31 March 2018
	£000	£000
Drugs	238	226
Consumables	82	80
Total inventories	**320**	**306**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £2,118k (2017/18: £2,208k). Write-down of inventories recognised as expenses for the year were £19k (2017/18: £18k).

Note 24 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	12,266	
Contract assets*	-	
Trade receivables*		9,287
Capital receivables	31	100
Accrued income*		2,423
Allowance for impaired contract receivables / assets*	(245)	
Allowance for other impaired receivables	(861)	(214)
Prepayments (non-PFI)	1,702	1,732
PDC dividend receivable	279	96
VAT receivable	452	583
Other receivables	179	251
Total current trade and other receivables	**13,803**	**14,258**
Non-current		
PFI lifecycle prepayments	653	580
Total non-current trade and other receivables	**653**	**580**
Of which receivables from NHS and DHSC group bodies:		
Current	9,910	9,132
Non-current	-	-

*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 24.1 Allowances for credit losses - 2018/19

	Contract receivables and contract assets	All other receivables *
	£000	£000
Allowances as at 1 Apr 2018 - brought forward		**214**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	245	(85)
New allowances arising	-	745
Reversals of allowances	-	(7)
Utilisation of allowances (write offs)	-	(6)
Allowances as at 31 Mar 2019	**245**	**861**
Total allowances as at 31 Mar 2019		**1,106**

* all other receivables of £861,000 relate to ex-employee debt and one non-contract reimbursement currenty under dispute. Contract receivables of £245k relate to all other Non-NHS receivables with a credit loss provision.

Note 24.2 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 Apr 2017 - as previously stated	
Prior period adjustments	202
Allowances as at 1 Apr 2017 - restated	**202**
Transfers by absorption	
Increase in provision	48
Amounts utilised	(22)
Unused amounts reversed	(14)
Allowances as at 31 Mar 2018	**214**

Note 24.3 Exposure to credit risk

A review of 2018/19 receivables 12-month payment activity for Non-NHS organisations identified the following credit exposure. This identified the % and value of debt not paid during the year over the 'aged debt' profiles:

Age of debt	Value of unpaid debt within each age category	% of unpaid debt within each age category
1 - 30 days	38	3%
31 - 60 days	12	8%
61 - 90 days	20	7%
91 - 180 days	18	15%
181 - 360 days	48	65%
361 + days	238	98%
	374	

Note 25 Other assets

The Trust did not hold any other assets

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

The Trust does not hold any assets held for sale as at 31st March 2019

	2018/19	2017/18
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**1,497**
Assets sold in year	-	(1,497)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**

Note 27 Liabilities in disposal groups

The Trust had no liabilities in disposal groups in 2018/19 or 2017/18

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.

	2018/19	2017/18
	£000	£000
At 1 April	**3,723**	**2,992**
Net change in year	4,633	731
At 31 March	**8,356**	**3,723**
Broken down into:		
Cash at commercial banks and in hand	67	57
Cash with the Government Banking Service	8,289	3,666
Total cash and cash equivalents as in SoFP	**8,356**	**3,723**
Total cash and cash equivalents as in SoCF	**8,356**	**3,723**

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.

	31 March 2019	31 March 2018
	£000	£000
Bank balances	38	29
Monies on deposit	45	60
Total third party assets	**83**	**89**

Note 29.1 Trade and other payables

	31 March 2019	31 March 2018
	£000	£000
Current		
Trade payables	868	1,329
Capital payables	1,592	1,524
Accruals	4,984	5,988
Social security costs	2,507	2,235
Other taxes payable	1,665	1,615
Accrued interest on loans (1)		28
Other payables (2)	2,815	2,736
Total current trade and other payables	**14,431**	**15,455**
Of which payables from NHS and DHSC group bodies:		
Current	903	3,364

(1) 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 32: Borrowings. IFRS 9 is applied without restatement therefore comparatives have not been restated.

(2) Other payables include £2,783,000 for outstanding pension contributions (2017/18: £2,700,000)

(3) The Trust did not have any non-current payables in 2018/19 or 2017/18

Note 29.2 Early retirements in NHS payables above
The Trust does not have any payables liabilities relating to early retirements in 2018/19 or 2017/18

Note 30 Other financial liabilities
The Trust does not have any other financial liabilities in 2018/19 or 2017/18

Note 31 Other liabilities

	31 March 2019	31 March 2018
	£000	£000
Current		
Deferred income: contract liabilities	428	394
Total other current liabilities	**428**	**394**
Non-current		
Deferred income: contract liabilities	-	-
Total other non-current liabilities	**-**	**-**

Note 32 Borrowings

	31 March 2019	31 March 2018
	£000	£000
Current		
Loans from the Department of Health and Social Care	190	163
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	220	231
Total current borrowings	**410**	**394**
Non-current		
Loans from the Department of Health and Social Care	3,511	3,674
Obligations under PFI, LIFT or other service concession contracts	8,024	8,244
Total non-current borrowings	**11,535**	**11,918**

Note 32.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2018	**3,837**	**8,475**	**12,312**
Cash movements:			
Financing cash flows - payments and receipts of principal	(163)	(231)	**(394)**
Financing cash flows - payments of interest	(76)	(637)	**(713)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	28	-	**28**
Application of effective interest rate	75	637	**712**
Carrying value at 31 March 2019	**3,701**	**8,244**	**11,945**

Note 33 Finance leases

Other than PFI and LIFT schemes, the Trust does not have any finance leases

Note 34 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits*	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2018	**176**	**1,192**	**64**	**208**	**217**	**1,857**
Transfers by absorption	-	-	-	-	-	**-**
Change in the discount rate	57	15	-	-	-	**72**
Arising during the year	-	-	41	603	382	**1,026**
Utilised during the year	(110)	(80)	(17)	(41)	(138)	**(386)**
Reclassified to liabilities held in disposal groups	-	-	-	-	-	**-**
Reversed unused	-	-	(17)	(167)	(55)	**(239)**
Unwinding of discount	-	1	-	-	-	**1**
At 31 March 2019	**123**	**1,128**	**71**	**603**	**406**	**2,331**
Expected timing of cash flows:						
- not later than one year;	42	80	71	603	406	**1,202**
- later than one year and not later than five years;	81	318	-	-	-	**399**
- later than five years.	-	730	-	-	-	**730**
Total	**123**	**1,128**	**71**	**603**	**406**	**2,331**

Other provisions	**£000**
Annual Leave	79
HR tribunals	52
Dilapidaton	275
	406

Note 34.1 Clinical negligence liabilities

At 31 March 2019, £14,736k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Leicestershire Partnership NHS Trust (31 March 2018: £14,462k).

Note 35 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(46)	(45)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**(46)**	**(45)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(46)**	**(45)**
Net value of contingent assets	**-**	**-**

Note 36 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	692	680
Intangible assets	-	-
Total	**692**	**680**

Note 37 Other financial commitments

The Trust does not have any other financial commitments as at 31st March 2019

Note 38 Defined benefit pension schemes

The Trust only participates in the two defined pension benefit schemes, as disclosed at Note 9

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

PFI

The PFI building; the Agnes Unit, was handed over to the Trust for commissioning and operational use from 18th September 2008. The Agnes Unit is used as an Assessment and Treatment facility for people with a Learning Disability and also includes 4 high intensive support beds for Learning Disability users.

The unitary payment associated with the building was £1,344,000 for the period to March 2019. The PFI contract is for hard facilities management services only, incorporating the maintenance and life cycling of the building by the PFI contractor for the 30 year concession period. The unitary charge is linked to the Retail Price Index (RPI) and as such the charge should only alter with changes in RPI.

The Trust recognises the asset as an item of property, plant and equipment (PPE), together with a liability to pay for it. The services received under the contract are recorded as operating expenses. The fair value of the PFI building is £7,179,000 as at 31 March 2019, with a corresponding liability of £7,083,000. At the end of the 30 year concession period the Trust will own the asset.

LIFT

During 2010/11 the Trust's LIFT asset was brought onto balance sheet, in line with International Financial Reporting Standards requirements. The Trust's occupies 22.9% of St Peters Health Centre and under the arrangements of IFRIC 12: Service Concession Arrangements, the Trust has recognised both the asset and liability on the balance sheet). The asset value at the end of this year is £1,547,000. The Trust will not own the asset at the end of the 25 year lease term.

Because the Trust is not lead signatory on the head lease agreement, it is not accountable for any obligation changes to the contract (this responsibility transferred to NHS Property Services upon the demise of Leicester City PCT).

Note 39.1 Imputed finance lease obligations

Leicestershire 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	31 March 2018
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**15,304**	**16,174**
Of which liabilities are due		
- not later than one year;	840	869
- later than one year and not later than five years;	3,370	3,425
- later than five years.	11,094	11,880
Finance charges allocated to future periods	(7,060)	(7,699)
Net PFI, LIFT or other service concession arrangement obligation	**8,244**	**8,475**
- not later than one year;	220	231
- later than one year and not later than five years;	1,097	1,067
- later than five years.	6,927	7,177
	8,244	**8,475**

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	31 March 2018
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**38,571**	**39,645**
Of which liabilities are due:		
- not later than one year;	1,699	1,629

- later than one year and not later than five years;	7,228	6,935
- later than five years.	29,644	31,081
	38,571	**39,645**

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:

	2018/19	2017/18
	£000	£000
Unitary payment payable to service concession operator	**1,657**	**1,590**
Consisting of:		
- Interest charge	637	656
- Repayment of finance lease liability	232	226
- Service element and other charges to operating expenditure	495	459
- Capital lifecycle maintenance	-	-
- Revenue lifecycle maintenance	-	-
- Contingent rent	293	249
- Addition to lifecycle prepayment	-	-
Total amount paid to service concession operator	**1,657**	**1,590**

Note 40 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust does not have any Off-SoFP PFI, LIFT and other service concession arrangements

Note 40 Financial instruments

Note 40.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with commissioners and the way these commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has 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 Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the Trust Development Authority. 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.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue 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.

Liquidity risk

The Trust's operating costs are mostly 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.

Note 40.2 Carrying values of financial assets

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

Carrying values of financial assets as at 31 March 2019 under IFRS 9	**Held at amortised cost £000**	**Held at fair value through I&E £000**	**Held at fair value through OCI £000**	**Total book value £000**
Trade and other receivables excluding non financial assets	11,370	-	-	**11,370**
Cash and cash equivalents at bank and in hand	8,356	-	-	**8,356**
Total at 31 March 2019	**19,726**	**-**	**-**	**19,726**

Carrying values of financial assets as at 31 March 2018 under IAS 39	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
Trade and other receivables excluding non financial assets	11,779	-	-	-	**11,779**
Cash and cash equivalents at bank and in hand	3,723	-	-	-	**3,723**
Total at 31 March 2018	**15,502**	**-**	**-**	**-**	**15,502**

Note 40.3 Carrying value of financial liabilities

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

	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	3,701	-	**3,701**
Obligations under PFI, LIFT and other service concession contracts	8,244	-	**8,244**
Trade and other payables excluding non financial liabilities	10,259	-	**10,259**
Total at 31 March 2019	**22,204**	**-**	**22,204**

	Other financial liabilities	Held at fair value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	3,837	-	**3,837**
Obligations under PFI, LIFT and other service concession contracts	8,475	-	**8,475**
Trade and other payables excluding non financial liabilities	8,846	-	**8,846**
Total at 31 March 2018	**21,158**	**-**	**21,158**

Note 40.4 Fair values of financial assets and liabilities
The Trust deems book value (carrying value) to be a reasonable approximation of fair value

Note 40.5 Maturity of financial liabilities

	31 March 2019	31 March 2018
	£000	£000
In one year or less	10,642	9,240
In more than one year but not more than two years	383	394
In more than two years but not more than five years	1,366	1,182
In more than five years	9,813	10,342
Total	**22,204**	**21,158**

Note 41 Losses and special payments

	2018/19		2017/18	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	-	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	4	8	21	23
Stores losses and damage to property	12	19	12	18
Total losses	**16**	**27**	**33**	**41**
Special payments				
Compensation under court order or legally binding arbitration award	1	2	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	31	30	29	18
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**32**	**32**	**29**	**18**
Total losses and special payments	**48**	**59**	**62**	**59**
Compensation payments received		-		-

Note 42 Gifts

The Trust did not make any gifts in either 2018/19 or 2017/18

Note 43.1 Initial application of IFRS 9

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

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 £28k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £160k decrease in the carrying value of receivables.

Note 43.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

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

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

Note 44 Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Leicestershire Partnership NHS Trust.

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

CCGs
NHS Foundation Trusts
NHS Trusts
NHS Litigation Authority
NHS England
NHS Business Services Authority
NHS Supply Chain

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. The majority of these transactions have been with Leicester City Council, Leicestershire County Council and Rutland County Council.

The Trust manages the administrative arrangements for its charitable funds and is the corporate Trustee of 'Raising Health'. Because the value of the Trust's charitable funds is not material to the accounts (£2m), the Trust will follow the same approach as last year and not consolidate its charitable funds into the exchequer accounts for 2018/19.

Note 45 Transfers by absorption

The Trust has not undertaken any transfers by absorption during 2018/19

Note 46 Prior period adjustments

The Trust has not undertaken any prior period adjustment other than the reclassification of prior year comparators as instructed by the Department of Health.

Note 47 Events after the reporting date

No events after the reporting date have been identified

Note 49 Better Payment Practice code

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	30,696	99,496	34,806	103,209
Total non-NHS trade invoices paid within target	28,047	96,377	29,626	95,326
Percentage of non-NHS trade invoices paid within target	91.4%	96.9%	85.1%	92.4%
NHS Payables				
Total NHS trade invoices paid in the year	1,034	57,102	960	54,796
Total NHS trade invoices paid within target	936	56,098	770	49,975
Percentage of NHS trade invoices paid within target	90.5%	98.2%	80.2%	91.2%

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

Note 50 External financing

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

	2018/19 £000	2017/18 £000
Cash flow financing	**(4,400)**	**(1,012)**
Finance leases taken out in year	**0**	**0**
Other capital receipts	**0**	**0**
External financing requirement	**(4,400)**	**(1,012)**
External financing limit (EFL)	(819)	483
Under / (over) spend against EFL	**3,581**	**1,495**

Note 51 Capital Resource Limit

	2018/19 £000	2017/18 £000
Gross capital expenditure	8,633	6,586
Less: Disposals	(197)	(1,580)
Less: Donated and granted capital additions	(31)	(100)
Plus: Loss on disposal from capital grants in kind	0	0
Charge against Capital Resource Limit	**8,405**	**4,906**
Capital Resource Limit	8,622	7,170
Under / (over) spend against CRL	**217**	**2,264**

Note 52 Breakeven duty financial performance

	2018/19 £000
Adjusted financial performance surplus / (deficit) (control total basis)	5,525
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	82
Breakeven duty financial performance surplus / (deficit)	**5,607**

See Note 53 on breakeven duty financial performance calculation

Note 53 Breakeven duty rolling assessment

	1997/98 to 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
Breakeven duty in-year financial performance		1,732	1,700	6,562	4,228	2,911	2,626	1,356	2,244	4,742	5,607
Breakeven duty cumulative position	1,080	2,812	4,512	11,074	15,302	18,213	20,839	22,195	24,439	29,181	34,788
Operating income		138,873	138,466	282,464	281,886	267,367	273,950	275,422	277,664	274,503	278,322
Cumulative breakeven position as a percentage of operating income		2.0%	3.3%	3.9%	5.4%	6.8%	7.6%	8.1%	8.8%	10.6%	12.5%

* The 2018/19 breakeven duty in-year financial performance of £5,607k is calculated on the break-even duty basis which includes adjustments for IFRIC 12. This is different to the adjusted financial performance surplus (NHS control total). In previous years(up until 2016/17) the IFRIC 12 adjustment also formed part of the adjusted financial performance surplus NHS control total.

Leicestershire Partnership NHS Trust (RT5)

Annual Governance Statement

Statement of Chief Executive's responsibilities as the Accountable Officer of the Trust

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

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

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

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.*

The Trust has a governance framework in place, consisting of Standing Financial Instructions, Standing Orders and a scheme of delegation of powers, including those powers reserved to the Trust Board and its standing committees. The Trust Board committees provide scrutiny and assurance. These consist of the Quality Assurance Committee (QAC), Finance and Performance Committee (FPC), Audit and Assurance Committee (A&AC), Strategic Workforce Group (SWG), Mental Health Act Assurance Committee (MHAAC) and Remuneration Committee (REMCOM). Their accountability and responsibilities are defined within their terms of reference.

As Chief Executive, I retain overall responsibility for the effective functioning, operation and oversight of internal control arrangements. Statutory duties upon the Trust are wide ranging covering, inter alia, Trust's quality and financial accounts, financial instruments and regulatory compliance, employment law, and registrations such as with the Care Quality Commission (CQC) and the Information Commissioner. I confirm that arrangements are in place for the discharge of these, and all statutory functions, that they are legally compliant, and that the role of Trust Board Committees and audit functions is ongoing in checking for any irregularities to bring to my attention.

All staff have responsibilities for the systems of risk management as described in the Trust's Risk Management Strategy which is reviewed and approved by the Trust Board annually.

Processes are in place for working closely with partnership organisations such as NHS Improvement (NHSI). These processes include service provision agreements with local health commissioners, and an integrated approach to the provision of care with local authorities, voluntary sector and commercial partners.

The Governance Framework of the Organisation

Our key Trust Board Committees are:

Finance and Performance Committee (FPC) is chaired by a Non-Executive Director and meets on a monthly basis. Its membership has key Executive Directors and two Non-Executive Directors. Some Executive Directors have common membership to both FPC and the QAC for the quality agenda perspective. It is tasked with undertaking financial reviews, including capital planning and infrastructure developments, on behalf of the Trust Board, and considers actions to mitigate any major financial and performance risks facing our Trust. Business development opportunities form part of their considerations, as does the production of both the annual and longer term business plans. The Committee has a second major role being that of assurance of our operational performance to the Trust Board, which includes performance against the national priorities as set out in the NHS Operational Planning and Contracting Guidance 2017 – 2019.

Remuneration Committee (REMCOM) has Non-Executive Director membership and is advised by the Director of Human Resources and Organisational Development. It meets as required, but at least twice a year, to ensure there is a fair and transparent procedure for developing and maintaining policy on executive remuneration and for fixing the remuneration packages of individual directors. It also monitors and evaluates Executive and Senior Directors' performance and advises on contractual arrangements.

Quality Assurance Committee (QAC) is chaired by a Non-Executive Director, has two other Non-Executive Director members, and meets on a monthly basis. It also has Trust Board Executive Directors membership as well as Senior Clinical Directors, senior clinical representation, and commissioners in attendance. It is the key forum for discussion and assurance that quality governance arrangements are in place throughout the Trust and that they are working effectively. It is supported in its work by groups that are responsible for different aspects of quality and clinical governance overview such as patient safety, and experience, and infection control. These groups are scheduled such as to provide timely information to the QAC.

Strategic Workforce Group (SWG) is chaired by the Chief Executive, and has a membership comprising of a Non-Executive Director and some Executive Directors as formal members. Assurance around performance delivery of key quality workforce and training metrics are the key operational governance considerations.

Mental Health Act Assurance Committee (MHAAC) is chaired by a Non-Executive Director and also has the Medical Director and Chief Nurse as members. It provides assurance to the Trust Board for the continued management and monitoring of key aspects of the MHA and the Code of Practice (2015) commensurate with its Terms of Reference.

Audit and Assurance Committee (A&AC) is chaired by a Non-Executive Director with a two further Non-Executive Directors making up committee membership. It meets at least six times a year and reports to the Trust Board annually on its work in support of providing assurance on our governance framework. The primary roles of the committee are to:

- Independently monitor and review our internal control systems.
- Provide independent advice and assurance to our Trust Board.
- Encourage and enhance the effectiveness of the relationships between the Trust Board Committees.
- Oversee corporate governance aspects which cover the public service values of accountability, probity and openness.
- Review the Board Assurance Framework (BAF) and Corporate Risk Register (CRR).
- Receive regular reports on assurance from internal audit, external auditors, and counter fraud.
- Receive and review assurance reports from other Trust Board committees
- Receive and review risk based assurance reports on matters of potential or actual concern to the Committee.

All Trust Board committees' meeting attendances are recorded and Terms of Reference state a requirement of 75% attendance expectation for all formal members. Attendance, achievements, and challenges faced by the Committees are covered within the annual reports of Committees to Trust Board, and prior to this when the work of the Committees is reviewed by the A&AC with the Chair and Executive lead of each Trust Board Committee being in attendance.

Highlight reports from Trust Board Committees are presented to the next available Trust Board meeting and reporting back is led by the Non-Executive Chair of the meeting. In addition the Trust Board sets up task and finish groups to consider, with pertinent membership, key issues in more depth.

There is an annual review of Standing Orders and Standing Financial Instructions, along with the Trust Board's Scheme of Reservation and Delegation. The Trust Board also reviews annually its commitment to the Codes of Conduct and Accountability for NHS Boards, and is compliant with the codes of good practice for Boards, as applicable to a provider service NHS Trust ie The Professional Standards Authority's
"Standards for members of NHS boards and Clinical Commissioning Group governing bodies in England", November 2013. This review includes self-certification checks for Fit and Proper Persons standards along with ongoing compliance work. Annually the Trust Board reviews its self-certification for the Trust's compliance with the NHS Provider licence conditions.

The Trust has a robust process in place for monitoring the efficiency of the use of resources, most evidently through the Cost Improvement Programme (CIP). The CIP Outcome Panel reviews, challenges and approves CIP schemes as part of the financial planning process and undertakes in year delivery and performance reviews of schemes. Quarterly progress is reported to FPC and then on to the Trust Board through the FPC highlight report. Internal Audit undertakes a variety of audits on efficient use of resources to help understand any areas of weakness in internal controls.

The Trust has a well-established expenditure control process whereby any expenditure over £150 needs director level approval. The requirement to use purchase orders for applicable spend is also embedded. Both of these processes, together with the use of the authorised delegation limits and procurement requirements in the Trust's Standing Financial Instructions (SFIs), ensure that the Trust minimises unnecessary spend and ensures that value for money is considered before spend is incurred.

NHS Counter Fraud Authority reviewed and agreed significant assurance on the self-assessment tool that was completed against the standards.

The LPT Finance Strategy (2015/16 – 2019/20) describes the importance of embedding a value for money culture within the organisation, through financial training and awareness, multi-professional working, an open and transparent approach around our challenges, advanced partnership working, using research, learning and best practice. The Trust is a member of the HFMA healthcare costing for value institute.

The Local Audit and Accountability Act 2014 requires auditors of NHS Bodies to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements. KPMG, as LPT's external auditors, are required to provide the Trust with a Value For Money conclusion as part of the annual accounts audit.

During the reporting period the following changes in personnel of executives and non-executives has taken place:

Non-Executives:
Leavers: Dr Claire Gibson (up to 31 July 2018)

Joiners: Professor Kevin Harris (from 17 September 2018)

Executives:
Leavers: Ms Sharon Murphy, Interim Director of Finance (up to 31 May 2018; Professor Adrian Childs, Chief Nurse/Deputy Chief Executive (up to 31 December 2018); Dr Satheesh Kumar, Medical Director (up to 30 April 2018); Dr Saquib Muhammad, Interim Medical Director (up to 30 September 2018)

Joiners: Ms Dani Cecchini, Director of Finance (from 1 June 2018); Dr Anne Scott, Interim Chief Nurse (from 1 January 2019); Dr Sue Elcock, Medical Director (from 1 October 2018)

Risk assessment

At a corporate level, the formal mechanism through which our Trust Board receives assurance that all risks are identified and appropriately managed is the Trust Board Assurance and Escalation Framework (BAEF). The BAEF sets out the Trust's quality governance structure and systems through which the Trust Board receives assurance. It describes the process for the escalation of concerns and risks which could threaten the delivery of the Trust's strategic objectives, service delivery or patient safety.

As part of the Trust Assurance Framework, the Trust produces risk registers at a Local, Service, Directorate and Corporate level.

The risk registers are recorded using a standard risk assessment template each risk is rated according to the impact/likelihood risk assessment matrix identified within the Trust's Risk Management Strategy. This is based on international guidance and best practice. The Risk Registers identify:-

- The risk to achieving the local, service, divisional or strategic objectives.
- The current risk rating for each risk (at the point of risk assessment)
- The risk owner
- The controls that are in place to assist in securing delivery of the objective.
- The assurances that enable evidence to be gained that our controls are effective
- The actions that are being taken to reduce the risk.
- The residual risk rating (the predicted risk rating when the planned actions are in place)

A summary table of principal risks to our strategic objectives in 2018-19 is at the Annex.

The Risk and Control Framework

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 on-going process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- 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 organisation for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts at the Extraordinary General Meeting of the Trust Board held on 23 May 2019. Of importance is that since the CQC Well-Led Inspection 2018 feedback the Trust has moved quickly to consider and implement a range of improvements to strengthen the risk considerations of our internal control. These include:

- the separation of the BAF and the corporate risk register
- a revised BAF in line with the Strategic Objectives and Priorities for 2019/20
- changes to the oversight arrangements for the BAF, with the Audit and Assurance Committee becoming the committee with overarching responsibility for the BAF
- A revised Risk Management Strategy will be taken to the Trust Board in June 2019

An external review of our corporate governance arrangements, with a focus upon how the CQC feedback was actioned from the 2017 inspection, has now been received. It was reviewed by our Audit and Assurance committee and Trust Board ahead of the Executive team determining further actions to take to strengthen the risk and control framework and wider corporate governance arrangements. The progress will be reviewed at our Trust Board in June 2019. In addition an external review of our Serious Incidents process and oversight has been commissioned and the report received for review by our Trust Board in May 2019. The outcome from this review will further inform our improvements of the risk and control framework.

The Trust ensures through its management structure that staff are properly equipped to understand and manage risk through a wide range of training programmes which include:

- Incident Investigation including Root Cause Analysis (RCA)
- Corporate induction programme for all staff covering a range of risk related subjects including incident reporting and information governance, tailored

for specific staff groups as well as a local induction highlighting specific to role risk management systems.
- A mandatory training programme that is delivered to all staff with an agreed refresher period. This includes incident reporting, health and safety and information governance.
- Health and Safety Management and Risk Assessment
- Training for clinical staff in managing patient related risks
- Risk and incident management systems.

The Trust's Risk Management Strategy details risk management responsibilities and reporting arrangements from Trust Board level down including where responsibilities are delegated to Executive Director Leads and line management. The strategy is embedded by an electronic risk management system and supported by detailed guidance that clearly explains the process for assessing and managing risk as follows:
- A common methodology is used to evaluate risks in order that risks and improvements to controls can be appropriately prioritised.
- Risks are identified at department, service-line, directorate, and corporate levels and are managed at the appropriate level with additional controls being implemented when necessary.
- The system provides for rapid escalation of risks to the next-highest level when it is considered that the risk warrants additional support and assurance or cannot be effectively mitigated at the current level.

Risk Management is embedded in the activity of the Trust as follows:

- Potential risks to on-going compliance with the Fundamental Standards of Quality and Safety are managed as risks both at care-delivery level and centrally using the electronic risk systems and are scrutinised centrally within directorates for assurance against action plans.
- Compliance with the mechanisms for the reporting of all accidents and incidents and use of incident reporting data to contribute to the identification of key risks.
- All Serious Incidents (SIs) are actively managed and monitored to ensure compliance with action plans.
- All SIs undergo Root Cause Analysis Investigation by trained investigators.
- Training and education programmes for all staff and Trust Board members.
- Established policies in place to support risk management, (e.g. whistle blowing, complaints) and awareness of the policies is promoted within the Trust.

- Risks are considered as part of the business and capital planning process and are incorporated into service development initiatives and project management plans.

Risk appetite can be defined as the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives, risk appetite and tolerance need to be high on any Board's agenda and is a core consideration of a risk management approach. However, risk appetite is bespoke to each and every activity that supports the delivery of a strategic objective. The Trust Board receives an exception report every six months to consider those corporate risks that have been consistently high during the last two quarters. The risks considered for presentation to the Trust Board will be reviewed in detail by the responsible Trust Board Committee on a quarterly prior to inclusion in the exception report.

In order to ensure that short, medium and long-term workforce strategies and staffing systems are in place which assure the Trust Board that staffing processes are safe, sustainable and effective, and how the Trust complies with the 'Developing Workforce Safeguards' recommendations, the Trust Board Safer Staffing report provides an overview of the nursing safe staffing each month. The report triangulates productivity, workforce metrics, quality and outcomes linked to Nurse Sensitive Indicators (NSIs) and patient experience feedback.

Part one of the report refers to inpatient areas and part two relates to community teams. Actual staff numbers compared to planned staff numbers are collated for each inpatient area.

The Trust continues to demonstrate compliance with the National Quality Board (NQB) expectations to publish safer staffing information each month. The safer staffing data is being regularly monitored and scrutinised for completeness and performance by the Chief Nurse and reported to NHS England (NHSE) via mandatory national returns on a site-by-site basis. Learning from participation in a number of NHS Improvement (NHSI) development programmes is ongoing.

Each directorate has a standard operating procedure for the escalation of safer staffing risks and any significant issues are notified to the Chief Nurse on a weekly basis. In light of the triangulated review of fill rates, nurse sensitive indicators and patient feedback, the Chief Nurse is assured that there is sufficient resilience across the Trust not withstanding some hot spot areas, to ensure that every ward and community team is safely staffed.

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. From January 2019 this has been augmented by an

on-line self-service system for all staff, where decision makers are identified. This register is available for public view at https://lpt.mydeclarations.co.uk

Review of the Effectiveness of Risk Management and Internal Control

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 organisation that 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 Trust Board and its committees. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the BAF and on the controls reviewed as part of Internal Audit's work. The opinion issued has given Moderate Assurance that there is a generally sound system of governance, risk management and control but that controls are generally not being applied consistently.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The BAF provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by a number of sources of assurance:

- Maintenance of CQC Unconditional Registration
- The Trust Board Reportable Issues Log
- The Trust Board's Integrated Quality and Performance Report (IQPR)
- Clinical Audit
- SI Oversight Groups
- Internal Auditors, a process of internal auditing and reports
- External auditors
- The work of the Local Counter Fraud Specialist
- Complaints, Claims and Serious Incident monitoring and reporting to Commissioners and Trust Board
- The Information Governance Toolkit Self-Assessment
- The development, internal governance scrutiny and assurance, and external review by patient groups and key stakeholder groups, of the accuracy of the Quality Accounts

- Feedback from external assessments and reviews eg Healthwatch "Enter and View" visits
- Trust responses to external inquiries and reports
- Trust review of preparations for Brexit
- Trust commissioned reviews of services
- Freedom to Speak up Guardian
- Guardian of Safe Working Hours
- The Data Quality Improvement Plan is aligned to National Audit Commission's 'Standards for Better Quality Data' framework and provides a robust mechanism to provide assurance of best practices to support better data quality
- The outcomes following the Trust–wide programme of Self-regulation
- The outcomes following the Trust's CQC inspection and Well-Led review undertaken in November 2018.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, and its Committees. Plans to address any highlighted weaknesses, and to ensure continuous improvement of the system, are commissioned and monitored.

Internal Audit provides me with further assurance on the processes in place by way of specific audits, as well as through an overall opinion on the system of internal control. The review and maintenance of the effectiveness of the system of internal control is undertaken as follows:

- The Trust Board has the authority and responsibility of the establishment, maintenance, support and evaluation of the action plan to support the system for internal control. The Trust Board owns and receives the BAF and regularly reviews this key assurance document. The Trust Board receives highlight reports from its Committees which highlight immediately issues of assurance for the Trust Board.
- The A&AC oversees the governance and assurance processes on behalf of the Trust so as to ensure that an effective internal control system and risk management system is maintained. This includes regular scrutiny of the BAF and follow-up actions resulting from internal audit reviews.
- The Trust Board Committees provide assurance of effective control on significant risks and a balanced and integrated approach to clinical focus, engagement and patient/stakeholder involvement through regular scrutiny of their assigned BAF risk report.
- The FPC ensures the effective scrutiny of financial risks and performance matters, and it assures effective control on all financial matters.
- Executive Directors regularly review their portfolio risks covering operational eg workforce vacancies and recruitment, strategic, and financial eg delivery of service financial plans and sustainability.

- NHS Provider Licence Self-Certification report to the Trust Board (May 2019).

Monthly reports to QAC present a summary of the Trust's performance against key targets for the reporting and management of SIs. The reports also provide a quarterly thematic analysis of SIs reported by the Trust to date, detailing key lessons learnt and action taken in response to mitigating risks.

The QAC has a reporting-in Clinical Effectiveness Group (CEG) that approves the annual Clinical Audit Forward Plan. This Group also oversees the Clinical Audit Policy, and Strategy. It receives monthly updates against the Annual Forward Plan and escalates to QAC any concerns.

Key areas of work during 2018-19 were:

- Trust Board review workshops on the progress of well-led both at service level and corporate using the NHS Improvement's well-led framework and expert external facilitation resources.
- Review of high level risks with detailed scrutiny of specific risks such as quality impact of cost improvement programmes, data quality, Never Events and quality improvement.
- AMH/LD All Age Transformation Programme.
- Co-ordinating CHS Transformation Programme.
- Improving Delayed Discharge of Care working with all key partners.
- Development and delivery of the Trust-wide financial recovery plan.
- Annual review and approval of the Trust's Risk Management Strategy and Framework.
- Receiving quarterly reports and assurance of actions following complaints, and PALS activity, learning from patient experience and involvement, and Friends and Family Test (FFT) feedback.
- Receiving reports and assurance of actions following complaints and learning from patient experience, Friends and Family Test.
- Receiving quarterly reports from the Mortality Surveillance Group (MSG) in order to further embed the Trust's appr006Fach to mortality governance, including the enhancement of information systems, local level mortality and morbidity review groups.
- Implementing an on-line self-service system for staff for registration of interests, which also identifies decision makers?
- CAMHS inpatient unit business case approval.
- External review of governance with a focus upon CQC Inspection actions
- External review of Serious Incidents governance

The Trust assures the quality and effectiveness of elective wait times through the local management of waiting lists and directorate oversight; and executive scrutiny at the FPC. Accuracy risks are highlighted using the information assurance framework

and formal risks are managed through the Trust's risk register and supported through standard operating procedures (SOPs).

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The 2018-19 Quality Accounts will provide assurances about how we have achieved quality outcomes for the year 2018-19, and identify our clinical quality priorities for 2019-20. The clinical priorities identified for 2019-20 match the CQC findings and action plan, whilst dove-tailing with the Trust's Integrated Business Plan and Annual Report. The Quality Account includes in its review of quality performance in 2018-19 reporting against the national mandatory requirements and statements of assurance. The Quality Accounts were audited by the Trust's external auditors to ensure that it meets with regulatory requirements as stated in the Quality Accounts Toolkit and subsequent updates noted in NHS Improvement's letter to Chief Executives17th December 2018. In addition two national indicators have been selected for additional scrutiny as part of the assurance and scrutiny process:

- The percentage of patients on Care Programme Approach (CPA) who were followed up within seven days after discharge from psychiatric inpatient care during the reporting period
  The confirmed full year (2018/19) CPA 7 day is 82.8%.
- Percentage of patient safety incidents resulting in severe harm or death during the reporting period.
  There were 10344 patient safety incidents reported out of a total of 16223 incidents reported for 2018/2019 ie 64%. Of that 4 incidents resulted in severe harm or death ie 0.04% of all patient safety incidents.

The Trust's auditors confirmed a clean limited assurance opinion on the overall Quality Account which represents an unmodified audit opinion on the Quality. Account and the CPA indicator. However there is a qualified opinion on the Patient Safety data.

The final Quality Account was presented to Trust Board on 23 May 2019 for approval, prior to being published on the Trust's website and NHS Choices by 30 June 2019.

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

accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Trust has undertaken risk assessments and 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. There is a Sustainability Champion Group and the Sustainability Development Plan for the Trust is reviewed in this governance forum.

Mandatory Training

The Trust has a mandatory training policy and register which identifies mandatory training requirements for the organisation.

The register provides assurance that there is a central reference point for approval and removal of mandatory and roles essential training topics. Each topic identified within the register consists of a course outline and training delivery plan those which are included in the Skills for Health Core Skills Training Framework ("CSTF") have also been be mapped to their requirements The content of the CSTF is defined by Skills for Health who is commissioned by NHS England to maintain this framework. Skills for Health complete the framework by referencing all guidelines such as those provided by National Institute for Heath and Care Excellence or the UK Resuscitation Council. This is reviewed by a reference group consisting of NHS Trusts nationwide who meet at least annually. The Trust is a member of the reference group.

A Learning and Development Annual Delivery Plan and Reporting Schedule provides further assurance for the monitoring of mandatory and essential training topics. This includes reporting schedules for Divisional scorecards and also integrated governance groups.

Trust assurance for mandatory training processes is reviewed in detail by the Learning & Organisational Development Group and metrics captured in the Trust Board's monthly IQPR. Individual compliance with mandatory training requirements is linked to appraisal and incremental progression. Appraisal compliance rates have been consistently above the target of 80% during 2018/19.

In order to support our new Line Managers to be competent in their roles all new Line Managers are booked onto a number of HR and Leadership programmes which enables them to gain an induction in our major HR polices, including the

Management of Ill Health. They also gain Appraisal training and Healthy Conversations training. Supportive Management Behaviour training is also part of this pathway, which introduces the Trust Values and good, supportive management and leadership practices.

Clinical Supervision is a mandatory requirement for clinical staff and it is a requirement of the Quality Schedule that all clinical staff undertake a minimum of one clinical supervision session per quarter. Electronic recording of clinical supervision is directly on uLearn (Trust's appraisal and learning management system) by the individual. This method also allows us to capture the mode of supervision and a rating of the quality of supervision received. The data is collected continuously and is reported on a monthly basis at the Strategic Workforce Group and also included in the detailed mandatory training reports circulated across the organisation to managers and Workforce Groups. This system provides assurance that clinicians are currently receiving Clinical Supervision, facilitates escalation of concerns to directorate workforce groups and highlights where appropriate action may need to be taken for any areas of concern.

The following resources are available to support staff in their clinical supervision:

- Clinical supervisors' masterclasses provide attendees with skills to promote and encourage effective clinical supervision with their teams and work areas.
- Dedicated eSource page full of resources and links to key documents, and promotional campaign materials and videos. A short video that can be shown at other training activities to promote clinical supervision.
- Clinical Supervision is promoted within Standards 1 and 2 for Health Care Support Workers (Bands 1-4) within the Care Certificate.
- Linking clinical supervision with revalidation.
- Including clinical supervision within our Preceptorship programme for newly qualified nurses.
- Clinical Supervision e-learning training course for all staff.
- Introduction of group clinical supervision sessions for bank staff.

Additional support and co-ordination is provided by the Trust Risk Assurance team. A wide range of information and guidance is provided to staff in a variety of ways including policy documents, team briefings, newsletters, information leaflets and through access to, and use of, the Trust's intranet and via an alert-and-cascade system targeting specific services and staff groups.

The Trust seeks to learn from good practice in a number of ways; these include networking with partnership organisations and other NHS Trusts, and internal auditing arrangements where good practice is noted. Cascade learning through the work of formal groups within the Trust, e.g. the Health and Safety Committee, and

directorate workforce groups, and Professional Standards Learning Group ensures learning from local issues is disseminated Trust-wide.

The Patient Safety Improvement Group considers learning opportunities and champions' lessons learned from external reviews through cascade events including updates to training and peer review workshops for incident investigators.

Our team of trainers link with experts from across the Trust to ensure that mandatory training is kept up-to-date, in line with best practice and encompasses lessons learned.

During 2019-20 we will continue to maintain compliance levels and focus our attention on any areas of concern. We will also embed a 90 day onboarding induction for new starters, developing our role essential training offer, and implementing appropriate training recommendations from the Positive and Proactive project.

Significant Issues

During 2018-19 the significant control reportable, regulatory, or reputational issues were:

CQC Inspections

The Care Quality Commission (CQC) report published in February 2019 relates to the inspection dated 19th November 2018 to 13th December 2018. The report described the CQC's judgement of the quality of care provided with respect to the Trust's well led framework and the following five core services;

- Acute wards for adults of working age and psychiatric intensive care units
- Community-based mental health services for older people
- Specialist community mental health services for children and young people
- Long stay / rehabilitation mental health wards for working age adults
- Wards for people with a learning disability or autism.

Overall, the ratings stayed the same for the majority of services inspected, and there was a decline in the rating for Well-Led to Inadequate.

The CQC issued a Warning Notice to the Trust on the 30th January 2019. This was served under section 29A of the Health and Social Care Act 2008. An immediate improvement plan was been developed in response to the nine key improvement areas; actions will be completed by the 27th May 2019. A further improvement plan was been drawn up in response to the 'must' dos and 'should' dos raised within the core services inspection report.

Since receiving the 2019 report the Trust has worked hard to improve the systems employed to manage the actions and has ensured all actions are now managed corporately with input from the Executive Directors. There is also a more robust approach to ensuring that assurance is effective and relevant.

Due to the Warning Notice and Head of Internal Audit Moderate Assurance opinion for 2018/19 the Trust has self-certified as not compliant to the NHS Provider Licence condition G6 – The provider has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution, and condition FT4 – The provider has complied with required governance arrangements.

The Trust has not participated in any special reviews or investigations by the CQC in 2018-19 and is fully compliant with the registration requirements of the CQC.

NHS Improvement (NHS I) Segment Level

The Trust has been on NHS Improvement Segment Level 2 – Providers offered targeted support – for the whole of 2018/19. However as a result of the 2018 CQC Inspection outcome the Trust has now been moved to Segment Level 3 whereby Providers receive mandated support for significant concerns as there is an actual/suspected breach of the licence (or equivalent for NHS trusts). This has also meant that pursuant to its powers exercisable under or by virtue of the National Health Service Act 2006 and the Trust Development Directions, NHS I has decided to accept a series of undertakings from the Trust as set out in a letter to myself.

HM Coroner

During 2018-19 the Trust received two Prevention of Future Death (PFD) Report under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013 Coroners and Justice Act 2009. The Regulations provide the Coroner with a duty not just to decide how somebody came about their death but also where appropriate to report the death with a view to preventing future deaths. These reports are important and are emphasised by the fact that the new law now makes it a mandatory duty for the Coroner to make a report when a concern is identified.

When concerns are raised by the Coroner at inquests they are considered and responded to by the Chief Executive within the timeline set-out by the Regulation 28. Any emerging themes are also considered for actions to be considered wider than the specific team or service provision. All Regulation 28 letters, and the Chief Executive's responses, are shared with our Trust Board, Clinical Commissioning Groups and the CQC.

Never Event

An In Patient on an adult mental health ward used a scarf as a ligature and attached it to the collapsible curtain tracking in her bathroom. The patient did not come any harm however as the tracking didn't collapse but this is classed as a Never Event as well as being a Serious Incident. The investigation determined that the tracking did not collapse as intended as the patient supported her weight on the sanitary bin in her bathroom and therefore did not suspend her fully body weight which would have equalled the 40kg required to collapse. The matter was reported to the National Learning Reporting System (NLRS)

Homicides

There have been no homicides this year.

In-patient Deaths

There were 6 in-patient deaths, the details of which follow. All have been reviewed by a Serious Incident panel of Directors/senior managers/Non-Executive Directors and the reports are due to be reviewed by the Serious Incident Oversight Group, and submitted to our Commissioners and the NLRS. The final report is taken to our Trust Board for review at the earliest opportunity.

An In-patient who was a patient at The Willows with a known history of cardiac problems, collapsed and died.
An In-Patient who was admitted to a community hospital died unexpectedly. The patient had been given an overdose of an anticoagulant in the 24 hours before his death.
An In-patient on leave from the Bradgate unit ligatured at home and was found deceased at his home address.
An In-patient at the Bennion Centre collapsed and died from a pulmonary embolism.
An In-patient at the Agnes Unit collapsed and died from positional asphyxiation.
An In-patient who was AWOL from the Bradgate Unit and was discharged in his absence ligatured at home and was found deceased.

Information Governance

During 2018-19 we had 5 incidents in relation to the mishandling of personal identifiable data classified as a 'reportable data breach' under the revised incident reporting guidance – *Guide to the Notification of Data Security and Protection Incidents* published by NHS Digital in conjunction with the Information Commissioners Office. This guidance was revised to reflect the changes in Data Protection Law which came into effect 25 May 2018.

1. An adult service user received a letter which she thought was about her appointment for the Eating Disorders Service but it contained a CPA discharge review summary for another patient with the same surname.

2. A patient was referred to a new clinic and their appointment letter was received at the address of their estranged mother according to the service user's sister, as the estranged mother knew about the appointment.

3. A letter was sent to the address of a patient's ex-wife in error.

4. A bank member of staff working within the Crisis Team left a piece of paper in a patient's home following a home visit. The paper had names of three other patients and a short summarised presentation.

5. A Community Therapist lost their paper diary with visit lists for patients on their caseload.

Following investigations and further information coming to light, incident 2) was removed as a breach as the Trust did not have the estranged mother's details recorded on the system to which a letter could have been mistakenly sent; incident 4) was downgraded as the summaries were added after the paper had been retrieved from the patient; and incident 5) was downgraded as the diary was found in the staff members car and was therefore never lost.

All Information Governance incidents are scrutinised by the Trusts' Information Governance Steering Group (Data Privacy Steering Group) in order to ascertain any organisational learning, which is shared through Service Directorate Information Governance and IM&T Groups. Outcomes have included the review of practices and supporting procedures, targeted communication campaigns, and team reflective learning sessions.

Health and Safety Incidents

The Trust has not received any intervention from the Health and Safety Executive during the reporting period that resulted in prosecution or enforcement notification.

Leicestershire Fire Authority have visited and audited various sites throughout the period as part of their rolling audit programme. Advice has been communicated to the Trust which has resulted in subtle modifications of premises, environment or management arrangements for fire safety. No formal prosecution or enforcement notifications have been received.

The Trust has provided evidence of compliance against the Emergency Preparedness Resilience and Response core standards to NHS England and is fully compliant.

Limited Assurance Internal Audit Reports

Whilst the Trust had 7 significant assurance reports issued by Internal Audit there were 5 limited assurance reports for:

- Data Quality and Performance Standards
- Mortality Surveillance Review
- Payroll Review External Payroll Provider
- Consultant Job Planning
- Capital Planning

and 4 split opinion limited assurance report covering:

- Staff Retention
- CIP Schemes
- Stakeholder Engagement
- Risk Management

All limited or split assurance reports are considered by the Executive lead, lead service manager, and by the pertinent Trust Board corporate governance assurance group.

There is an agreed scheduled follow-up from Internal Audit for their assurance of actions taken to complete the risk management recommendations. The A&AC receives regular updates on the overall status of progress for the remaining outstanding actions post the internal audit follow-up review. As a result of receiving feedback from AAC more management rigour has been introduced to the internal audit report process. The Trust's Executive team now reviews all draft TORs for the audits and the draft final reports. In addition the status of the resolution of first follow-ups is shared more frequently with responsible staff and Executive Directors informed.

My review confirms that Leicestershire Partnership NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. The significant internal control issues identified and previously described in the body of my Annual Governance Statement are:

- Move to Segment level 3 for NHS
- The Trust was rated as Inadequate for Well-Led and also issued with a Warning Notice following a CQC Inspection in 2018.

- The Trust received two Prevention of Future Death (PFD) Report under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013 Coroners and Justice Act 2009 and the Chief Executive Officer responded within timescale with assurances for addressing concerns raised.
- Never Event for a collapsed curtain tracking rail ligature incident for an inpatient
- 6 inpatient deaths were seen in 2018-19 and all have been the subject of SIs to see what lessons can be learned and shared.
- During 2018-19 after investigation there were two confirmed incidents in relation to the mishandling of personal identifiable data and all five reported incidents were reviewed for organisational learning.
- During 2018-19 the Trust was issued with 5 limited and 4 split opinion limited assurance internal audit reports with actions and timelines agreed for any risks identified.

Annex: BAF Risk Summary Table for 2018-19

Dr Pete Miller, Chief Executive Officer
Leicestershire Partnership NHS Trust (RT5)

Signature

Date **23 May 2019**

Summary Corporate Risk Register (CRR)

NHS Leicestershire Partnership NHS Trust

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
2477	The provision of outsourced payroll contract by both current and previous payroll suppliers is not being delivered in line with the contract service levels. There are a number of different implications to this. Firstly there is a financial burden to the Trust where money is paid out erroneously and it takes a significant amount of time to recover it from the individual employee. Secondly there is a reputational and real impact in terms of staff experience where when issues occur, it is difficult for them to get timely resolution and this will in time impact on staff retention and our ability to deliver services with reduced staffing levels.	↑	High (Red) 20	High (Red) 15	DoHR/OD	SWG	16	✔
1356	Assurance Group -Directorate Business Meeting Action Group - Length of Stay When Adult Mental Health bed demand outstrips capacity, there can be a delay in identifying and accessing an acute bed. The delay impacts on both patient safety and patient experience. Informal patients who refuse an out of area placement are offered home treatment options, potentially increasing the imminent risk for those individuals. The contingency capacity for patients under the MHA is admission to out of area inpatient facilities. Identifying an appropriate placement and arranging transport takes time that can impact on the safety of patients, doctors and AMHPs. Informal patients are also assessed for Crisis House, Home Treatment or if admission is required, offered out of areas beds as contingency. The same time delay also impacts on the quality of care we offer these patients. This also impacts on the CRHT team's capacity to deliver intense Home Treatment Once a bed becomes available a decision has to be made as who presents with the highest risks which leaves clinicians in an unacceptable position as all risks have been assessed requiring a hospital admission. This increases the risk of self harm/ suicide by the service user and increased stress to carers and crisis staff.	↔	High (Red) 20	Moderate 12	DD AMH.LD	QAC	40	✘
1932	Inability to achieve sufficient workforce supply(new recruits) to deliver the workforce requirements set out within the Trust business plan and people strategy. Links to risks 1037, 1038, 2515 and the safer staffing risk. The inability to supply workforce due to national staffing shortages, increased competition for clinical posts. Has an impact on safe staffing levels, workforce wellbeing and requirements for using bank and agency staff.	↑	High (Red) 20	Moderate 12	DoHR/OD	SWG	24	✔
2135	The estate is not fit for purpose owing to the age and state of the buildings. This has the potential to impact on efficient and effective service provision.	↔	High (Red) 16	Moderate 12	DoF	FPC	21	✔
1119	There is a risk we cannot assure ourselves of the accuracy and validity of all information we provide from our patient information systems; which could adversely affect patient outcomes where information is required to make decisions. This 'umbrella' corporate data quality risk is directly affected by a number of other individual risks as follows: CHS Data Entry (T1 Risk 1525) due December 2018 FYPC Data Entry (T1 Risk 1199) due November 2018 AMHLD data Entry (T1 Risk 1197) due August 2018 SystmOne Reporting Tools (T1 Risk 657) tolerated SystmOne Data (T1 Risk 1896) due March 2020 National Data Set Compliance (T1 Risk 1269) due October 2018 Reporting Capacity (Corporate Risk 729) due Dec 2018 CHS smartcard access for temporary staffing (T2 Risk 2483) terminated Systems include: Electronic patient record (EPR) - RiO and SystmOne; Patient Administration System (PAS) - Tiara, Clinicom (legacy), Maracis (legacy)	↔	High (Red) 16	Moderate 12	CN	FPC	51	✔

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NHS
Leicestershire Partnership
NHS Trust

Summary Corporate Risk Register (CRR)

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
	NOTE THAT THE INDIVIDUAL DATA, INFORMATION AND PERFORMANCE RISKS THAT FEED INTO THIS 'UMBRELLA' RISK SHOULD BE VIEWED TO OBTAIN FURTHER DETAILS OF CONTROLS, ASSURANCES, GAPS AND THE FORMAL ASSIGNED ACTIONS.							
2515	Inability to retain a workforce to support services that the Trust delivers will damage ability of Trust to deliver operational success, whilst making opportunity and other costs to provide services more expensive. Links to staff engagement risk 1037.	↔	High (Red) 16	Moderate 12	DoHR/OD	SWG	15	✓
2130	Risk to fundamental financial stability due to failure to identify and deliver agreed Cost Improvement Programme savings (CIPs). The overall efficiency savings target for 2019/20 is £7.0m, £3.5m of which is made up of directorate-managed CIP schemes, with a further £3.5m achieved Trust-wide through managing growth and price-inflation within existing budgets. As at April 2019, £0.9m directorate CIP schemes remain unidentified.	↓	High (Red) 16	Moderate 12	DoF	FPC	21	✓
2131	Risk of loss of business income, through under-performance, decommissioning or contractual penalties. Also includes CQUIN risk, and income risk due to data quality issues. Agreement of 2019/20 contract with CCGs has reduced some elements of this compared to last month. However, ongoing Community Service Redesign work could lead significant future decommissioning.	↓	High (Red) 16	Moderate 12	DoF	FPC	21	✓
1467	There is a risk that within the patient records, assessments, patient-centred risk assessments, and care plans are not updated consistently in line with changes to patients' needs or risks. This could lead to patient harm and have a detrimental impact on the Trust's reputation due to related complaints, concerns, incidents and inability to extract evidence to inform investigations.	↑	High (Red) 16	Moderate 8	CN	QAC	34	✗
1991	The following seclusion rooms in the Trust do not meet good practice environmental standards for seclusion rooms - Ashby Ward, Aston Ward, Bosworth Ward and Watermead Ward at the Bradgate Unit, both of the seclusion rooms on Belvior Unit, Acacia and Maple Wards at The Willows and the room at the Agnes Unit. This risk should also be read in conjunction with Ward 3 FYPC Directorate risk 1837. (Two main areas of non-compliance are lack of ensuite facilities directly off the seclusion rooms and the location of the room on wards).	↑	High (Red) 15	Moderate 12	DD AMH.LD	QAC	23	✓
1037	Without effectively engaging and supporting our staff we may be unable to deliver high quality services and support transformational change.	↑	Moderate 12	Moderate 9	DoHR/OD	SWG	58	✗
729	There is a risk that insufficient capacity and capability within the Information Team will impact on the ability to respond at pace to the existing/ emerging reporting against local, contractual and mandatory information requirements; which could adversely affect patient outcomes where information is required to make decisions. This is a child risk of 1119 - Data Quality	↓	Moderate 12	Moderate 9	CN	FPC	77	✓
1038	Inability to create high quality management and leadership capabilities may impact on the delivery of efficient and effective services.	↑	Moderate 12	Moderate 9	DoHR/OD	SWG	58	✗
1260	Substantive staffing on inpatient units is below the funded establishment and this could have an impact on patient care and the ability to deliver effective care on a consistent basis (Linkage with revised new risk 1932 for workforce actions)	↑	Moderate 12	Moderate 9	CN	QAC	40	✓
2132	Risk of insufficient funding to support development / investment and to meet the costs of price/volume growth	↓	Moderate 12	Moderate 9	DoF	FPC	21	✓
1863	Patients capacity to consent to admission, treatment, and / or care, and best interest decisions, are not consistently demonstrated by staff.	↓	Moderate 12	Moderate 8	CN	QAC	28	✓
1964	If the trust's restrictive intervention reduction programme is not sufficiently well led and embedded staff may not work in a positive and pro-active way. Failure to implement the programme may result in the inappropriate use of restrictive practices and non compliance with the guidance set out by the Department of Health in Positive and Proactive Care. (2014) .	↓	Moderate 12	Moderate 8	CN	QAC	23	✗
3604	Lessons are being learnt from Safeguarding enquiries, investigations and reviews but there is a lack of a consistent approach to how these lessons learnt are disseminated across the clinical directorates through to front line staff. There are inconstancies in how the assurances of lessons learnt are embedded and communicated.	↑	Moderate 9	Low 6	CN	QAC	2	✗

NHS
Leicestershire Partnership
NHS Trust

Summary Corporate Risk Register (CRR)

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
2651	Risk to delivery of 2018/19 financial plan, including the control total target surplus of £3.3m. Plan can be confirmed as achieved once the draft accounts have been submitted at the end of April. All significant risks have now been fully mitigated, and there is very high expectation that the financial plan will be delivered.	↓	Low 6	Low 6	DoF	FPC	13	✔

Total Number of Corporate Risks: 19

Key to acronyms

FPC	Finance & Performance Committee
QAC	Quality Assurance Committee
SWG	Strategic Workforce Group
CEO	Chief Executive
CN/Dep CEO	Chief Nurse / Deputy Chief Executive
DoF	Director of Finance
MD	Medical Director
DoHR/OD	Director of Human Resources / Organisational Development
DD AMH.LD	Divisional Director - Adult Mental Health & Learning Disabilities
DD FYPC	Divisional Director - Families, Young People & Children
DD CHS	Divisional Director - Community Health Services

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Top 5 risks per clinical directorate & enabling

Risk No.	Description	Current	Residual	Owner	Age (mo)	Rev
AMHLD						
T1/1094	Assurance Group: AMHLD Sustainability Meeting Action Group: AMHLD Community Ops and PTL Groups Failure to meet agreed waiting time targets is a risk to the quality of patient care, the patient experience, finance and Trust reputation (overall risk) Waiting times set nationally and by local Commissioners are in place to ensure that patients are seen in a timely manner. Failure to meet these targets poses a potential risk to: Quality of care Patient Experience Trust reputation Business risk - reputation and competitive ability Staff experience Financial risk (contracts) This is an overall risk, individual services have identified specific waiting times/list risks as per the waiting times compliance report including the following services: LD Community Teams Perinatal Clinical Psychology & Psychological Therapies CMHTs Liaison This risk relates to the following risks: 172, 215, 1219, 835, 859 and 876.	High (Red) 20	High (Red) 16	Jules Galbraith	52	✓
T1/1188	Assurance Group: AMHLD Workforce Group Action Group: AMHLD Workforce Supply Group The Mental Health Inpatient Services (Bradgate wards - Heather, Aston, Ashby, Beaumont, Thornton, Watermead , Belvoir Unit, Griffin Ward, HPC - Phoenix ward and the rehabilitation wards at Stewart House and Mill Lodge) are experiencing reduced staffing availability, due to vacancies and sickness and the skill mix does not meet the required 60:40 registered nurses to health care support worker ratio on all shifts and 1 registered nurse to 8 patients. A high number of the qualified staff have less than 2 years experience and this could be detrimental to patient care and safety.	High (Red) 20	High (Red) 16	Michelle Churchard-S	49	✓
T1/3063	Assurance Group: AMHLD Quality & Safety Group Action Group: AMHLD Transition CQUIN meeting There is a risk that the directorate will not achieve the requirements of the Transition CQUIN (5)Failure to meet the requirements of the CQUIN may result in a negative patient experience, reputational and financial loss. The most challenging aspect is the requirement to achieve 100% of the patient surveys -discharge and post transition.	High (Red) 20	High (Red) 16	Helen Thompson	11	✓
T1/1111	Assurance Group: AMHLD Sustainability Group Action Groups: AMHLD Service Leadership Groups and SMT Ops Failure to deliver AMH/LD planned financial target The AMH/LD service is expected to deliver an agreed level of financial performance in each financial year and take steps to ensure longer-term financial sustainability.	High (Red) 20	Moderate 12	Helen Thompson	52	✓
T1/1156	The results from the NHS Staff Surveys have been consistently below the national and LPT average in most areas. Two key areas of concern have been identified as follows: Overall staff engagement score deteriorated in 2017 and the percentage of staff reporting discrimination at work is significantly higher than LPT average.	High (Red) 20	Moderate 12	Helen Thompson	50	✗
CHS						

Leicestershire Partnership NHS Trust

Top 5 risks per clinical directorate & enabling

Risk No.	Description	Current	Residual	Owner	Age (mo)	Rev
T1/818	Assurance Group - CHS Workforce Group Action Group - CHS Workforce Supply Group There is a risk that the inability of CHS to recruit sufficient substantive and qualified workforce could impact on the quality of services delivered at the point of care. Linked to CR 1932.	High (Red) 16	Moderate 12	Judith Smith	72	✓
T1/1813	Assurance Group - DAG Action Group - OMT There is a risk that some CHS services will fail to achieve 95% compliance on their waiting time targets set by commissioners. This has a detrimental impact on the delivery of timely and safe patient care.	Moderate 12	Moderate 9	Victoria Quinn	29	✓
T1/3566	The directorate is not assured that the Mental Capacity Act is considered and applied across all service areas. This specifically relates to the general application of consent to care and treatment where the patient lacks capacity and where appropriate, the application of a DoLS.	Moderate 12	Low 6	Laura Belshaw	5	✓
T1/1129	Assurance Group - CHS Workforce Group Action Group - SCT, Service Line Governance Groups Lack of current recording of clinical supervision within CHS, is below expected trust compliance levels which raises concerns that staff are not being provided with the opportunity to be able to reflect and revise their practice to improve care.	Moderate 9	Moderate 8	Judith Smith	51	✗
T1/767	Assurance Group: CHS Workforce Group Action Group: Service Line Governance Groups There is a risk that high levels of sickness absence within the division will impact on substantive staffing levels which can result in the delivery of poor patient care, the health and well being of staff and financial balance of the directorate.	Moderate 9	Low 6	Judith Smith	75	✓
FYPC						
T1/3691	There is a reputational risk to the organisation and a risk to the safety of children and young people because the current waiting times for assessment and treatment within CAMHS Outpatient services are too long.	High (Red) 25	Moderate 12	Mark Roberts	1	✗
T1/1199	Assurance Group- FYPC Sustainability Action Group- FYPC IM&T meeting. Insufficient data and quality of service data within FYPC that is required to evidence delivery of contractual performance and enable frontline teams to understand their own performance and self regulate. This lack of data and consistency of data affects Commissioner payment by results, quality of service provision, limits the optimisation of clinical capacity and productivity and is causes reputational damage to the Trust and compromises our sustainability as a viable provider. Directorate is working with the Trust Information Team, HIS and governance structure to mitigate. This Risk links to Corporate Risk 1119 and 729.	High (Red) 20	High (Red) 16	Mark Roberts	48	✗
T1/953	If the full range of service developments planned within the five year schedule for the 0-19 service offer are not delivered in a timely and effective manner there will be a substantial risk to the Trust relating to patient safety, financial balance and reputation as a provider. (Links to Risk 1199). In addition Local Authority Commissioners indicate re-procurement will	High (Red) 20	High (Red) 16	Mark Roberts	58	✓

Risk No.	Description	Current	Residual	Owner	Age (mo)	Rev
	occur for year 3 in response to reduction within their public health grants. If appropriate preparation is not undertaken contract income may cease impacting LPT overheads significantly.					
T1/3419	If FYPC are unable to safely manage the transfer of the Adult and children's weight management service to Leicestershire County local authority there is a risk to patient safety, workforce, finance and trust reputation. The project will require involvement from the LPT contracts team. LPT HR service, FYPC governance, LPT comms, finance team and the FYPC project management team to realise the outcome.	High (Red) 20	High (Red) 15	Janet Harrison	6	✗
T1/1360	Assurance Group- FYPC Quality and Safety Meeting Action Group- Senior Nurses Meeting Nurse staffing levels across FYPC Services are at risk of being below funded or required establishment of WTE posts. This situation could have an impact on the delivery of safe and effective patient care. This may have a possible financial implication to the Trust in respect of an increase cost in bank and agency workers.	High (Red) 16	Moderate 12	Mark Roberts	40	✓

Enabling

Risk No.	Description	Current	Residual	Owner	Age (mo)	Rev
T1/2001 / HR	If our medical workforce do no meet mandatory training compliance rates there may be an adverse impact on care delivery	High (Red) 16	Moderate 12	Alison O'donnell	23	✗
T1/1473 / Finance	LPT has a high proportion of aged medical devices across its services that need to be decommissioned and replaced utilising capital budgets. This constitutes a risk to patient safety and non compliance with current legislation and regulations relating to the safe management of medical devices.	High (Red) 16	Moderate 9	Kerry Palmer	32	✗
T1/3674 / QPP	Following a Care Quality Commission inspection carried out between Nov-Dec 2018, Leicestershire Partnership NHS Trust was served notice under Section 29A of the Health and Social Care Act 2008 in relation to regulated activities: - Assessment or medical treatment for persons detained under the Mental Health Act 1983 - Treatment of disease, disorder or injury There is a risk that the trust will not achieve the changes required as stipulated in the warning notice. The consquence of which will put the trust into special measures.	High (Red) 16	Moderate 9	Anne Scott	0	✓
T1/906 / HR	There are a number of bank only postholders who are not compliant with all mandatory training required for their role. This could have an adverse impact on the safety of the worker, their colleagues and patients.	High (Red) 16	Moderate 8	Sarah Willis	67	✗
T1/2509 / QPP	There is a risk that staff do not consistently apply the Deprivation of Liberty Safeguards (DoLS) when required.	High (Red) 16	Moderate 8	Neil King	15	✓

Total Number of risks returned: 20