SOMERSET PARTNERSHIP NHS FOUNDATION TRUST

Annual Report and Accounts

2018/19

Somerset Partnership NHS Foundation Trust

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

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Welcome from the Chairman

Welcome to Somerset Partnership NHS Foundation Trust's Annual Report for 2018/19 where we reflect on the Trust's achievements and challenges during the last financial year.

Once again we have faced another significant increase in demand for NHS services, combined with ongoing financial pressures. The Trust, we believe, was able to meet these various demands and continue to develop innovative, high quality clinical services.

Central to that, as we reported last year on our proposed merger with Taunton and Somerset NHS Foundation Trust. This is designed to benefit our patients by removing organisational barriers and giving better joined up care. It recognises the fact that physical and mental health often cannot be separated. During the year NHS Improvement approved the strategic case for our merger and we are preparing the final business case for the required approvals. Strong collaborative working involving our partners at Yeovil District Hospital and Somerset County Council has also continued to bring improvements for patients. For example, the Home First Service and our Rapid Response service have helped reduce delays in discharge from Somerset's acute hospitals and get patients home sooner, with appropriate support.

We have launched our new values, in conjunction with Taunton and Somerset, These values – Outstanding Care, Working Together and Listening and Leading – reflect how we will work together to support communities across Somerset to live healthier lives. .

During this year the Care Quality Commission (CQC) published the report of their comprehensive re-inspection of the Trust, undertaken in October 2018. This was the Trust's first inspection under the CQC's new methodology and we were very pleased to have been rated 'good' overall for our services and for the Trust's leadership. We were particularly pleased that our community hospital and adult mental health long term rehabilitation ward, Willow Ward, were both rated Outstanding for Caring. Given the challenges and changes we have experienced over the year, this achievement is a great testament to the hard work and dedication of our colleagues.

The year also brought continued challenges in recruiting registered nurses for our community hospital inpatient wards. During the year a shortage of mental health and general nurses has meant we have had to continue the temporary closure of Magnolia mental health ward and the inpatient wards at Dene Barton, Shepton Mallet and Chard community hospitals. Although we were able to re-open Shepton Mallet Community Hospital's inpatient ward in July, we subsequently had to close Wellington Community Hospital for urgent repair works later in the year and we have to date been unable to re-open it safely due to staffing shortages. We continue to work closely with local communities and we are hopeful of being able to re-open the ward at Wellington in the summer of 2019.

During the year, the Trust has kept a firm focus on delivering the best possible care to those who use our services and a continued commitment to quality improvement. In addition, the Trust has also been able to maintain its strong financial performance.

The year saw the organisation again deliver a surplus in keeping with the plan agreed with our regulators and the Somerset system.

As ever, none of our achievements this year would be possible without the hard work and dedication of our staff who remain our greatest asset. Somerset Partnership is privileged to have highly committed and caring people working across all its services, those on the front line and those in support.

On behalf of the Board, I would like to thank all our colleagues for their remarkable commitment to our patients, their carers and families. We also remain extremely grateful for the continued support we have received from our patients, our carers, our volunteers, our Leagues of Friends, our extensive membership and of course our Council of Governors. We look forward to continuing to work with all our partners during the year ahead and ensuring that Somerset Partnership continues to work in collaboration with our partners across the county, and beyond, to provide the best possible care to all who use our services across Somerset and the wider region.

Signed

STEPHEN LADYMAN **23 May 2019**
Chairman

PERFORMANCE REPORT

The purpose of the overview is to provide a short summary about Somerset Partnership NHS Foundation Trust ("the Trust"), its purpose, strategic objectives (and any key risks to the achievement of those objectives) as well as details of how we have performed over the year.

Purpose and activities of the Trust

The Trust provides a wide range of community health, mental health and learning disability services, mainly across the area of Somerset which is administered by Somerset County Council, but also to some residents of neighbouring counties. It also provides a number of regional specialist services to patients from across the wider south west and manages the GP practice, Lister House, in Wiveliscombe.

Services are provided to all age ranges, and include inpatient care for general and mental illness, minor injury units, a wide range of specialist services in both community health and mental health services, and specialist healthcare for adults with learning disabilities. Many of these are delivered from 13 community hospitals and our four principal mental health sites across the county but, as well as seeing people in Trust premises, staff are able to offer appointments in other community venues which may be more easily accessible to patients. Wherever possible the Trust seeks to support people in their own home or as close to their home as possible.

The Trust also provides community dental services in the County of Dorset. The Trust is commissioned by NHS England to provide mental health services to deaf children and young people who have mental health needs across the south west of England.

Services are provided in partnership with other statutory agencies and a range of voluntary sector providers.

The Trust employs more than 4,000 members of staff, and has a turnover of £174 million.

Map of Services

History of the Trust

Somerset Partnership NHS Foundation Trust was authorised on 1 May 2008. The predecessor organisation, Somerset Partnership NHS and Social Care Trust, was formed in 1999, and was the first integrated health and social care partnership trust in England. The provision of social care services by the Trust was not subject to a Section 31 agreement; up until 2016, County Council staff have been attached to the Trust within an integrated management structure and remain employees of Somerset County Council.

On 1 August 2011, the Trust acquired Somerset Community Health, the arm's length community health service provider arm of NHS Somerset and is now the principal provider of community health, mental health and learning disabilities services in Somerset.

In 2015/2016, Somerset County Council decided to withdraw the management function of the mental health social work service for adults from Somerset Partnership NHS Foundation Trust which, during 2016/17, involved the withdrawal of the Council's social workers so they no longer operate within an integrated management structure with the Trust's mental health teams. In 2017/18 Somerset County Council further decided to take management of the Trust's public health nursing in house so all health visitor and school nursing services and staff will transfer to the Council from 1 April 2019.

At a joint meeting of the Somerset Partnership and Taunton and Somerset NHS Foundation Trusts' boards in May 2017, a Memorandum of Understanding was signed formalising both trusts' commitments to closer collaborative working. In February 2018, both boards subsequently agreed that the alliance arrangements will

progress to the next stage and the development of a strategic case for merger was approved by the two Boards and submitted to NHS England in May 2018. NHS England confirmed in September 2018 that the trusts could proceed to develop a full business case for formal merger which we expect to happen in 2020.

Going Concern

In the preparation of the year end accounts the Board is required to undertake an assessment confirming the Trust will continue as a going concern (i.e. that it will continue in the business of healthcare provision for the foreseeable future).

The Trust has prepared its financial plans and cash flow forecasts on the assumption that funding will be received from the Department of Health. Discussions to date indicate this funding will be forthcoming. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due. These funds will be accessed through the nationally agreed process published by NHS Improvement and the Department of Health.

The Directors have concluded that there is a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the next 12 months.

Financial Instruments

It is Trust policy to avoid the use of financial instruments when possible, thus minimising financial risk to the Trust. This means that the Trust's exposure to risks created by financial instruments is much lower than commercial organisations of the same size. The accounts state the Trust's accounting policies (note 1.14) and the nature and value of the risk that the Trust faces (note 27).

To the best of my knowledge, the information in this document is accurate.

Signed

PETER LEWIS **23 May 2019**
Chief Executive

Performance Report Analysis

During 2018/19 Somerset Partnership NHS Foundation Trust maintained high levels of performance across a broad range of indicators linked to the delivery of high quality care to patients. We consistently met the majority of applicable NHS Improvement Single Oversight Framework standards, and also met or exceeded the majority of CQUIN standards agreed with Somerset Clinical Commissioning Group, as part of the framework of commissioning for quality and innovation, during 2018/19.

In addition to the corporate level and divisional level quality and performance standards, against which we monitor our progress on an ongoing basis, we also routinely participate in all applicable projects managed by the NHS Benchmarking Network, in order to review our relative level of performance against peer organisations nationally. Analyses of the performance of Somerset Partnership against peer organisations indicate that we perform comparatively well across the whole range of our service portfolio, in terms of the quality of care delivered to patients and also the efficiency with which we use our resources.

As well as to maintaining consistently high standards against the NHS Improvement national reporting standards and CQUIN indicators during 2018/19, we have also maintained high compliance rates in relation to other key performance metrics including:

- waiting times for patients to access services;
- review of patient care plans;
- nutrition screening standards;
- standards of assessment for venous thromboembolism; and
- physical health assessments of patients admitted to mental health wards.

We have also maintained a focus on the importance of ensuring that colleagues are able to access a broad range of mandatory training. We maintained a mandatory training compliance rate in excess of 90% throughout 2018/19.

Trust Strategy and Business Model

Somerset Partnership NHS Foundation Trust provides integrated high quality community and mental health services across the county of Somerset and in the wider south west region. Patient safety and quality is at the heart of everything that we do.

Following the decision by the Boards of both Somerset Partnership and Taunton and Somerset NHS Foundation Trusts to look at how we could work closer together, a decision was made in 2018-19 to move towards a formal merger between the two organisations with a focus of delivering a joint mission of: *"Working together in our communities to become a healthier Somerset"*

It is this vision that has driven us to look at bringing together the best of both organisations, supporting a better alignment between mental and physical health and

providing the best opportunities for colleagues to work together as well as with wider stakeholders across health and social care.

Vision

The joint Trusts' vision is focused on enabling the best outcomes for the patients and carers across the communities of Somerset irrespective of organisational structure or geography, aligned to both the NHS Long Term Plan and the system wide work that commissioners of health and social care are currently progressing as part of the "Fit for My Future" review. This focus requires the Trust to maintain delivery high quality, effective community physical and mental health and learning disability services aligned to more integrated services which enable more person centred care which delivers the right service in the right place at the right time.

Our Trust

In merging with Taunton and Somerset NHS FT, our new joint Trust will:

- Provide high quality services across Somerset to support both physical and mental health and care
- Work with partners across the county to support delivery of services closer to home aligned to neighbourhoods and Primary Care Networks
- Value our colleagues, providing opportunities to support what they want to achieve and make our Trust something they are proud to be a part of
- Acknowledge that when we don't get it right, we need to listen, learn and make the changes needed to improve
- Celebrate when we do get it right and do well

Our Strategy

To deliver effective and sustainable services, our focus must be one based on the needs of the populations we serve. This completely aligns with the "Fit for My Future" health and care review which is currently being undertaken by commissioners and also with the NHS Long Term Plan.

This means we must work differently in:

- how we work – looking to work with others in neighbourhoods to deliver what is needed by patients, their carers and families
- how we are organised – looking to enable colleagues to work more closely together across our own organisation as well as others
- where we deliver our services from – buildings need to support the delivery of care with services being provide in the right place and the right time

The development of Primary Care Networks as part of the NHS Long Term Plan as well as the move towards better integration across Neighbourhoods aligned with the new clinical model which has been at the centre of our strategy has led to the development of a new operational structure. This puts the patient at the centre of

how we are organised, rather than focussing care on the buildings where care is delivered. This means we will be taking more services to the communities where patients live, enabling us to reduce the number of services that must be delivered in a hospital setting and increase the amount we can do close to or within a patients home

Our strategy places patient and carers first, ensuring that that they are at the very heart of everything we do. Patients should be involved in every aspect of their care and support us to understand how we can improve the services we provide. Central to this is our commitment to listening to and learning from patients, their carers and our colleagues, within the Trust and the partner organisations with which we work.

In moving towards developing a single organisation, we are already working with Taunton and Somerset NHS FT with dual approach to developing our strategy and service provision, which:

- looks at how we provide more local services aligned to the neighbourhoods which have been identified as part of the Fit for My Future consultation as well as Primary Care Networks which are beginning to emerge. Our focus will be to strengthen health and wellness needs of the local population in the communities which exist across Somerset
- provide consistent and standardised, more specialist services, organised at scale to meet the needs of the whole population
- working together with partners including other providers and primary care to deliver integrated care closer to the communities we serve.

Key Priorities

We set our priorities around our strategic themes and values.

Our key priorities for 2019/20 include to:

Outstanding Care

- keep waiting times for our services as short as possible;
- improve our performance across all our quality account priorities;
- maintain safe and effective staffing levels across all our services;
- enhance the Somerset population's mental and emotional wellbeing
- improve access to mental health support and intervene earlier.
- improve the quality of services delivered – getting it right first time.
- improve the provision of support to people in crisis.
- enhance sustainable recovery and resilience for those who have accessed mental health support

Listening and Leading – our people

Resourcing

- develop tools and resources to support decision making through workforce planning, to include the provision of a template workforce planning model
- develop and advertise a more sophisticated total reward package and incentive schemes to enhance and differentiate the alliance as a great place to work
- create flexible approaches to work and retirement which support our people as they move through their working lives
- further explore more flexible terms and conditions such as part time options, job sharing, secondment opportunities and new, more flexible career paths

Engagement

- implement a “you said we did” approach to ensure where feedback is being received the actions are being communicated in a regular robust and consistent way
- review the actions from the “Great Place to Work” and build on this along with results from the staff survey
- develop a plan for reward and recognition that links to performance
- provide an occupational health service focused on intervention and prevention

Development

- implement a robust and effective performance review process
- focus on the quality of reviews as well as the quantity
- review training to ensure it supports innovative and evidence based practice
- prioritise the introduction of succession planning for all key leadership positions across the alliance

Working Together

We will be working towards the development and implementation of the proposed merger with Taunton and Somerset NHS Foundation Trust and submitting the Full Business Case for merger to NHS Improvement during 2019/20.

We will also work with our partners in the Somerset health and care economy to deliver the priorities of the system. During 2019/20 we will work with:

- partners to improve our focus on and investment in preventative care to help reduce demand particularly for mental health, cardio-vascular services, cancer, respiratory disease and musculoskeletal services
- our commissioner and primary care partners to focus our resources away from acute services and into mental health and community services so we can provide care for patients in their own homes, or as close to home as possible, and developing the neighbourhood model of care delivery

- neighbouring acute Trusts to identify solutions to unsustainable acute services, either by consolidating acute services or by developing out of hospital models of care

The development of the merged trust's clinical model is a first step on the road to creating an integrated provider organisation in Somerset, and subsequently an Integrated Care System

Our financial plan will support the improvement in the system position by delivering our own financial aims, and will deliver additional system benefits including improved early intervention to reduce escalation of need / demand for emergency care and reduce reliance on bed-based care. Savings will also be secured through combining support services and some clinical teams

Somerset Partnership NHS Foundation Trust has a total operating income of £174m. 2018/19 continued to be challenging financially, in which £4.2m of efficiency savings were delivered. The Trust ended 2017/18 with an operating surplus of £4.0m before exceptional items (this included £2.9m of Sustainability and Transformation funding) which was in line with the budget agreed at the start of the financial year.

The Trust financial strategy is to deliver savings to manage cost pressures, so surpluses can be delivered for reinvestment in our services and facilities.

The key aims of the Trust financial strategy are to:

- effectively manage the budget in 2019/20;
- continue to maintain strong cash balances;
- continue to invest in our estate and infrastructure;
- support the delivery of our strategic themes and objectives;
- maximise efficiencies arising from benchmarking and national publications including the Carter Review, and explore the possibility of further efficiencies;
- deliver our cost improvement programmes.

In preparing the financial plans for 2019/20 the following assumptions have been made:

- there will be a tariff inflation level of 2.7%
- pay costs will increase by 3.1% due to pay inflation (4.1% for medical staff to reflect the full year impact of the prior year award)
- non-pay costs will increase by 1.8%, plus any specific areas of change (such as CNST contribution and depreciation under the revised RICS guidance

We have also developed with our staff, our governors and our patients, a set of key quality priorities for the coming year which are set out in our Quality Account at the end of this report.

We aim to continue to promote learning and excellent practice and to be innovative in our service delivery, seeking opportunities to enhance the quality of service provision and to share the best practice across the organisation, in order to provide safe, high quality care for each and every one of the patients we serve.

Key issues and risks to the achievement of Trust objectives

During the year the most significant risks (managed in year) were:

- **Staffing Pressures** - The Trust has continued to identify risks in a number of services around staffing pressures arising from vacancies, sickness absence and increasing levels of demand. This has led to the temporary closure or reduction of some services. In particular, we had to continue the temporary closure of Magnolia Ward, the Trust's dementia ward for older people in Yeovil, due to significant and sustained staffing pressures. To mitigate this we have extended the community based Independent Dementia Support Service (IDSS) to maintain services for these highly vulnerable patients. It was also necessary to continue to temporarily close two community hospital inpatient wards at Dene Barton and Chard; and, although we were able to re-open the ward at Shepton Mallet, we subsequently had to temporarily close the ward at Wellington Community Hospital to ensure sustained provision of community hospital beds over the winter period in the face of significant staffing issues. An extensive recruitment campaign was maintained during the year, including continued overseas recruitment, but was not sufficiently successful and significant pressures remain. A system-wide Community Hospital Resilience Group was established to the Health Scrutiny Committee during the year.

- **Sustainability and Transformation Plan (STP)** – progress of the development and implementation of the Somerset STP – and the Somerset Clinical Commissioning Group's Fit for My Future programme - has again presented a number of risks for the Trust. The timetable for the engagement and consultation of the programme has slipped during the year which has limited the Trust's options for transformational change to support financial resilience and meaningful service change. Senior members of the Trust, including the Chief Executive, continue to occupy central roles in the STP Programme and the Trust's Chairman has continued in the role of Chair of the STP Somerset System Leadership Board. The delay in development of plans has continued to have an impact on the Trust delivering some of its plans, particularly for mental health services. However, progress has been made to advance these discussions across providers and with commissioners and a firm programme has been developed for delivery in the coming years. As the Trust and Taunton and Somerset NHS Foundation Trust develop our clinical model for the proposed merged organisation, we will continue to ensure that our proposals align with those of the wider STP programme and our objectives for the delivery and sustainability of high quality, effective community health, mental health and learning disability services.

- **Finance** - Although the Trust achieved its control total this year, the system-wide risks in relation to the financial position have also been significant again

during the year and the Trust has worked with the CCG, Somerset County Council and partner organisations to manage these risks during the year. The year-end position has been testament to the significant hard work of staff across the organisation to manage these pressures during the year.

- **CAMHS services** - During October 2018 some of the Trust's services were inspected by the Care Quality Commission. The report of the inspection was published in February 2019 and the Trust was found overall to be 'Good'. However, our community Child and Adolescent Mental Health Services (CAMHS) were found to require improvement with four areas of improvement identified, particularly around waiting times for young people to access services in the east of the county and the risk assessment processes supporting those under the care of the services. An action plan to address those issues has been developed and shared with the Care Quality Commission and implementation is monitored through the Quality and Performance Committee.

Key Performance Measures

Single Oversight Framework targets

NHS Improvement's Single Oversight Framework sets out the key national standards which are applicable to Somerset Partnership as a service provider. The table below sets out our performance levels across the year:

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral	53%	50%	92.3%	93.3%	76.9%
Data Quality Maturity Index (DQMI) – MHSDS dataset score	95%	98.2%	98.3%	98.3%	98.1%
Referral to Treatment Waiting Times: percentage of patients waiting within 18 weeks: (Incomplete pathways)	92%	99.6%	99.7%	99.8%	99.8%
Improving Access to Psychological Therapies (IAPT)/talking therapies: Percentage of people completing a course of IAPT treatment moving to recovery	50%	40.7%	50.1%	51.7%	62.9%

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
Improving access to psychological therapies (IAPT): • people with common mental health conditions referred to the IAPT programme will be treated within 6 weeks of referral	75%	91.7%	96.1%	93.7%	91.9%
• people with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral	95%	99.7%	99.6%	99.2%	98.6%
Inappropriate out-of-area placements for adult mental health services (cumulative numbers shown)	No more than 365 bed days in 2018/19	125	125	125	125
Percentage of minor injury unit patients waiting under four hours from arrival to admission, transfer or discharge	95%	99.6%	99.4%	99.3%	99.3%
The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period	95%	96.6%	97.1%	98.2%	97.1%
The percentage of patients on Care Programme Approach who were followed up within 7 days after discharge from psychiatric inpatient care during the reporting period	95%	96.3%	98.9%	97.9%	98.4%
Admissions to adult facilities of patients under 16 years old	0	0	0	0	1
Mental health scores from Friends and Family Test – % positive	85%	93.0%	95.4%	93.0%	92.7%
Community health scores from Friends and Family Test – % positive	95%	98.2%	96.7%	98.3%	98.2%
The percentage of clients in settled accommodation	50%	87.9%	87.2%	86.3%	87.3%

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
The percentage of clients in employment	50%	85.5%	84.5%	83.6%	84.2%
Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas: a. inpatient wards b. early intervention in psychosis services c. community mental health services (people on care programme approach) The number of patients in the defined audit sample who have both: - a completed assessment for each of the cardio-metabolic parameters with results documented in the patient's electronic care record held by the secondary care provider. - a record of interventions offered where indicated, for patients who are identified as at risk as per the red zone of the Lester Tool.	90% 90%	Reported annually. Data not yet available.			

Commissioning for Quality and Innovation (CQUIN) Targets

Somerset Clinical Commissioning Group, our principal commissioner of services, sets annual targets under the framework for Commissioning for Quality and Innovation (CQUIN), the aim of which is to improve the quality of services delivered to patients. The achievement of the CQUIN standards generates additional income for the Trust, of up to 2.5%.

The 2018/19 national and local CQUINs agreed with Somerset Clinical Commissioning Group are consistent with, and build upon those which were applicable in 2017/18. The details of the measures are set out in the table below:

CQUIN Requirement	Standards Required
1a –Improvement of Staff Health and Wellbeing	Achieving a 5 percentage point improvement in two of the three NHS annual staff survey questions on health and wellbeing, MSK and stress. The two questions do not have to be pre-selected before the staff survey results, with 50% of the value of this indicator relating to performance in one question and the remaining 50% of the value relating to performance in a second question. Year 1 (17/18) The 5 percentage point improvement should be achieved over a period of 2 years, with the baseline survey being the 2015 staff survey. Year 2 (18/19) The 5 percentage point improvement should be achieved over a period of 2 years, with the baseline survey being the 2016 staff survey. • **Question 9a**: Does your organisation take positive action on health and well-being? Providers will be expected to achieve an improvement of 5% points in the answer "yes, definitely" compared to baseline staff survey results or achieve 45% of staff surveyed answering "yes, definitely". • **Question 9b:** In the last 12 months have you experienced musculoskeletal problems (MSK) as a result of work activities? Providers will be expected to achieve an improvement of 5% points in the answer "no" compared to baseline staff survey results or achieve 85% of staff surveyed answering "no". • **Question 9c:** During the last 12 months have you felt unwell as a result of work related stress? Providers will be expected to achieve an improvement of 5% points in the answer "no" compared to baseline staff survey results or achieve 75% of staff surveyed answering "no".
1b – Healthy food for NHS staff, visitors and patients	Providers will be expected to build on the 2016/17 CQUIN by: Firstly, maintaining the four changes that were required in the 2016/17 CQUIN in both 2017/18 & 2018/19 a.) The banning of price promotions on sugary drinks and foods high in fat, sugar or salt (HFSS). The following are common definitions and examples of price promotions: 1. Discounted price: providing the same quantity of a product for a reduced price (pence off deal); 2. Multi-buy discounting: for example buy **one** get **one** free; 3. Free item provided with a purchase (whereby the free item cannot be a product classified as HFSS); 4. Price pack or bonus pack deal (for example 50% for free); and 5. Meal deals (In 2016/17 this only applied to drinks sold in meal deals. In 2017/18 onwards no HFSS products will be able to be sold through meal deals). b.) The banning of advertisements on NHS premises of sugary drinks and foods high in fat, sugar or salt (HFSS); The following are common definitions and examples of advertisements: 1. Checkout counter dividers 2. Floor graphics 3. End of aisle signage 4. Posters and banners

CQUIN Requirement	Standards Required
	c.) The banning of sugary drinks and foods high in fat, sugar or salt (HFSS) from checkouts; The following are common definitions and examples of checkouts; 1. Points of purchase including checkouts and self-checkouts 2. Areas immediately behind the checkout and; d.) Ensuring that healthy options are available at any point including for those staff working night shifts. We will share best practice examples and will work nationally with food suppliers throughout the next year to help develop a set of solutions to tackle this issue. Secondly, introducing three new changes to food and drink provision: In Year One (2017/18) a.) 70% of drinks lines stocked must be sugar free (less than 5 grams of sugar per 100ml). In addition to the usual definition of SSBs it also includes energy drinks, fruit juices (with added sugar content of over 5g) and milk based drinks (with sugar content of over 10grams per 100ml). b.) 60% of confectionery and sweets do not exceed 250 kcal. c.) At least 60% of pre-packed sandwiches and other savoury pre-packed meals (wraps, salads, pasta salads) available contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g In Year two (2018/19): The same three areas will be kept but a further shift in percentages will be required a.) 80% of drinks lines stocked must be sugar free (less than 5 grams of sugar per 100ml). In addition to the usual definition of SSBs it also includes energy drinks, fruit juices (with added sugar content of over 5g) and milk based drinks (with sugar content of over 10grams per 100ml). b.) 80% of confectionery and sweets do not exceed 250 kcal. • At least 75% of pre-packed sandwiches and other savoury pre-packed meals (wraps, salads, pasta salads) available contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g
1c – Improving the uptake of flu vaccinations for frontline clinical staff within Providers	Year 1 - Achieving an uptake of flu vaccinations by frontline clinical staff of 70% Year 2 - Achieving an uptake of flu vaccinations by frontline clinical staff of 75%
3a - Cardio metabolic assessment and treatment for patients with psychoses	**For 2017/18** To demonstrate cardio metabolic assessment and treatment for patients with psychoses in the following areas: a) Inpatient wards.

CQUIN Requirement	Standards Required
	b) <u>All</u> community based mental health services for people with mental illness (patients on CPA), excluding EIP services. c) Early intervention in psychosis (EIP) services. **And in addition, for 2018/19** To demonstrate positive outcomes in relation to BMI and smoking cessation for patients in early intervention in psychosis (EIP) services.
3b - Collaboration with primary care clinicians	90% of patients to have either an up to date CPA (care programme approach), care plan or a comprehensive discharge summary shared with their GP. A local audit of communications should be completed.
4 - Improving services for people with mental health needs who present to A&E.	**For 2017/18:** 1. Reduce by 20% the number of attendances to A&E for those within a selected cohort of frequent attenders who would benefit from mental health and psychosocial interventions, and establish improved services to ensure this reduction is sustainable. **For 2018/19:** 1. Sustain the reduction in year 1 of attendances to A&E for those within the selected cohort of frequent attenders who would benefit from mental health and psychosocial interventions. 2. Reduce total number of attendances to A&E by 10% for all people with primary mental health needs.
5 - Transitions out of Children and Young People's Mental Health Services (CYPMHS)	This CQUIN aims to incentivise improvements to the experience and outcomes for young people as they transition out of Children and Young People's Mental Health Services (CYPMHS). This CQUIN is constructed so as to encourage greater collaboration between providers spanning the care pathway. There are three components of this CQUIN: 1. a casenote audit in order to assess the extent of Joint-Agency Transition Planning; and 2. a survey of young people's transition experiences ahead of the point of transition (Pre-Transition / Discharge Readiness); and 3. a survey of young people's transition experiences after the point of transition (Post-Transition Experience).
8b - Supporting Proactive and Safe Discharge – Community Providers	**Year 1 17/18** I. Part a) 60% of weighting for this measure Actions to map existing discharge pathways, roll-out new protocols, collect baseline/trajectories II. Part b) 40% of weighting for this measure Increasing proportion of patients admitted via non-elective route discharged from acute hospitals to their usual place of residence within 7 days of admission by 2.5% points from baseline (Q3 and Q4 2016/17).

CQUIN Requirement	Standards Required
	Inappropriate, early discharge carries risks to patients and therefore providers and commissioners should carefully monitor readmission rate. **Year 2 18/19** III. Part a) 100% of weighting for this measure IV. Increasing proportion of patients admitted via non-elective route discharged from acute hospitals to their usual place of residence within 7 days of admission by 7.5% points from 2017/18. Inappropriate, early discharge carries risks to patients and therefore providers and commissioners should carefully monitor readmission rate.
CQUIN 11 - Personalised Care and Support Planning	This CQUIN is to be delivered over two years with an aim of embedding personalised care and support planning for people with long-term conditions. In the first year, activity will be focused on agreeing and putting in place systems and processes to ensure that the relevant patient population can be identified, the relevant workforce receive appropriate training, and that personalised care and support planning conversations can be incorporated into consultations with patients and carers. The second year will focus more on delivery of personalised care and support planning, the quality of conversations and the impact on individual levels of knowledge, skills and confidence. In year one there are three components: **Establishing provider systems** to ensure that personalised care and support planning conversations can be incorporated into care delivery and can be recorded as an activity. Also to ensure relevant cohorts of patients who would benefit most from the delivery of personalised care and support planning can be identified on IT systems. For the purpose of the CQUIN, personalised care and support planning conversations are defined as: • *Conversations between a care professional, a person with long-term conditions and their carer (if applicable) to understand what is important to that individual and what support they need in order to help build their knowledge, skills and confidence to manage their health and wellbeing.* • *Follow a process of sharing information, identifying support needs, discussing options, contingency planning, setting goals, developing an action plan, and monitoring progress.* • *Consider how to co-ordinate the individual's care across a number of different care settings, linking to other existing care plans, particularly for people with multiple conditions.* • *Consider physical and mental health as well as wider holistic wellbeing.* • *Resulting in an agreed, recorded, document that the patient and carer owns* Providers should submit a plan outlining their approach to delivering personalised care and support planning and how this will be recorded as an activity, taking account of the pioneering work of the national Integrated Personal Commissioning team, the latest iteration of the TLAP personalised care and support planning tool and the NHS England handbook on personalised care and support planning.

CQUIN Requirement	Standards Required
	Identifying relevant patient populations. Providers should submit a plan outlining how they will identify the relevant patient population with one or more long-term conditions and with low levels of knowledge, skills and confidence (activation) to manage their health and wellbeing who would benefit from personalised care and support planning. They will need to take into consideration cohorts of patients who may already be participating in personalised care and support planning, for example people with learning disabilities, people with severe mental health issues who are part of the Care Programme Approach, people with complex needs who have personal health budgets or are part of the Integrated Personal Commissioning programme. This may require planning with commissioners and other providers to agree who will lead the care planning process, and also how multi-disciplinary teams can work together. To identify the cohort providers should: • Identify those patients with one or more long-term conditions as defined by the GP patient survey. People may be identified on clinical IT systems, for example using ICD10 codes or using risk stratification tools. People may be additionally identified through contact with care professionals as someone who would benefit from personalised support. Then **conduct a baseline review of patient activation** for those patients with long term conditions identified above. This means: • For those organisations already using the Patient Activation Measure, ensuring that all identified patients and carers have their activation levels recorded; this can be combined to create an organisational score, or • For those organisations not using the Patient Activation Measure, ensuring that all identified patients and carers are asked a local survey using two key questions from the existing GP patient survey (GPPS). Answers to these questions will use the same criteria as the GPPS and be given scores as described below to allow production of an organisational score. These are: ○ **Q32** – *In the last six months, have you had enough support from local services or organisations to help you to manage your long-term health condition(s)?* Answering 'yes, definitely' = 1 point, 'yes, to some extent' = 0.5 points. Other answers = 0 points ○ **Q33** – *How confident are you that you can manage your own health?* Answering 'very confident' = 1 point, 'fairly confident' = 0.5 points. Other answers = 0 points. **Following this review of patient activation, the relevant population to be prioritised for personalised care and support planning will be defined as:** • Those with one or more long-term conditions as defined by the GP patient survey; AND • For those organisations already using the Patient Activation Measure those patients assessed at Level 1 or 2 in their activation level; **or** • For those organisations not using the Patient Activation Measure, those patients who score 0 points on the GPPS questions.

CQUIN Requirement	Standards Required
	Ensuring that all relevant provider staff are sufficiently competent in holding care and support planning discussions with patients and carers, through appropriate training. For the purpose of the CQUIN 'relevant provider staff' can be defined as: • *Those who have allocated time to support the patient and carer to develop their care and support plan; and* • *Have specific expertise or training in support for people with long-term conditions; and* • *Are in a position to be able to liaise with multidisciplinary teams as required to gather information pertinent to the care planning discussion, and to raise issues that are impacting on an individual's care or that need to be considered at an organisational level* • *Are a regular (at least annual) point of contact for the patient and carer* Appropriate training is defined as training that: • *Explores the role of care & support planning in empowering patients and carers;* • *Clearly defines the role and expectations of the member of staff and the patient and/or carer;* • *Provides a framework for staff to follow in having structured care and support planning conversations based around what is important to the person living with a long-term condition and their holistic needs, not just their medical needs;* • *Helps staff develop skills in motivational interviewing to help them in encouraging patients and carers to actively participate in planning discussions, and how to tailor their approach based on the individual's levels of knowledge, skills and confidence, and their communication needs; and* • *Helps staff deal with sensitive discussions such as consent, mental capacity, and end of life care*. In year two there are two components: **Reporting on the number of care and support planning conversations** that take place (with the expectation that at least one conversation takes place for each patient but the number of conversations will vary depending on individual's needs and levels of knowledge, skills and confidence). **Conducting a follow up review of patient's knowledge, skills and confidence** for the identified patient population. As above, organisations will either need to repeat the process of collecting individual Patient Activation scores using the Patient Activation Measure, or using the questions from the GP patient survey to ascertain levels of confidence and feelings of support.

Monitoring Performance, Improvements in Quality and Meeting National Targets

Somerset Partnership NHS Foundation Trust has a comprehensive quality monitoring and performance management framework in place, to ensure that high standards of care are delivered to patients and that all applicable performance targets are delivered.

We have developed and employ an integrated approach to quality and patient safety and performance management, which is evidenced through the monthly Quality and Performance exception report, presented to our Trust Board. The reports incorporate metrics which span key national and local frameworks, including the NHS Improvement Single Oversight Framework, the framework for Commissioning for Quality and Innovation (CQUIN), and local commissioning intentions, with an emphasis on monitoring key aspects of quality improvement, harm reduction, patient safety and patient satisfaction.

The Quality and Performance report is published monthly on our website and provides our Trust Board with regular information, across a broad range of quality and safety measures including slips, trips and falls, medication incidents, pressure ulcers, incidents involving restraint, ligatures and ligature points, harm-free care and safer staffing.

The Quality and Performance Report is continually reviewed, to ensure that it reflects the most current and relevant metrics and analysis. The report presents information relating to the five key questions which the Care Quality Commission considers when reviewing and inspecting services:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they well-led?
- Are they responsive to people's needs?

The monthly Quality and Performance Report and accompanying dashboards assist the Board in its assessment of the achievement of our strategic and annual objectives and key targets, and all of the measures are linked to the five Care Quality Commission themes.

The Quality and Performance Report is accompanied by a rage of supporting information which sets out performance data for the reporting year, including:

- a dashboard of quality and patient safety measures
- a corporate balanced scorecard
- an analysis of safer staffing levels, by ward
- referral, caseload and activity levels for community physical and mental health services for the current year, compared to the previous year
- average length of stay and bed occupancy levels for our community hospitals and mental health inpatient wards for the current year, compared to the previous year
- details of our Care Quality Commission ratings

These reports help the Board to evaluate whether we are meeting national and local standards and targets and operating safely, efficiently and effectively, whilst improving the quality of our services. The Quality and Performance Report sets out what we are doing in respect of increased levels of reported incident or where performance falls below set compliance standards

Our Quality and Performance Committee, a sub-committee of the Trust Board, provides high-level challenge and assurance, in relation to key quality and performance metrics. This detailed analysis and challenge complements Board discussions on performance, enabling a balance to be struck between effective Non-Executive Director scrutiny of the operational detail, whilst enabling the Board to remain focused on the key strategic issues. The Quality and Performance Committee receives a range of detailed tabulated and graphical performance information, at the level of individual service / ward, together with other key performance information and also requests, as necessary, focused information on particular aspects of service delivery and patient safety.

In addition to our Quality and Performance report and corporate balanced scorecard, we also maintain directorate-level performance dashboards for each of our operational service directorates. Each directorate dashboard sets out the performance of the service directorate, in relation to key targets relating to the services managed within that directorate. This allows our key corporate performance measures to be managed at a more granular level, and to identify any areas of concern which may lie below an overall incidence of underperformance, or even areas of concern which are component elements of an aggregate level of performance which meets the required corporate level standard.

The key forums, via which performance management arrangements for divisions are managed, are:

- a monthly senior managers' team meeting, chaired by the Chief Executive, combining review and challenge of service directorate progress against key objectives outlined on each dashboard, with an opportunity for Service Directors to share with the executive team issues of concern; and
- a monthly operational directorate finance and performance group meeting, chaired by the Chief Operating Officer, which focuses on the principal quality and performance issues pertaining to each service directorate, chiefly the exceptions arising from the divisional dashboards, as well as divisional level performance in respect of other key areas including mandatory training, and CQUIN targets.

The key purposes of these meetings include:

- to assess actual performance against plan;
- to assess risks to future delivery and agree mitigation plans;
- to determine and agree future performance management arrangements;
- to reward those divisions which perform well, by reducing the degree of performance management involvement;

- where performance declines, to identify the contributory issues and to have a clear escalation and de-escalation process;
- to focus on early performance management intervention with service directorate at risk of not meeting required standards;
- sharing examples of good practice and supporting service directorate to achieve performance standards; and
- holding service directorate to account for performance delivery.

Monthly review meetings are also held by each service directorate, chaired by the service director, and with representation from individual services managed within the service directorate, as well as from corporate teams including Performance, enabling a discussion of operational issues relating to each service.

Sustainable Health – environmental matters

Introduction

The Trust is constantly striving to fully understand and reduce the environmental impact created through delivering quality healthcare services. We are also looking at how sustainable principles can help provide a better organisation for staff, patients and the local and global community. Sustainability has three core elements – environment, social and economic Somerset Partnership aims to embed these sustainability themes fully throughout the whole organisation.

Our Carbon Reduction Group (CRG) has been tracking Trust carbon emissions since 2008, which has been a complex process due to the merger of two health organisations in 2011and latterly the planned merger with Taunton and Somerset NHS Foundation Trust .

We monitor our carbon footprint to see if we are reducing emissions. Throughout recent years the Trust has continued to grow, delivering more services to more patients but we have still been able to reduce emissions based on the metrics of: carbon emission per measure of activity, turnover, number of staff and patient contacts.

The Trust continues to be aware of and assess best practice and guidance from across the NHS, other sectors and the NHS Sustainable Development Unit (SDU) to analyse what is applicable to the Trust. As part of our current merger plans a combined Sustainability forum has commenced with Yeovil Hospital also involved in a bid to create Somerset wide approach to sustainability.

Summary of key achievements in 2018/19

- The Facilities team is continuing to roll out new recycling consoles across many sites to broaden the types of materials that can be recycled, whilst encouraging staff to be more conscious of sorting waste to help reduce emissions and use of natural resources.

- The Hard FM team have continued to improve the estate by replacing boilers and pipework, windows and flat roofs, taking the opportunity to improve insulation and with boiler replacement reduce the fuel cost with more efficient boilers and associated controls.
- Wi-Fi connectivity is continually being improved to support our staff and provide facilities that best enable the work they do and help reduce the need for travel a significant proportion of our carbon footprint

- Where capital projects are being undertaken, the Trust always looks to specify and install modern energy efficient alternatives where possible. This has included LED lighting and replacement windows which will have an impact on the energy usage of the sites.
- The new NHSI Sustainability Development Assessment Tool has now been launched. The Sustainability Group will be overseeing the development of this self-assessment during 19/20 in a bid to update our priority actions.
- Dialogue has commenced with partnering NHS Trusts with a commitment to work within a Somerset system.

Plans for 2019/20

Working with our partnering Trusts in Somerset the future Sustainability agenda will be structured around the following key domains as advised by NHSI and the Sustainable Development Assessment Tool:

Asset management and utilities

Developing plans to demonstrate that all utility services, including water are measured, monitored and managed to avoid waste and that where possible the Trust invests in technology that allows local generation of heat, electricity and the efficient use of utilities by initiatives such as LED lighting.

Travel and logistics

The Trust is required to consider transport costs and the implications of service delivery based on travel and access. In addition, through logistics, consider the impact of the need to do journeys both in the form of goods deliveries to its estate and the attendance of appointments/delivery of services to remote locations.

The Trust will consider initiatives for both the staff and public and is committed to reducing its environmental impact through transport and travel.

Adaptation

Climate change can affect our ability to deliver healthcare services. There must be due consideration for addressing potential influences such as floods, extreme hot/cold temperatures, storms etc. Such planning is key to ensuring that any impact of climate change can be managed with a minimal effect on healthcare service

delivery. The Trust has a well embedded Emergency Planning Group and will continue to develop our capability.

Capital Projects

This domain requires trusts to develop estates with buildings and facilities that are fit for purpose and functionally suitable. It also requires us to consider all stakeholders in the specification process when developing the estate either through new builds or refurbishment.
We must ensure we are not only designing services in an environmentally sustainable way but that we are also ensuring local social values are maintained through the use of engagement with the public.

Green space and biodiversity

This has a wider remit as it assesses the Trust's ability to manage the impact of the provision of all of its services on the local biodiversity and what mitigating actions we have put in place to reduce these impacts.

The Trust ensures its new builds and developments are sensitively designed when using green spaces. Consideration is given to the potential impact of our day to day services, and this is strictly controlled to ensure the Trust stays within guidelines and statutory requirements.

Sustainable Care Models

This relates to how the Trust and its services assist the local population to build healthy, sustainable lives and communities. It relates to what partnerships we have formed with local organisations, what potential there is to share assets and resources with local communities, and how we engage with service users about their experience of our services.

Clinical service strategies are being developed as part of a proposed merger with Taunton & Somerset NHS Foundation Trust. These will inform the creation of an estate strategy that will aim to support the development of fit for purpose buildings and infrastructure.

Our people

This looks at the Trust's most valuable asset, its staff, their involvement and the support we give them. It encourages focussed training, staff surveys, and education on sustainability. The Trust has support mechanisms in place, core to this is the Employee Assistance Programme and a specific Health and Wellbeing strategy. Developing this will be key supporting staff with healthy options, such as fitness, smoking cessation, food choices, carers and child care.

Sustainable use of resources

This looks at how the Trust directly and indirectly impacts on the use of resources and the production of carbon. For example, does the Trust have good sustainable

purchasing, medicine management, food management, energy management and waste management? In some cases, this would involve partner organisations as they are essential to both supporting and validating our progress. This domain also asks how we treat items that are surplus to requirements, such as through reusing or disposal. It also identifies the need to purchase fresh local produce, saving road miles. It also requires us to understand our carbon footprint and to highlight the importance of sustainability amongst staff, so they take good practice home with them, thereby living a more environmentally friendly life.

The Trust already tackles many activities where there is a clear link between carbon production and the service provided. Utility consumption, travel, food preparation, and waste management are all areas where the Trust through benchmarking with peers will seek to continually improve.

Carbon / GHGs

This requires the Trust to have a target in place and a monitoring program for all its properties across all utilities, to ensure that they are managed and not wasted. It requires us to be aware of consumption and cost in all areas, thereby identifying potential waste. This will then allow investment and resources to be allocated to the most beneficial areas. From this approach there will be a reduction in costs and the CO2 produced. It is important that this CO2 footprint is communicated to all staff to allow them to apply sustainability to their areas.

Working with other Trusts in Somerset it is intended to develop benchmarking of carbon related performance

Environment, employee matters, social, community and human rights issues

The Trust takes its responsibilities towards the community it serves very seriously. We recognise the responsibility we have to meet the health needs of the population we serve as safely, effectively and efficiently as possible, ensuring that in designing and delivering health services we fully take into account, and are influenced by, the views and opinions of our patients and patients to be.

Human Rights

We recognise our responsibilities under the European Convention on Human Rights (included in the Human Rights Act 1998 in the UK), which are relevant to health and social care. These rights include the:

- right to life;
- right not to be subjected to torture, inhuman or degrading treatment or punishment;
- right to liberty; and
- right to respect for private and family life.

The Trust is committed to ensuring it fully takes into account all aspects of Human Rights in its work, following on from the *Human Rights in Healthcare: A Framework*

for Local Action (Department of Health, March 2007). This will ensure the Trust continues to meet its duty to respect human rights in all that it does.

Further details can be found at http://www.sompar.nhs.uk/about_us/equality_and_diversity/.

Modern Slavery and Human Trafficking Act 2015 Policy Statement

Section 54 of the Modern Slavery Act 2015 requires all organisations to set out the steps taken to ensure slavery and human trafficking is not taking place in any of its supply chains and in any part of its business.

This statement sets out actions taken by Somerset Partnership NHS Foundation Trust to understand all potential modern slavery and human trafficking risks and to implement effective systems and controls.

The Trust is committed to ensuring no modern slavery or human trafficking takes place in any part of our business or supply chain. We are committed to improving our practices to combat slavery and human trafficking. We are fully aware of our responsibilities towards patients, employees and the local community. We have robust ethical values which we use as guidance for our commercial activities. We also expect all suppliers to the Trust to follow the same ethical principles.

Policy on Slavery and Human Trafficking

We are committed to ensuring there is no modern slavery or human trafficking in any part of our business and, in addition require that our suppliers hold similar ethos.

We have robust multi agency safeguarding vulnerable adults and safeguarding children policies in place and all staff receive mandatory safeguarding training which includes guidance on how to identify and report any concerns relating to modern slavery and human trafficking.

We follow employment checks and standards which include the right to work and depend on receiving suitable references.

We are committed to social and environmental responsibility and have zero tolerance of modern slavery and human trafficking. Any identified concerns regarding modern slavery and human trafficking would be escalated as part of the organisational safeguarding processes in conjunction with partner agencies.

We will:

- comply with legislation and regulatory requirements;
- ensure suppliers and service providers are aware we promote the requirements of the legislation;
- develop awareness of modern slavery issues;
- include modern slavery conditions or criteria in specifications and tender documents within the supplementary terms and conditions;

- encourage suppliers and contractors to take their own action and understand their obligations about these new requirements;
- expect supply chain/framework providers to demonstrate compliance with their obligations in their processes.

Trust staff must contact and work with the procurement department when looking to work with new suppliers so appropriate checks can be undertaken.

Procurement staff will:

- check draft specifications include a commitment from suppliers to support the requirements of the Act;
- not award contracts where suppliers do not demonstrate their commitment to ensuring slavery and human trafficking are not taking place in their own business or supply chains;
- communicate clear expectations to our suppliers through a supplier code of conduct;
- work with the procurement department to monitor compliance by suppliers with the requirements of the Act.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2019.

To the best of my knowledge, the information in this document is accurate.

Signed

PETER LEWIS **23 May 2019**
Chief Executive

FINANCIAL OVERVIEW AND REVIEW

Overview

Whilst continuing to deliver safe and high quality services the Trust has also met challenging financial targets. In 2018/19 it delivered an operational surplus of £5.9million (before the impact of technical adjustments arising from the annual revaluation of its estate, see page 25; note 11 annual accounts.

The Trust achieved its control total (agreed with NHS Improvement at the beginning of the year) and received £4.1m of Sustainability and Transformation funding, including £1.8m of additional monies for achievement of control total.

Inherent in the delivery of the surplus was the achievement of a cost improvement programme of £5.9 million. The cash generated by the surplus will be invested in the development of Trust services, including additional investment in information technology for our community based services and other developments linked to working smarter and maximising the use of the Trust's facilities.

The delivery of the financial surplus and associated cost improvement programmes is not easy and becomes increasingly more difficult with each passing year. The financial challenges for the Trust will therefore be even greater in 2019/20. Opportunities to expand the operations of the Trust will be limited and so focus will be directed at optimising the resources available and cutting costs.

Savings of the magnitude required over the coming years will require the Trust to be more radical in its approach to the delivery of services and for all the health and social care organisations in Somerset to work in closer collaboration to ensure the services are delivered as efficiently as possible.

Regulatory Ratings

The Single Oversight framework, as part of the NHS provider licence requirements, enables NHS Improvement to generate five ratings for each foundation trust, one based on its financial sustainability (continuity of services), one on the way it is managed (governance), one on agency spend and two measures based on financial efficiency. This aims to identify a significant risk to the financial sustainability of a provider of key NHS services which endangers the continuity of these services and/or poor governance. To assess financial sustainability, NHS Improvement uses a continuity of service risk rating (COS) based upon capital service cover and liquidity metrics and to assess the financial efficiency, underlying performance and variance from the plan are used using the Income and Expenditure margin. The Trust achieved an NHS Improvement continuity of service rating of 1 for 2018/19. Further details are given on page 16.

Internal Audit

The Trust engaged PriceWaterHouseCoopers to provide an internal audit function during 2018/19 in order to evaluate and continually improve the effectiveness of the risk management and internal control processes in place.

External Audit

The financial statements were reviewed by the Trust's external auditors, KPMG, who issued an unqualified opinion, and the statements were approved by the board of directors on 23 May 2019.

Audit costs for 2018/19 were £84,600, comprising of statutory audit: £61,000 and audit-related assurance services: £24,600. (2017/18: £82,800, £72,000 for statutory audit and £10,800 for audit-related assurance services). The costs include unrecoverable vat.

Income Disclosure

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. In 2018/19 the Trust has not received any income for goods and services not related to the health service and there are no plans to do so within the five year business plan.

Directors' Responsibilities Statement

For each individual who is a director at the time this annual report was approved, so far as the directors are aware, there is no relevant audit information of which the auditors are unaware and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Political Donations

Somerset Partnership NHS Foundation Trust has not made any political or charitable donations in 2018/19.

Better Payments Practice Code

The Better Payments Practice Code requires the Trust to aim to pay all undisputed invoices by the due date, or within 30 days of receipt of goods or receipt of invoice, or from the invoice date, whichever is the later. The results against this target for the financial year 2018/19 are shown below.

The Trust did not meet the target during 2018/19 due to delays in approving invoices.

	Number	£000
Total non-NHS trade invoices paid in period	36,829	61,597
Total non-NHS trade invoices paid within target	33,564	58,811
Percentage of non-NHS trade invoice paid within target	91.1%	95.5%
Total NHS trade invoices paid in period	640	15,481
Total NHS trade invoices paid within target	493	8.988
Percentage of NHS trade invoices paid within target	77.0%	58.1%

There were no amounts paid or payable under The Late Payment of Commercial Debts (Interest) Act 1998.

Financial Statements and Accounting Policies

The complete set of financial accounts is provided in full within this report. They have been prepared in accordance with International Financial Reporting Standards (IFRS), completed in accordance with directions given by NHS Improvement, and are designed to show a true and fair view of the Trust's financial activities. The accounting policies used comply with the NHS Foundation Trust Annual Reporting Manual and form the basis on which the financial statements have been compiled.

Signed

PETER LEWIS **23 May 2019**
Chief Executive

REMUNERATION AND STAFF REPORT

Remuneration Report

This report is made by the Board of Somerset Partnership NHS Foundation Trust in compliance with:

- Sections 420 to 422 of the Companies Act 2006 (that apply to NHS foundation trusts);
- Parts 2 and 4 of schedule 8 of the Regulations as adopted by NHS Improvement;
- Regulation 11 and parts 3 and 5 of Schedule 8 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008; and
- Elements of the NHS Foundation Trust Code of Governance.

The term "senior manager" covers those who influence the decisions of the Trust as a whole rather than the decisions of individual directorates or departments and the board has decided that disclosures will be made in respect of Executive Directors and Non-Executive Directors.

Remuneration Committee

The Committee comprises all the Non-Executive Directors and is chaired by the Chairman of the Trust, Stephen Ladyman.

The Remuneration Committee is responsible for making recommendations to the Trust Board on the pay and conditions of service for executive directors.

The Committee met three times in the financial year 2018/19 with attendance as follows:

✓ **– in attendance** X **– not in attendance**		**17 April 2018**	**24 May 2018**	**4 December 2018**
Members:				
Stephen Ladyman	Chairman	✓	✓	✓
Philip Dolan	Non-Executive Director	✓	X	X
Liz Simmons	Non-Executive Director Deputy Chairman and Senior Independent Director	X	✓	✓
Barbara Clift	Non-Executive Director	✓	✓	X

✓ **– in attendance** X **– not in attendance**		**17 April 2018**	**24 May 2018**	**4 December 2018**
Members:				
David Allen	Non-Executive Director	✓	✓	✓
Barbara Gregory	Non-Executive Director	✓	✓	✓
Jan Hull	Non-Executive Director	✓	✓	✓
Kate Fallon *	Joint Non-Executive Director			✓
Stephen Harrison *	Joint Non-Executive Director			✓

* Kate Fallon and Stephen Harrison were appointed as Joint Non-Executive Directors with Taunton and Somerset NHS Foundation from 29 May 2018.

The Remuneration Committee's meetings covered the following items:

- **17 April 2018** – the NHS Providers Remuneration analysis and the Sompar/TST Executive Directors remuneration overview; feedback on the Executive Directors' 12 month performance reviews; and feedback on the appointment process for the Director of People and Organisational Development.
- **24 May 2018 –** the appointment of the Director of People and Organisational Development.
- **4 December 2018** – the proposal to uplift the remuneration of the Director of People and Organisational Development.

There was no requirement for the Director of People and Organisational Development to attend any of these meetings to provide further advice.

Statement of Policy on the Remuneration of Senior Managers for Current and Future Years

The pay policy for Executive Director remuneration aims to deliver the main principles for director remuneration under Section E of the NHS Foundation Trust Code of Governance.

Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the NHS foundation trust successfully, but an NHS foundation trust should avoid paying more than is necessary for this purpose.

The Trust will set executive remuneration taking account of data on pay available elsewhere for each particular role within the benchmark data. The benchmark data

will be reviewed annually and will be based on the Hay scores. The principal benchmark will be the national public sector and the foundation trusts with an annual turnover of £125-£150 million will be used as a secondary benchmark. Additional factors, as defined by the Remuneration Committee, will also be taken into account.

The Trust does not operate a bonus scheme for Executive Directors.

Trade Union Facility Time Disclosure

	Hourly Rate	WTE	Union	Apr-18	Jun-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total Hours	Total Cost (£)	AfC Panel/ consist. check	Other
Bev Jones (Joint Chair)	28.43	1	RCN		6		6	6	6	6		6	6	42	1194.06	Part of job role	
Denyze Harris (Joint Chair)	46.97	1	UNITE	6	6	6	6	6	6	6	6	6	6	60	2818.2	60 per annum	
Luisa Stephens (Secretary)	20.73	1	UNISON	6		6			6			6	6	30	621.9	40 per annum	202 hrs logged
Dr Peter Park	73.10		BMA						6			6		12	877.2	x	
Gemma Reynalds	16.45	0.8	UNISON	6	6			6	6	6	6	6	6	48	789.6	x	
Helen White	24.03	1	RCN	6	6					6		6		24	576.72	40 per annum	
Joanne Gill	28.00	1	UNITE			6								6	168	x	
Judith Barry	28.84	1	RCN	6	6	6	6	6	6	6				42	1211.28	x	
Lesley Harper	28.84	1	BDA (dietetics)			6		6	6					18	519.12	x	
Mark Roughan	31.92	1	UNITE H&S rep	6		6	6	6		6	6	6	6	48	1532.16	x	
Nikki Neville	15.55	1	UNISON		6	6		6	6		6		6	36	559.8	x	
Vicky Hier	17.15	1	CSP	6	6		6	6						24	411.6	x	
TOTAL															11,279.64		

Expenditure on consultancy

A total of £188,934 was spent on consultancy in 2018/19 (2017/18: £327,235).

Off payroll arrangements

There were no off-payroll engagements of board members and/or senior officials with significant financial responsibility.

The Trust policy is not to use such off-payroll engagements unless in exceptional circumstances, and then for the minimum time demanded by such circumstances.

Exit packages

There have been no compensation payments made via settlement agreement during the period.

Statement on remuneration levels higher than the British Prime Minister

The Trust had no employees earning above £150,000 (2017/18: 2 employees).

Employment Conditions of Other Employees

The Trust applies national pay rates, terms and conditions for other staff, both medical and non-medical and has not implemented any local conditions reflecting market forces or other factors.

Analysis of the reasons for sickness absence showed the two main causes as stress/anxiety related and musculoskeletal. The Trust continues to support staff, providing a range of interventions to maintain well-being. These included referrals to the service for one to one support, rapid access to physiotherapy via the Physio4U service, access to counselling and the Talking Therapies service.

The future focus of activity for people services will relate to the Wellbeing Strategy and primarily involve, delivering a range of resilience, stress management and health promotion initiatives placing the emphasis on prevention rather than the management of sickness absence. This will occur within the framework of an overarching Wellbeing Strategy which is being informed by work being undertaken with partner organisations directly and as part of wider STP activity.

Council of Governors

As Somerset Partnership is a foundation trust, the Council of Governors is required to approve the remuneration and terms of service of the Chair and Non-Executive Directors. The Council of Governors has established a Remuneration and Nominations Committee in accordance with the Trust's constitution.

There was no remuneration paid to governors. During 2017/18 a total of £9,051.71 (2016/17: £6,508.14) of travel expenses were reimbursed to 20 governors (2016/17: 15 governors). Details of the governors are shown on pages 85-86.

Contracts of Employment

Somerset Partnership NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust signed a Memorandum of Understanding on 25 May 2017 with the aim to establish collaborative arrangements in order to improve the quality of care and services provided to our patients and service users.

In line with the Memorandum of Understanding, a Joint Management Team was appointed in October 2017. All Joint Executive Directors received new open-ended contracts - based on their original employing trust - with either Somerset Partnership NHS Foundation Trust or Taunton and Somerset NHS Foundation Trust. Secondment arrangements have been set up for their roles as Joint Executive Directors to the non-employing trust.

The contract position for Executive Directors employed by Somerset Partnership NHS Foundation Trust as at 31 March 2019 is as follows:

Director	Date of original contract	Date of new contract	Period of Notice
Andy Heron	20 January 2014	1 October 2017	3 months
Phil Brice	1 January 2012	1 October 2017	3 months
Pippa Moger	3 June 2013	2 October 2017	3 months

The contract position for Executive Directors employed by Taunton and Somerset NHS Foundation Trust as at 31 March 2019 is as follows:

Director	Date of new contract	Period of Notice
Peter Lewis	4 November 2017	6 months
Stuart Walker	1 October 2017	6 months
Hayley Peters	2 October 2017	6 months
Isobel Clements	1 November 2017	6 months
David Shannon	24 October 2017	6 months
Matthew Bryant	1 October 2017	6 months

The Trust has processes in place through supervision and annual appraisal to ensure that Executive Directors meet performance standards.There were no provisions for compensation or early termination other than the standard redundancy terms applicable to all NHS staff.

Executive Directors allowed to work elsewhere as a Non-Executive

In the case of executive directors serving as a non-executive, earnings will not be retained by the relevant director. The board does not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.

Pensions and retirement benefits

Accounting policies for pensions and other retirement benefits are set out in note 1.3 to the accounts and details of senior employees' remuneration can be found on page 7 of this report.

Salaries and Pensions Entitlements of Senior Managers

The following sections provide details of the remuneration and pensions of the Directors for the period ended 31 March 2019 and have been audited.

Total remuneration 2018/19	Note	Salary	Taxable benefits *	Pension related benefits **	Total Remuneration	Recharges Salary	Recharges Pension	Recharges Taxable benefits *	Remuneration Net of recharges ***
Name and Title		**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(Bands of £2,500)**	**(To nearest £100)**	**(Bands of £5,000)**
		£000		**£000**	**£000**	**£000**	**£000**		**£000**
Peter Lewis, Chief Executive		n/a	n/a	n/a	n/a	95 – 100	50 – 52.5	0	145 - 150
Andy Heron, Deputy Chief Executive & Chief Operating Officer (Mental Health & Community Services)		125 – 130	400	115 - 120	240 - 245	(60 – 65)	(55 – 60)	(200)	120 - 125
Phil Brice, Director of Governance and Corporate Development		100 – 105	0	30 – 35	130 – 135	(50 – 55)	(15 – 17.5)	0	65 – 70
Pippa Moger, Director of Finance		135 – 140	0	185 – 190	320 – 325	(65 – 70)	(92.5 – 95)	0	160 – 165
Stuart Walker, Chief Medical Care Officer	1	n/a	n/a	n/a	n/a	100 – 105	0	0	100 – 105
Hayley Peters, Chief Nurse		n/a	n/a	n/a	n/a	60 – 65	2.5 – 5	0	65 – 70
Matthew Bryant, Chief Operating Officer (Acute Hospital Services)		n/a	n/a	n/a	n/a	55 – 60	10 – 12.5	0	70 – 75

Total remuneration 2018/19 (continued)	Note	Salary	Taxable benefits *	Pension related benefits **	Total Remuneration	Recharges Salary	Recharges pension related benefits	Recharges Taxable benefits *	Remuneration Net of recharges ***
Name and Title		**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(Bands of £2,500)**	**(To nearest £100)**	**(Bands of £5,000)**
		£000		**£000**	**£000**	**£000**	**£000**		**£000**
David Shannon, Director of Strategic Development & Improvement		n/a	n/a	n/a	n/a	60 – 65	10 – 12.5	0	70 – 75
Isobel Clements, Director of People and Organisational Development		n/a	n/a	n/a	n/a	55 – 60	95 – 97.5	0	150 – 155
Stephen Ladyman, Chairman		45 – 50	200	n/a	45 – 50	n/a	n/a	n/a	45 – 50
Philip Dolan, Non-Executive Director		10 – 15	100	n/a	10 – 15	n/a	n/a	n/a	10 – 15
Barbara Clift, Non-Executive Director		10 – 15	300	n/a	10 – 15	n/a	n/a	n/a	10 – 15
Liz Simmons, Non-Executive Director, Deputy Chairman and Senior Independent Director	2	10 – 15	0	n/a	10 – 15	n/a	n/a	n/a	10 – 15
David Allen, Non-Executive Director		10 – 15	100	n/a	10 – 15	n/a	n/a	n/a	10 – 15
Jan Hull, Non-Executive Director	3	15 – 20	400	n/a	15 – 20	n/a	n/a	n/a	15 – 20
Barbara Gregory, Non-Executive Director	3	15 – 20	300	n/a	15 – 20	n/a	n/a	n/a	15 – 20
Kate Fallon, Joint Non-Executive Director	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stephen Harrison, Joint Non-Executive Director	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes

1. 100% of the salary for the Medical Director relates to their director role, there is no element relating to their clinical role.
2. To 28 February 2018
3. Appointed as a Joint Non-Executive Director with Taunton and Somerset NHS Foundation Trust from 29 May 2018. Remuneration for the joint role is paid by the Trust as the original appointing organisation.
4. Appointed from 29 May 2018 as a Joint Non-Executive Director – remuneration is paid by Taunton and Somerset NHS Foundation Trust as the original appointing organisation

*Taxable benefits are costs associated with travel expenses allowances that are subject to income tax.

**The value of pension related benefits is determined in accordance with the HMRC method, which incorporates pensions payable for a 20 year period.

*** The Trust entered into an Alliance with Taunton & Somerset NHS Foundation Trust during 2017/18. As a result, a single Executive/Management Team was formed. The table of Salary and Pension entitlements of senior managers for 2018/19 and 2017/18 includes the full entitlements paid to senior managers during the year. This is not the amount chargeable to the Trust. Recharges between the two organisations are shown separately in the table.

The equivalent disclosures for 2017/18 were as follows:

Total remuneration 2017/18	Note	**Salary**	**Taxable benefits ***	**Pension related benefits ****	**Total Remuneration**	**Recharges Salary**	**Recharges taxable benefits**	**Recharges Pension**	**Remuneration Net of recharges *****
Name and Title		**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**
		£000		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Peter Lewis, Chief Executive		n/a	n/a	n/a	n/a	60-65	0	17.5-20	75-80
Andy Heron, Deputy Chief Executive & Chief Operating Officer (Mental Health & Community Services)		115-120	400	(25-27.5)	90-95	(25-30)	(200)	(5-7.5)	50-55
Phil Brice, Director of Governance and Corporate Development		95-100	100	40-42.5	135-140	(25-30)	0	(2.5-5)	100-105
Pippa Moger, Director of Finance		115-120	0	75-77.5	195-200	(30-35)	0	(5-7.5)	150-155
Stuart Walker, Chief Medical Care Officer	1	n/a	n/a	n/a	n/a	45-50	0	7.5-10	55-60
Hayley Peters, Chief Nurse		n/a	n/a	n/a	n/a	30-35	0	7.5-10	35-40
Matthew Bryant, Chief Operating Officer (Acute Hospital Services)		n/a	n/a	n/a	n/a	30-35	0	7.5-10	35-40
David Shannon, Director of Strategic Development & Improvement		n/a	n/a	n/a	n/a	30-35	0	7.5-10	35-40

Total remuneration 2017/18	Note	Salary	Taxable benefits *	Pension related benefits **	Total Remuneration	Recharges Salary	Recharges taxable benefits	Recharges Pension	Remuneration Net of recharges ***
Name and Title		**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**(To nearest £100)**	**(Bands of £2,500)**	**(Bands of £5,000)**
		£000		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Isobel Clements, Director of People and Organisational Development		n/a	n/a	n/a	n/a	25-30	0	2.5-5	30-35
Stephen Ladyman, Chairman		45-50	300	n/a	45-50	n/a	n/a	n/a	45-50
Philip Dolan, Non-Executive Director		10-15	100	n/a	10-15	n/a	n/a	n/a	10-15
Barbara Clift, Non-Executive Director		10-15	400	n/a	10-15	n/a	n/a	n/a	10-15
Liz Simmons, Non-Executive Director, Deputy Chairman and Senior Independent Director		10-15	400	n/a	10-15	n/a	n/a	n/a	10-15
David Allen, Non-Executive Director		10-15	100	n/a	10-15	n/a	n/a	n/a	10-15
Jan Hull, Non-Executive Director	2	10-15	300	n/a	10-15	n/a	n/a	n/a	10-15
Barbara Gregory, Non-Executive Director	2	10-15	300	n/a	10-15	n/a	n/a	n/a	10-15
Kate Fallon, Joint Non-Executive Director	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stephen Harrison, Joint Non-Executive Director	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Pension Benefits 2018/19	Note	Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60 at 31 March 2019	Lump sum at age 60 related to accrued pension at 31 March 2019	Cash equivalent transfer value at 31 March 2019	Cash equivalent transfer value at 31 March 2018	Real increase in cash equivalent transfer value	Employer's contribution to stakeholder pension
Name and Title		**(Bands of £2,500) £000**	**(Bands of £2,500) £000**	**(Bands of £5,000) £000**	**(Bands of £5,000) £000**	**£000**	**£000**	**£000**	**£000**
Peter Lewis, Chief Executive		5 – 7.5	7.5 – 10	65 – 70	160 – 165	947	220	1,167	n/a
Andy Heron, Deputy Chief Executive & Chief Operating Officer (Mental Health & Community Services)		2.5 - 5	62.5 – 65	30 – 35	60 – 65	618	412	194	n/a
Matthew Bryant, Chief Operating Officer (Acute Hospital Services)		0 – 2.5	0	35 – 40	80 – 85	483	92	575	n/a
Phil Brice, Director of Governance and Corporate Development		0 – 2.5	0 – 2.5	20 – 25	60 – 65	496	405	79	n/a
Pippa Moger, Director of Finance		7.5 – 10	20 – 22.5	35 – 40	85 – 90	638	401	225	n/a
Stuart Walker, Chief Medical Officer	1	0 – 2.5	0 – 2.5	0	0	1,049	(1,049)	0	n/a
Hayley Peters, Chief Nurse		0 – 2.5	0	40 – 45	90 – 95	577	96	673	n/a
David Shannon, Director of Strategic development & Improvement		0 – 2.5	0	30 – 35	75 – 80	431	90	521	n/a
Isobel Clements, Director of People and Organisational Development	2	7.5 – 10	20 – 22.5	35 – 40	95 – 100	476	230	706	n/a

Posts are shared between Somerset Partnership NHS Foundation Trust and Taunton & Somerset NHS Foundation Trust. Full pension figures attributed to the employee have been disclosed in the table above rather than the amount chargeable to the Trust.

Notes

1 No longer in the Pension Scheme
2 Became a director 1/11/2017, related Pension benefits have been adjusted to a full year effect

As Non-Executive Directors do not receive pensionable remuneration there are no entries in respect of pensions for Non-Executive Directors.

Median pay

	2018/19	2017/18
Band of highest paid director's salary (£'000)	£65-70k	£95-100k
Median Total Remuneration	£23,023	£22,683
Ratio	2.93	4.31

The banded remuneration of the highest paid director in Somerset Partnership Trust in the financial year 2018-19 was £65-70k (2017-18, £95-100k). This was 2.93 times (2017-18, 4.31) the median remuneration of the workforce, which was £23,023 (2017-18, £22,683).

The calculation is based on full time equivalent staff at 31 March 2019 on an annualised basis. The median is a type of average, defined as the middle number in a sorted list of values.

In 2018-19, 110 (2017-18, 33) employees received remuneration in excess of the highest-paid director. Gross of recharges to Taunton and Somerset NHS Foundation Trust, 2 employees received remuneration in excess of the highest-paid director (2017-18: 2).

Remuneration ranged from £10,000 to £135,000 (2017-18 £10,000-£130,000),

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

The reason for the change in the multiple (a decrease of 1.38) is that the banded remuneration of the highest paid director has decreased. The remuneration of the highest paid director reflects their full time salary, however, this is a joint appointment across Somerset Partnership NHS Foundation Trust and Taunton and Somerset NHS Foundation Trust and therefore costs related to this post are shared equally across the two organisations. The remuneration paid for this post is comparable with peers of similar sized Trusts.

The banded remuneration of the highest paid director in Somerset Partnership Trust (gross of recharges to Taunton and Somerset NHS Foundation Trust) in the financial year 2018-19 was £135-140k (2017-18, £130-135k). This was 5.86 times (2017-18, 5.73) the median remuneration of the workforce, which was £23,023 (2017-18, £22,683)

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's

pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff costs

	Permanent £000	Other £000	2018/19 Total £000	2017/18 Total £000
Salaries and wages	92,366	3,264	**95,630**	91,945
Social security costs	8,414	0	**8,414**	8,164
Apprenticeship levy	474	0	**474**	461
Employer's contributions to NHS Pensions	12,521	0	**12,521**	12,228
Termination benefits	172	0	**172**	173
Temporary staff (including agency)	0	10,983	**10.983**	11,099
Total staff costs	113,947	14,247	**128,194**	124,075
Costs capitalised as part of assets	(300)	0	**(300)**	(300)

Average number of employees (WTE basis)

	Permanent Number	Other Number	2018/19 Total Number	2017/18 Total Number
Medical and dental	93	11	**104**	110
Administration and estates	487	13	**500**	485
Healthcare assistants and other support staff	876	81	**957**	933
Nursing, midwifery and health visiting staff	970	71	**1,041**	1,034
Scientific, therapeutic and technical staff	548	3	**551**	555
Other	72	0	**72**	72
Total	3,046	179	**3,225**	3,189
of which				
Number of employees (WTE) engaged on capital projects	6	0	**6**	8

Retirements due to ill-health

During 2018/19 there were three early retirements from the Trust agreed on the grounds of ill-health (2017/18: 5 early retirements). The estimated pension liabilities of these ill-health retirements are £113,465 (2017/18: £310,782).

The additional pension costs for individuals who retired early on ill-health grounds will be borne by the NHS Business Services Authority- Pensions Division.

Directors' remuneration and other benefits

	31 March 2019	31 March 2018
	£000	£000
Salary	**512**	856
Employer's National Insurance contributions	**136**	84
Employer pension contributions	**121**	81
	769	1,021
Number of executive directors to whom pension benefits are accruing	**9**	12

Benefits are accruing under the NHS defined benefit pension scheme to 9 of the directors; (2017/18: 12). This includes the Director's recharge to/from Taunton and Somerset NHS FT where the Trust entered into an Alliance with Taunton & Somerset NHS Foundation Trust during 2017/18; a single Executive/Management Team was formed. No benefits are accruing under any money purchase schemes.

Reporting of compensation schemes-exit packages 2018/19

Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages**
< £10,000	**0**	**3**	**3**
£10,001 - £25,000	**1**	**0**	**1**
£25,001 - £50,000	**1**	**1**	**2**
£50,001 - £100,000	**1**	**0**	**1**
Total number	**3**	**4**	**7**
Total resource cost (£)	**119,965**	**51,356**	**171,321**

Reporting of compensation schemes-exit packages 2017/18

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
£10,001 - £25,000	**1**	**0**	**1**
£25,001 - £50,000	**0**	**1**	**1**
£50,001 - £100,000	**1**	**2**	**3**
Total number	**2**	**3**	**5**
Total resource cost (£)	**84,584**	**174,847**	**259,431**

There was 1 non-contractual payments made to an individual where the payment was more than 12 months' of their annual salary.

Two directors were paid in lieu of notice during the year; £33,823 and £53,025. The costs were shared equally between Taunton and Somerset NHS Foundation Trust and Somerset Partnership NHS Foundation Trust.

Trust Workforce

The Trust has a workforce of nearly 4,355, working in a range of inpatient, outpatient, and community team settings across a wide range of geographical locations.

Colleagues in post at 31 March 2019

	Q1 (Apr – Jun18)	Q2 (Jul – Sep18)	Q3 (Oct – Dec18)	Q4 (Jan – Mar 19)
Total Staff	4428	4510	4504	4355
Substantive	3716	3749	3775	3801
WTE	2946.5	2977.5	2999.3	3032.4
Bank	712	761	729	554
Bank % of Substantive	16.08%	16.87%	16.18%	12.72%

Colleagues groups and Gender

Staff group	Female	Male	Total
Non-Executive Directors	5	3	8
Chair and Directors	3	7	10
Senior Managers	38	18	56
Other Colleagues	3270	464	3734
Total	3316	492	3808

Workforce Information

The Trust has five Operational Divisions, described in the table below.

Operational Directorates - Head Count and WTE

Division	Departments	WTE	Headcount
Children , Young People and Families	CAMHS	133.83	159
	Health Visiting	144.45	178
	Other Children's Services	12.89	16
	Paediatric Therapy	60.35	94
	School Nursing	30.42	39
	Sexual Health	24.96	40
	Student Health Visitors	1.00	1
Community Services Directorate	Chaplains	1.00	2
	Cardiac Rehab	5.89	9
	Diabetic Service	27.92	39
	Dietetics	19.21	24
	Integrated Lifestyles	5.49	9
	Musculo-skeletal	96.61	129
	Other Community Support Services	16.97	26
	Podiatry	30.50	36
	Rapid Response	27.40	33
	Speech and Language Therapy	26.14	35
	Community Hospital	645.71	807
	Day Services	21.27	33
	District Nursing	280.46	368
	Integrated Rehabilitation	99.10	133
	MIU	66.55	85
	Mental Health Inpatient Services	62.75	73
	Older Person CMH	85.66	112
	Operational Management	21.13	22
	Other Community Health Services	43.07	51
	Primary Link	17.52	23
	Stroke Services	54.61	68
Mental Health Inpatient, Crisis and Specialist Care	Community Mental Health	107.79	134
	Crisis resolution	55.55	58
	Learning Disabilities	44.53	54

Division	Departments	WTE	Headcount
	Mental Health Inpatient Services	246.65	276
	Operational Management	15.40	16
	Psychological Services	141.88	148
	Talking Therapies	76.27	120

Medical Directorate - Head Count and WTE

Departments	WTE	Headcount
Medical Services	91.67	117
Pharmacy	20.39	23
TOTAL	**112.06**	**140**

Dental Directorate - Head Count and WTE – Dental Directorate

Departments	WTE	Headcount
Dental	78.60	101
TOTAL	**78.60**	**101**

Central Services - Head Count and WTE

Departments	WTE	Headcount
Finance and Performance	31.89	34
Chief Executive Directorate (including Chairman and Non-Executive Directors)	3.89	8
Education and Training	21.18	23
Nursing Management	28.20	32
HR	19.75	21
Information and Business Development	47.16	50
Corporate Governance	22.11	35
Facilities and Estate Management	6.93	9
Senior Operational Management	6	6
TOTAL	**194.10**	**217**

The following table shows the various roles by staff group in the Trust by whole time equivalent by quarter. Workforce levels within each role are monitored at Directorate.

Whole Time Equivalent by Role

		Q1 (Apr-Jun)	Q2 (Jul-Sept)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
	Role	**WTE**	**WTE**	**WTE**	**WTE**
Additional Professional Scientific and Technical	Applied Psychologist - Clinical	-	29.35	37.14	37.64
	Chaplain	-	1.62	1.22	1.00
	High Intensity Therapist	-	0.60	0.60	0.60
	Optometrist	1.00	1.00	1.00	1.00
	Pharmacist	14.32	16.75	16.92	16.84
	Practitioner	63.11	63.99	66.87	65.69
	Psychotherapist	42.81	40.03	40.63	43.03
	Social Worker	17.40	15.60	17.60	19.14
	Technician	2.31	2.31	2.31	1.43
	Trainee High Intensity Therapist	1.40	1.40	0.60	0.60
	Group Total	**174.60**	**172.65**	**184.90**	**186.97**
Additional Clinical Services	Assistant Practitioner Nursing	8.39	5.73	5.80	5.40
	Assistant Psychologist	20.43	24.43	22.87	23.40
	Assistant/Associate Practitioner	2.60	14.17	15.00	20.49
	Dental Surgery Assistant	55.65	57.65	60.35	61.53
	Gateway Worker	641.88	628.84	610.18	602.10
	Health Care Support Worker	10.96	9.84	9.84	9.84
	Healthcare Assistant	0.53	0.53	4.73	5.20
	Nursery Nurse	1.15	3.80	1.15	-
	Phlebotomist	5.20	4.73	5.67	5.67
	Pre-reg Pharmacist	1.00	2.05	2.05	2.05
	Psychological Wellbeing Practitioner		1.00	1.00	1.00
	Support, Time, Recovery Worker	22.42	22.42	23.13	29.33
	Technical Instructor	2.98	2.74	1.98	1.98
	Group Total	**718.56**	**720.24**	**735.02**	**768.18**
	Analyst	19.89	21.69	20.69	20.69

		Q1 (Apr-Jun)	Q2 (Jul-Sept)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
	Role	**WTE**	**WTE**	**WTE**	**WTE**
Administrative and Clerical	Apprentice	2.00	3.00	7.00	11.00
	Board Level Director	4.00	4.00	4.00	4.00
	Chair	0.60	0.60	0.60	0.60
	Clerical Worker	266.30	282.13	290.66	286.27
	Finance Director	1.00	1.00	1.00	1.00
	Manager	44.52	45.20	45.66	48.46
	Medical Secretary	24.33	27.03	30.23	33.17
	Non-Executive Director	1.01	1.01	1.01	0.81
	Officer	108.44	97.49	99.24	99.24
	Personal Assistant	0.60	0.60	1.60	1.60
	Receptionist	3.20	2.20	2.60	3.60
	Researcher	1.00	1.00	1.20	1.20
	Secretary	3.41	4.61	4.68	5.08
	Senior Manager	50.54	49.54	51.56	48.25
	Group Total	**530.85**	**541.09**	**561.74**	**564.97**
Allied Health Professionals	Art Therapist	3.30	3.20	4.48	3.88
	Chiropodist	26.79	30.74	30.50	31.50
	Dietitian	13.99	17.59	16.69	17.91
	Occupational Therapist	96.82	96.62	99.89	97.99
	Paramedic	3.00	3.00	3.00	3.00
	Physiotherapist	118.87	124.18	127.12	121.26
	Speech and Language Therapist	51.17	50.39	51.85	50.83
	Group Total	**313.23**	**325.61**	**333.52**	**326.38**
Estates and Ancillary	Support Worker	206.67	202.00	198.84	195.11
	Group Total	**206.67**	**202.00**	**198.84**	**195.11**
Medical and Dental	Associate Specialist	6.89	7.69	7.71	7.71
	Clinical Director - Dental	1.00	1.00	1.00	1.00
	Consultant	40.08	39.13	39.38	40.08
	Dental Officer	18.26	19.16	16.46	16.06
	General Medical Practitioner	0.09	3.64	2.84	2.45

		Q1 (Apr-Jun)	Q2 (Jul-Sept)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
	Role	**WTE**	**WTE**	**WTE**	**WTE**
	Salaried General Practitioner	1.00	1.00	1.00	1.00
	Senior Dental Officer	4.00	4.00	2.00	2.00
	Specialty Doctor	8.70	10.75	10.95	8.75
	Specialty Registrar	10.53	15.15	14.55	13.95
	Staff Grade (Closed)	-	-	-	2.00
	Group Total	**90.54**	**101.52**	**95.89**	**95.01**
Nursing and Midwifery Registered	Advanced Practitioner	293.91	287.97	1.00	1.00
	Community Nurse	202.53	200.11	210.95	210.15
	Community Practitioner	293.91	287.97	277.12	276.76
	Modern Matron	5.00	5.00	6.00	6.00
	Nurse Consultant	3.00	3.00	2.00	2.00
	Nurse Manager	53.01	55.81	59.80	61.40
	Practice Nurse		2.30	2.30	2.30
	Sister/Charge Nurse	32.09	34.21	34.03	35.69
	Specialist Nurse	67.35	67.25	70.68	73.57
	Staff Nurse	254.23	257.74	266.73	268.05
	Group Total	**912.13**	**914.40**	**932.20**	**937.93**
Grand Total		**2946.57**	**2977.50**	**3042.11**	**3074.55**

Staff Sickness Absence

The following figures are reported in the annual accounts and are based on the financial year and reflect the statistics reported on the website of the Health and Social Care Information Centre:

Total number of staff years	3,022
Total days lost through sickness	52,276
Calculated absences per staff year	17

The Trust experienced monthly levels of sickness during 2018/19 ranging from 4.35% to 5.55%. These levels are an improvement on the range of 4.35% to 6.18% during 2017/18; the Trust is committed to reducing levels of sickness absence, and the target to reduce sickness absence levels below 4% remains an important objective. In April 2018 the sickness absence rate was 4.84% with an average over the year of 4.89%.

Analysis of the reasons for sickness absence showed the two main causes as stress/anxiety related and musculoskeletal. The Trust provides a range of

interventions to maintain well-being; these were further enhanced during the year by the involvement in the NHSI wellbeing programme. This programme is designed to support Trusts to use improvement methodology to identify root causes impacting on sickness and identify actions to support improvement. These actions have been designed to support colleagues with building resilience and minimising the impact of stress.

A wellbeing strategy was launched during 2018/19 and the Trust ran the first wellbeing conference for colleagues. The focus continues to be on prevention rather than the management of sickness absence; the strategy will be reviewed and updated during 2019/20.

Employees with disabilities

The Trust continues to demonstrate its commitment to respond to the needs of employees with disabilities. We continue to offer job applicants who declare a disability (and meet the person specification for a post) an interview, as part of our commitment to the 'two ticks' disability symbol scheme; this is more easily identifiable through the introduction of a new candidate management system used for recruitment.

An applicant's disability does not form any part of the recruitment and selection process of the Trust, other than assurance of an interview if appropriately qualified. Details of the Occupational Health Pre-employment Assessment Report are not made known to the interview panel.

Successful applicants who have a disability are assessed by Occupational Health and where practical and possible, adjustments to the workplace are made.

We are committed to retaining colleagues who become disabled during their employment. In these circumstances, an assessment process identifies the options available-including remaining in the current post or alternative employment within the Trust, if this is appropriate. Wherever possible we will make reasonable adjustments to accommodate employees with a disability. Colleagues with disabilities have equal access to opportunities for promotion, appraisal and development.

During 2019/20 a new standard is introduced to improve workforce disability equality and will require NHS trusts to gather data on the experiences of disabled and non-disabled staff against ten metrics. Following the completion of this standard further actions may be identified which will be taken forward.

Engagement

We continue to use a variety of methods to ensure colleagues are provided with information about the Trust, the NHS and any changes that may affect them. Some of the forums used are listed below:

- Staff News – Started in February 2018 this is a joint newsletter with Taunton and Somerset NHS Foundation Trust which ensures that colleagues across both Trusts are kept informed about Trust news including celebration of successes of colleagues from across the alliance as well as regular updates on the Merger;

- Joint Management and Staff Side Committee which now include both Staff sides from across the two Trusts;
- Leadership Forums – inviting all senior managers from across the two Trusts on a quarterly basis
- Direct communications to all staff from the Chief Executive and members of the executive team.

Senior Managers continue to meet regularly with Executive Team members to discuss financial, performance, operational and other issues of importance at the Senior Managers' Operational Group. Operational and Professional managers meet with the Chief Executive and the Executive Directors three times per year, to hear and discuss updates in relation to partnership working, our financial and clinical performance and any other relevant national and local issues. These meetings are also used to engage managers in the Trust's annual business planning process, particularly in identifying priorities for the future together with a range of consultative activity.

The Trust this year has introduced the Freedom to speak Up service which is a service designed to support colleagues to speak up and help the Trust identify and remove the barriers colleagues have in terms of speaking up. The service is currently supported by a joint team across the two Trusts which currently consist of 3 individuals with a fourth to come later in 2019. In 2019 the service will move to a 5 day covered service and will look at introducing Freedom to Speak Up champions to support them.

Pulse Check Results

Engagement for colleagues is now measured through the Pulse Check which is run every six months across the Trust. The purpose of the Pulse Check survey is to take a temperature check of how engaged colleagues are feeling by asking them to answer a series of questions relating to Leadership Capability and Wellbeing. The first Trust wide Pulse Check was run in June/July 2018 and the responses are shown in the table below (green indicates a positive response and red indicates a negative response).

Question	Green	Red
How likely are you to recommend this organisation to friends and family if they needed care or treatment?	86.75%	13.25%
How likely are you to recommend this organisation to friends and family as a place to work?	70.01%	29.99%
I believe that we are providing high quality services to our patients/service users	78.38%	21.62%
I feel that quality and safety of our patient care is our Trust's top priority	69.49%	30.51%
I think that it is safe to speak up and challenge the way things are done	65.29%	34.71%
My immediate manager motivates and inspires me to do a great job	76.36%	23.64%
My immediate manager recognises and acknowledges when I have done my job well	74.89%	25.11%
My immediate manager makes time to see me when I need support or direction	82.13%	17.87%
I receive regular and constructive feedback on my performance	68.88%	31.12%
Leadership Capability Index	72.33%	27.67%
I have the tools and equipment I need to do my job well	64.59%	35.41%
When we get things wrong I feel that we learn and make changes to improve	51.40%	48.60%
I feel respected and valued as a member of my team	73.06%	26.94%
My immediate manager places a strong emphasis on promoting safety and wellbeing of colleagues	72.87%	27.13%
I have felt unwell as a result of work related stress in the last 12 months	63.82%	36.18%
Wellbeing Index	68.40%	31.60%
The senior leaders (Directorate Manager and above) of this organisation are doing the right things in line with our values, for our hospital to be successful	39.15%	60.85%
Response Rate	1147	

The next wave of Pulse Check results close on 17 April 2019 with results due in mid-May 2019.

Colleague Involvement in Performance

Each Division has a performance scorecard which is discussed monthly at the Senior Managers Operational Group meeting, circulated to colleagues, and discussed in divisional meetings. Managers share performance information with their teams and take action to improve performance where this falls short of targets.

Occupational Health and Colleague Well-Being

The Trust continues to implement the wellbeing strategy set in 2018. In April 2018 the Trust ran the first wellbeing conference which saw over 150 colleagues from across both Trusts attend and support raising the profile of wellbeing. Since the wellbeing conference there has continued to be support for wellbeing through the continuation of wellbeing months for each month, this has seen campaigns such as HALT and Physical Activity and these continue to be part of colleague wellbeing.

As well as all of the work to implement the wellbeing strategy the Trust continues to use Occupational Health services that are provided by an independent contractor and are also aligned to the work we are doing as part of implementing the wellbeing Strategy.

Health and Safety

Health and safety is integral to the core business of our organisation, ensuring the safety of our patients, staff and visitors with a focus on a positive health and safety culture which embraces improvement work and methodology. The Health, Safety, Security Management and Estates Group acts as the Trust's Health and Safety Committee, continues to provide the opportunity for partnership working with our staff side union colleagues. The Group receives regular reports on policy consultation and development, key health and safety risks, incidents and results of audits or associated safety reports. It receives summary feedback of assessments for information at the meeting. Additionally, where any staff side concerns have been raised these are jointly followed up to understand the concern and support local managers with possible solutions for improvement.

The workplace health and safety monitor project continues to be implemented throughout the Trust with monitors undertaking the Health and Safety checklist for their nominated areas. Workplace Health and Safety Monitors support managers in compliance with legal requirements by:

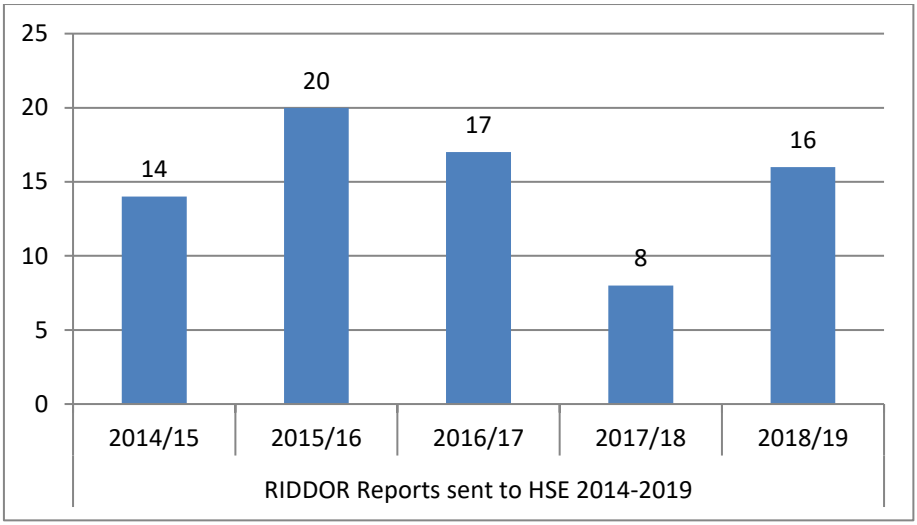
- Assisting managers in completing risk assessments/reviews;
- Reporting any risk or compliance issues;
- Encouraging staff to report any risk issues;
- Encouraging staff to comply with any control measures, action plans as detailed on risk assessments;
- Promoting interest and awareness amongst colleagues in the workplace;
- Liaising with line manager, Health and safety Adviser and Risk Management Department;

- Completing a health and safety checklist of the workplace on a three monthly basis.

Incidents reported to the HSE under RIDDOR

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulation (RIDDOR) requires the Trust to report deaths, certain types of injury, some occupational diseases and dangerous occurrences that 'arise out of or in connection with work'. All RIDDORs are fully investigated and monitored by the originating Directorate. An overview of all RIDDORs is a standing agenda item for the HSSME Group.

During 2018/19 the Trust reported a total of 16 RIDDOR reportable incidents to the HSE as detailed below in the. This is an increase from the eight incidents during 2017/18 but is comparable with the previous three years. None were categorised as major incidents.



The Trust continues to analyse the investigation reports for any potential themes. Examples include suitable risk assessments relevant to individual situations which are implemented and reviewed, not following or lack of suitable safe systems of work, access to appropriate equipment and supervision of staff. The Trust will also continue to review reporting levels and systems to ensure all incidents are logged and reported appropriately.

Staff Survey

The 2018 staff survey was completed between September and December 2018 with a 45% response rate equating to feedback from 1,603 colleagues, which was an increase on the response rate of 40% in 2017 and is in line with the average response rates in respect of comparable Trusts.

In 2018 the NHS Staff survey saw some key changes in the way the results were reported these changes included the following:

- A move from 32 key findings to 10 key themes

- A move from a 5 point rating scale to a 10 point rating scale
- The introduction of a new theme under the heading morale

The 10 key themes and the results for Somerset Partnership can be seen in the table below:

Theme	2017 score	2017 respondents	2018 score	2018 respondents	Statistically significant change?
Equality, diversity & inclusion	**9.4**	1462	**9.4**	1565	Not significant
Health & wellbeing	**6.3**	1464	**6.2**	1568	Not significant
Immediate managers	**7.0**	1465	**7.1**	1578	Not significant
Morale		0	**6.2**	1539	N/A
Quality of appraisals	**4.7**	1280	**4.8**	1399	Not significant
Quality of care	**7.1**	1287	**7.1**	1399	Not significant
Safe environment - Bullying & harassment	**8.2**	1461	**8.1**	1556	Not significant
Safe environment - Violence	**9.5**	1464	**9.5**	1565	Not significant
Safety culture	**6.6**	1464	**6.7**	1552	↑
Staff engagement	**7.0**	1466	**7.0**	1600	Not significant

Note: The table above presents the results of significance testing conducted on this year's theme scores and those from last year. It details the organisation's theme scores for both years and the number of responses each of these is based on. The final column contains the outcome of the significance testing: ↑ indicates that the 2018 score is significantly higher than last year's. If there is no statistically significant difference, you will see 'Not significant'. When there is no comparable data from the past survey year, you will see N/A. Morale is a new Theme for the 2018 survey data and there is no comparable data from past survey years.

The table shows that there was one positive change in the results in the theme Safety Culture. This theme is made of a series of six questions and these questions are:

Question	2017	2018	National Average 2018
My organisation treats staff who are involved in an error, near miss or incident fairly	51.2%	58.9%	58%
When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again	65.9%	69.3%	70.2%
We are given feedback about changes made in response to reported errors, near misses and incidents	49.5%	57.3%	61.7%
I would feel secure raising concerns about unsafe clinical practice	74.5%	74.3%	73.3%
I am confident that my organisation would address my concern	57.5%	60%	60%

Question	2017	2018	National Average 2018
My organisation acts on concerns raised by patients / service users	71.6%	72.7%	73.9%

Overall Staff Engagement

Our overall staff engagement score has remained the same as 2017 which is 7.0 and is in line with the national average of 7.0.

Future Priorities

Pleasingly, the CQC again spoke very positively about the continuing progress they saw in developing a positive culture in the trust and that colleagues continued to largely report positively about how it felt to work at the Trust.

We have implemented year one of our People Strategy and now are looking to implement the key priorities for the coming year. As set out above, these include:

Resourcing

- develop tools and resources to support decision making through workforce planning, to include the provision of a template workforce planning model
- develop and advertise a more sophisticated total reward package and incentive schemes to enhance and differentiate the alliance as a great place to work
- create flexible approaches to work and retirement which support our people as they move through their working lives
- further explore more flexible terms and conditions such as part time options, job sharing, secondment opportunities and new, more flexible career paths

Engagement

- implement a “you said we did” approach to ensure where feedback is being received the actions are being communicated in a regular robust and consistent way
- review the actions from the “Great Place to Work” and build on this along with results from the staff survey
- develop a plan for reward and recognition that links to performance
- provide an occupational health service focused on intervention and prevention

Development

- implement a robust and effective performance review process
- focus on the quality of reviews as well as the quantity
- review training to ensure it supports innovative and evidence based practice

- prioritise the introduction of succession planning for all key leadership positions across the alliance

Counter Fraud

At Somerset Partnership NHS Foundation Trust we value our reputation for top quality care and financial probity, and we conduct our business in an ethical manner. The Board carries out its business in an open and transparent way and members of the public are able to attend portions of our Board meetings. The Trust is committed to the prevention of bribery, fraud and corruption. We expect all organisations / contractors instructed by our organisation to demonstrate a comparable commitment in order to do business with us. This enables us to reassure our patients, members and stakeholders that public funds are protected and safeguarded.

To limit our exposure to the risks of fraud, bribery and corruption we have an *anti-fraud, bribery and corruption policy,* a *whistleblowing policy* and a *Code of Conduct and Conflict of Interest policy*. These policies apply to all staff and individuals who act on behalf of our organisation.

Somerset Partnership NHS Foundation Trust employs a Counter Fraud Manager who conducts both proactive and reactive work in line with the requirements of the 2018-19 NHS Counter Fraud Authorities Standards for Providers.

The success of approach is dependent on our colleagues, stakeholders, service users, visitors or anyone associated with the Trust to report any suspicions to the Counter Fraud Manager or to the NHS Counter Fraud Authority.

NHS Constitution

The NHS Constitution establishes the principles and values of the NHS in England. It sets out rights and responsibilities of patients, the public and staff as well as the pledges which the NHS is committed to achieve.

The NHS Constitution and Handbook to the NHS Constitution were updated in 2015 and reviewed again in 2017 to include an addendum in respect of ambulance response times.

During 2018/19 we were involved in a follow up inspection by the Care Quality Commission, which focused on how we provide access to our services, the quality of care and environment, respect and confidentiality and involvement in care – all of which are key principles enshrined in the NHS Constitution. You can find information on the outcome of these reviews in our report.

Statement of the Chief Executive's Responsibilities as the Accounting Officer of Somerset Partnership NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Somerset Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Somerset Partnership NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed

PETER LEWIS
Chief Executive **23 May 2019**

ACCOUNTABILITY REPORT

Directors' Report

Board of Directors

The Trust's Board of Directors reserve certain powers and decisions which may only be exercised or made by them in formal session. These powers and decisions are set out in the Scheme of Delegation (which may be obtained from the Secretary to the Trust) together with the decisions which are delegated to Executive Directors or to Board Committees.

The Board should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.

The Board, and in particular Non-Executive Directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant advisor for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.

Non-Executive Directors

Stephen Ladyman, PhD, Chairman from 1 May 2013 – the date of the proposed merger

Stephen Ladyman has a scientific background, starting his career as a radiation biologist before moving into IT management in medical research environments. In 1997 he became the MP for South Thanet.

As an MP he founded and chaired the All Party Parliamentary Autism Group and in 2003 he was appointed as Minister for Community in the Department of Health with responsibilities that included adult social care, the health of older people and Extra Care Housing. In 2005 he became Minister of State for Transport.

After leaving Government he chaired a number of Parliamentary Committees and was an advisor to the Learning Disability Coalition. He left Parliament in 2010 and took a two year appointment as the Chief Executive of Retirement Security Ltd, a company that manages the largest estate of private extra-care retirement property in the UK. In 2012 he left Retirement Security to set up his own company, Oak Retirement, in the same sector and he is currently also the Chair of the Retirement Housing Group, a trade body representing the retirement housing sector. In addition, Stephen advises companies in the transport sector and is a strategic advisor to the Clearview Traffic Group.

Liz Simmons, Non-Executive Director from 1 March 2012 – 28 February 2019 (Senior Independent Director from 1 May 2016 and Deputy Chairman from 1 August 2017 – until 1 March 2019)

Liz worked in marketing within the telecommunication industry and as a social worker in a large acute hospital and within a neuro-rehabilitation unit. For the last 16 years Liz has worked in third sector development roles including a charity specialising in support to young people with physical disabilities and sensory loss and nine years as chief officer of a mental health charity.

Liz now undertakes a range of freelance work across the south west charity sector including training, interim management, organisational reviews, external evaluation, and supervision for charity chief officers. Liz was a Non-Executive Director of South Somerset PCT from April 2005 until September 2006 and of Somerset PCT from October 2006 until February 2012. She is a trustee and director of SHINE Somerset Ltd a healthy living centre based in Chard and a trustee of Somerset Advocacy.

Liz's qualifications are: MA (Hons), a Certificate of Qualification in Social Work and a Diploma in Management Studies.

David Allen, Non-Executive Director from 1 May 2016 - 30 April 2022

David undertook a number of managerial roles within the NHS and has solid experience in acute, mental health and community services, specialising in risk, governance and compliance.

Prior to his work in the NHS, David was a director and Company Secretary at a leading insurance company, with overall responsibility for Information Technology, Human Resources, Facilities, Compliance and Governance.

David is a Chartered Engineer and holds a BSc (Hons) in Engineering and he is a Member of the British Computing Society.

Philip Dolan, Non-Executive Director from 1 June 2012 – date of the proposed merger

A qualified strategist, Philip completed 27 years in local government before taking early retirement in 2010. He has served as chief executive at three different local authorities. Philip has extensive experience in strategy, performance enhancement, governance, financial planning and partnership delivery.

Philip is a former member of the Somerset Safeguarding Children's Board, a former Vice-Chair of Governors at a school in

Yeovil, former Government advisor and a former national examiner with the Institute of Revenues, Rating and Valuation (IRRV).

Philip's qualifications are MSc (Strategic Management), CMI Executive Diploma in Management, Diploma in Strategy, Certificate in Quality Assessment and full professional qualification with the IRRV. He is also a fellow of both the RSA and CMI.

Barbara Clift, Non-Executive Director from 1 November 2014 - 31 October 2020

Barbara previously worked for the global technology company IBM, where she gained considerable experience working in business development at a senior level both in the UK and overseas.

While this is Barbara's first NHS post, she brings extensive experience from the commercial sector which will complement the skills of current Board members. Barbara also has significant experience in the voluntary sector supporting charities and not-for profit organisations in business and marketing. Barbara has also run a successful hotel/restaurant in the West Country and is an active supporter and mentor for women in business.

Barbara Gregory, Non-Executive Director from 1 August 2017 – 31 July 2020

Barbara Gregory has worked at senior management level in the NHS since 1993, including 15 years at Board level in a number of organisations in different parts of the health system – including as a Director of Finance in an NHS organisation that manages similar services to the Trust. She has an excellent working knowledge gained from first-hand experience of the health and social care system and has also been involved in the Strategic Transformation Programme in Cornwall.

Barbara has also worked closely with senior colleagues from the Local Authority on the integration of provision and commissioning and the opportunities for the devolution of expenditure to providers as part of the potential development of Accountable Care organisations/systems.

Barbara is a joint Non-Executive Director on the Taunton and Somerset NHS Foundation Trust and Somerset Partnership NHS Foundation Trust Boards.

Jan Hull, Non-Executive Director from 1 August 2017 – 31 July 2020 (Senior Independent Director and Deputy Chairman from 1 March 2019)

Jan Hull spent the early part of her career with Unilever, in an international perfumery business covering sales, marketing and general management roles, including two years in the USA.

She has over 20 years' experience of the NHS in Somerset, initially in Public Health and later as Deputy Chief Executive for NHS Somerset, until she became Managing Director of the South, Central and West Commissioning Support Unit. Jan retired from this post in 2016.

She has a good level of knowledge of the services provided by the Trust, and the strategic context in which the Trust operates, gained from experience both of directly managing community services, and from her commissioning responsibilities.

Jan has worked at senior level with all of the major health and social organisations in the county, including primary care and the voluntary sector. She also has significant experience of structural change, having led the merger of three Commissioning Support Units in 2015.

Jan is a joint Non-Executive Director on the Taunton and Somerset NHS Foundation Trust and Somerset Partnership NHS Foundation Trust Boards.

Stephen Harrison, Joint Non-Executive Director from 29 May 2018 - 31 March 2020

Stephen joined Taunton and Somerset NHS Foundation Trust in February 2013 as a designate Non-Executive Director until his formal appointment on 1 April 2013.

He worked at Clarks Shoes for his main career. On leaving Clarks, Stephen developed a portfolio of organisational development consultancy work and community activity, including being elected as leader of Mendip District Council. In the NHS he has undertaken non-executive director roles with Bath and West Community Trust, Mendip Primary Care Trust (where he was Chairman), North Somerset Primary Care Trust and finally as Chairman of a cluster of PCTs responsible for health services across Bristol, North Somerset and South Gloucestershire.

Stephen is Chairman of YMCA Mendip and is a Trustee of the Lawrence Centre in Wells. He is a governor of Wookey Primary School. He is Vice-Chairman of Taunton and Somerset NHS Foundation Trust.

As part of the alliance between the Somerset Partnership and Taunton and Somerset NHS foundation trusts, a reciprocal arrangement has been put in place whereby two

non-executives from each trust have been appointed to the Board of the other (on a non-voting basis). Stephen Harrison was appointed on this basis to the Board of Somerset Partnership NHS Foundation Trust on 29 May 2018.

Dr Kate Fallon, Joint Non-Executive Director from 29 May 2018 - 30 June 2021

Kate was appointed as a Non-Executive Director of Taunton and Somerset NHS Foundation Trust on 1 July 2015 and came with significant experience in the strategic direction and transformation of services within the NHS. She established a completely new NHS trust in 2010, which trebled in size and became the first community trust to be licensed by Monitor as a Foundation Trust in November 2014.

Previously Kate transformed her own general practice, taking it from a traditional reactive business to a forward-planning, innovative “beacon site”, with a sustained Investors in People accolade.

Kate is currently a Trustee of Workforce Development Trust and Chair for the Skills for Justice Enterprise. Her daughter is a Consultant at Taunton and Somerset NHS Foundation Trust. In 2015 she was included in the HSJ “Top 50 NHS Chief Executives” list for her approach to service transformation and the integration of NHS services. She is the Senior Independent Director for Taunton and Somerset NHS Foundation Trust.

As part of the alliance between the Somerset Partnership and Taunton and Somerset NHS foundation trusts, a reciprocal arrangement has been put in place whereby two non-executives from each trust have been appointed to the Board of the other (on a non-voting basis). Kate Fallon was appointed on this basis to the Board of Somerset Partnership NHS Foundation Trust on 29 May 2018.

Executive Directors

Peter Lewis, Chief Executive from 4 November 2017 – joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Peter joined Taunton and Somerset NHS Foundation Trust in 2005 as Director of Finance and Performance. He became Deputy Chief Executive in 2008 and took on the responsibility of Chief Operating Officer in 2010, before becoming Chief Executive in September 2017. Prior to joining the Trust, Peter was a Director of Performance at Dorset and Somerset Strategic Health Authority and has also worked in both commissioning and provider organisations prior to that. Peter is a Fellow of the Chartered Institute of Management Accountants.

Andy Heron, Chief Operating Officer – January 2014. From 1 October 2017 Chief Operating Officer (Mental Health and community Services) – joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Andy joined the Trust in January 2014 worked in health and social care for 27 years having originally qualified as an Occupational Therapist (DIP.COT). Having initially worked clinically in Cornwall and North Somerset he went on to manage mental health services prior to managing mental health services in Bristol from 1999 – 2006 where he took a central role in integrating NHS and social care services and a modernisation programme that included complete service redesign and the comprehensive re-provision of the mental health estate in the city.

Following this Andy gained a broad range of experience in London and the South West in senior commissioning and provider roles in the NHS and also in social care where he worked at the level of Service Director with responsibility for services to people with physical and sensory impairment, learning disabilities and mental health problems. Prior to joining the Trust in 2014 he was working as Director of Projects for a successful mental health and community foundation NHS trust in East London with portfolio responsibility for service modernisation and commercial and business development.

Andy maintains a strong interest in care pathway redesign and service integration and is also Lead Director for Restrictive Interventions.

Pippa Moger, Director of Finance and Business Development - June 2013. From 2 October 2017 Director of Finance – joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Pippa joined the NHS in 2002 as a management accountant at South Somerset Primary Care Trust where she remained employed until the restructuring of Primary Care Trusts in 2007 by which stage she had been promoted to Assistant Director of Finance. In 2007 Pippa joined NHS South West as Assistant Director of Finance responsible for strategic development of costing and Payment by Results for the South West. During her time at NHS South West a secondment opportunity arose in NHS Wiltshire to head up the Commissioning Team for 6 months.

In March 2009 Pippa joined Yeovil District Hospital NHS Foundation Trust as Assistant Director of Finance and on leaving the Trust in 2013 had been Interim Director of Finance. Pippa has a passion for ensuring that NHS resources are used in the most efficient and effective way whilst ensuring patient safety is not compromised.

Pippa qualifications are a fellow member of Association of Chartered Certified Accountants (ACCA).

Stuart Walker, Chief Medical Officer from 1 October 2017 - joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Stuart commenced in the post of Medical Director at Taunton and Somerset NHS Foundation Trust on 23 May 2016. He is a Consultant Cardiologist at Musgrove Park Hospital and during his time in Taunton has also held a number of managerial roles within Trust operational line management, and in Regional roles within the wider NHS. He has for example been Clinical Director for Acute Medicine at the Trust and Clinical Director at the Southwest Regional Vascular Strategic Network. As Medical Director he is keen to enhance his experience in patient safety and quality improvement.

Hayley Peters, Chief Nurse from 2 October 2017 - joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Hayley has over 25 years of experience in the NHS and joined Taunton and Somerset NHS Foundation Trust in July 2013 as the Deputy Director of Nursing. Prior to that, Hayley worked in senior clinical leadership roles in the southwest, London and the southeast. Hayley became Acting Director of Nursing at Musgrove in September 2015, and then Director of Patient Care in December 2015.

Hayley's early professional career centred in critical care, first as an intensive care nurse and later, following a period of training at Birmingham Medical School, as one of the very first Physician's Assistants to practise in the UK.

As a senior nursing leader in the southwest, Hayley has developed a growing interest in nursing and enabling elderly and frail people to stay safe and reach their full potential through personalised care and service integration. Hayley is passionate about excellence in patient care and aspires at every opportunity to improve patient safety, quality and patient experience. Hayley is an active local and national patient safety champion.

Phil Brice, Director of Strategy and Corporate Affairs - January 2012. From 1 October 2017 Director of Governance and Corporate Development – joint appointment with Taunton and Somerset NHS Foundation Trust – voting Board member

Phil Brice joined the Trust in 2012, having joined the NHS in 2000, working for Somerset Heath Authority before becoming Director of Corporate Services for Taunton Deane Primary Care Trust and then Director of Corporate Services and Communications for NHS Somerset from 2006 – 2011. He previously worked for the Treasury Solicitor's Department, the Parliamentary and Health Service Ombudsman and AXA PPP healthcare.

Phil holds a BA (Hons) in English Literature and a MSc in Comparative and General Literature and is a member of the NHS Top Leaders' programme.

Isobel Clements, Interim Director of People and Organisational Development. From 1 November 2017 - joint appointment with Taunton and Somerset NHS Foundation Trust

Isobel started her career at Musgrove Park Hospital in 1988 and held several senior human resources and organisational development management roles, including at associate and deputy level, until she became director of people for the Trust in 2014.

She has played a key role in developing the Trust's system of distributed leadership, in ensuring that the organisation's values are brought to life in everyday behaviour, and in overseeing a leadership programme in which over 900 colleagues at the hospital have now taken part.

Isobel is a member of the Chartered Institute of Personnel and Development.

David Shannon, Director of Strategic Development and Improvement from 24 October 2017 – joint appointment with Taunton and Somerset NHS Foundation Trust

David joined the Taunton and Somerset NHS Foundation Trust in August 2016.

David was previously director of operational finance at North Bristol NHS Trust, from June 2014. Before that he spent six years at Nottingham University Hospitals NHS Trust, most of them as assistant director of finance. He originally joined the NHS in 1998 on its graduate financial management training scheme.

Matthew Bryant, Chief Operating Officer (acute hospital services) from 1 October 2017 – joint appointment with Taunton and Somerset NHS Foundation Trust

Matthew joined the Taunton and Somerset NHS Foundation Trust in 2014 as director of operations and was appointed as chief operating officer in 2015. He is responsible for the day-to-day running of the hospital and for its performance in meeting the required national standards.

Matthew has worked in the NHS in the South West since 1998, managing medical and surgical services at the Royal Devon and Exeter Hospital, and being part of the management team when that trust became one of the country's first foundation hospitals. He led the trust's delivery of new models of care for older people, which included a strong focus on integration with services outside hospital across the East Devon area.

He was involved in the planning of cancer services across Devon and Cornwall, and helped to establish the Peninsula Medical School in Exeter, of which he became an Honorary Fellow, teaching undergraduate medical students about healthcare management. He was also involved in the commissioning of specialist services and the development of joint working for health authorities across Devon and Cornwall. Matthew joined the NHS on the national general management training scheme, after graduating from Oxford University. He is also a trustee of Hospiscare, the palliative care provider for Exeter, East and Mid-Devon.

Board effectiveness

On the basis of the expertise and experience described above, the Trust is confident that the necessary range of knowledge and skills exists within the Board of Directors and that its balance, completeness and appropriateness to the requirements of the NHS Foundation Trust constitute a high performing and effective Board. No company directorships or other material interests in companies are held by any Board members where those companies or related parties are likely to do business, or are possibly seeking to do business, with the Trust. The Chairman has held no other significant commitments during 2018/19. A register of interests of Board members is available from the Secretary to the Trust and is also included in the Board papers published on the Trust's website.

An independent review of governance against NHS Improvement's Well Led Framework was undertaken during 2017/18 and an action plan developed to take forward those areas where further improvement was required. The implementation of the action plan has been closely monitored by the Board.

The effectiveness of the Board of Directors meetings is reviewed at the end of each meeting. Effectiveness of Board sub committees is monitored through the Board by quarterly reports and regular evaluation/review of the terms of reference.

Non-Executive Directors are subject to regular and annual appraisals by the Chairman; unsatisfactory appraisals could result in termination of their appointment. The decision to remove Non-Executive Directors rests with the Council of Governors. An annual performance review of the Chairman is undertaken by the Council of Governors' Nomination and Remuneration Committee and includes feedback from individual governors. The findings of the performance review are reported to a meeting of the Council of Governors.

The performance of Executive Directors is similarly reviewed through regular supervision and annual appraisals by the Chief Executive, whose performance is, in turn, reviewed and appraised by the Chairman, and reported to the Non-Executive Directors through the Remuneration Committee.

The Board considers that all the Non-Executive Directors, including the Non-Executive Director, who has completed their seventh year as a Non-Executive Director, and the Joint Non-Executive Directors, are independent in character and judgement and there are no known circumstances or relationships which are likely to affect, or could appear

to affect, the directors' judgement. The Board also considers that all Board members meet the Fit and Proper persons test.

Monitor (NHS Improvement) Foundation Trust Code of Governance

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

The Board can confirm that it is compliant with the Monitor Foundation Trust Code of Governance with the exception of the principles that "at least half the Board, excluding the chairperson, should comprise non-executive directors determined by the Board to be independent." The Trust's Board has equal numbers of Executive Directors and Non-Executive Directors determined by the Board to be independent, including the Chairman. As the Chairman has a second vote this will ensure that Non-Executive Directors, at all times, will have a majority vote.

Significant interests held by directors

Interests held by directors which may conflict with their management responsibilities are declared at each Board meeting. Board papers which include these disclosures are available on the Trust's website. Transactions related to those interests are shown in page 35, note 26 to the accounts.

Directors' disclosure to auditors' statement

For each individual who is a director at the time this annual report was approved, so far as the directors are aware there is no relevant audit information of which the auditors are unaware and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Board of Directors meeting attendance

Name	Title	8 May 2018	24 May 2018	4 July 2018	4 September 2018	6 November 2018	5 February 2019	5 March 2019	Meetings attended	
									Possible	Actual
Stephen Ladyman	Chairman	✓	✓	✓	✓	✓	✓	X	7	6

Name	Title	8 May 2018	24 May 2018	4 July 2018	4 September 2018	6 November 2018	5 February 2019	5 March 2019	Meetings attended	
									Possible	Actual
Barbara Clift	Non-Executive Director	✓	✓	X	✓	✓	X	✓	7	5
Philip Dolan	Non-Executive Director	✓	X	✓	X	X	✓	✓	7	4
Liz Simmons	Non-Executive Director	✓	✓	✓	X	✓	✓		6	5
David Allen	Non-Executive Director	✓	✓	✓	X	✓	✓	✓	7	6
Barbara Gregory	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7	7
Jan Hull	Non-Executive Director	✓	✓	✓	✓	✓	X	✓	7	6
Peter Lewis	Chief Executive	✓	✓	✓	✓	✓	✓	✓	7	7
Hayley Peters	Chief Nurse	✓	X	✓	✓	✓	✓	✓	7	6
Phil Brice	Director of Governance & Corporate Development	✓	✓	✓	✓	✓	✓	✓	7	7
Andy Heron	Chief Operating Officer (Mental Health and Community)	✓	X	✓	✓	✓	✓	✓	7	6
Pippa Moger	Director of Finance and Business Development	✓	✓	✓	✓	✓	✓	✓	7	7
Isobel Clements	Director of People and Organisational Development	✓	X	✓	✓	✓	✓	✓	7	6
Stuart Walker	Chief Medical Officer	✓	X	✓	✓	✓	✓	✓	7	6
Matthew Bryant	Chief Operating Officer (Acute Hospital Services)	✓	✓	X	✓	✓	✓	✓	7	6
David Shannon	Director of Strategic Development and Improvement	✓	X	✓	✓	✓	✓	✓	7	6
Kate Fallon	Joint Non-Executive Director			✓	✓	✓	✓	✓	5	5
Stephen Harrison	Joint Non-Executive Director			✓	✓	✓	✓	✓	5	5

Quality and Performance Committee

The Quality and Performance Committee is a Board-level committee responsible for providing assurance on issues of legal, regulatory and standards and compliance with our legal and statutory requirements, clinical and quality objectives, effectiveness of strategies and the quality standards required by NHS Improvement and the Care Quality Commission. The Chair of the Quality and Performance Committee provides a six-monthly assurance report to the Audit Committee in respect of its compliance and governance functions.

Membership of the Quality and Performance Committee comprises six Executive Directors and four Non-Executive Directors, two of whom also sit on the Audit Committee. The Quality and Performance Committee meets formally on a bi-monthly basis.

From 2018 the format of the Committee has been aligned with the Taunton and Somerset NHS Foundation Trust's Governance Committee and joint bi-monthly planning meetings have been set up. The purpose of the planning meetings is to consider the standard business items and identify areas for detailed deep dives for discussion at the formal Quality and Performance Committee meetings. In addition, a joint formal Committee meeting takes place prior to the formal Committee meeting to discuss performance in relation to areas of common interest. This change in process ensures that the Committee is able to focus on the areas of highest importance or concern.

Attendance at Quality and Performance Committee meetings

Name	Quality and Performance Committee meetings attended	
	Possible	Actual
David Allen (Chairman)	6	5
Barbara Clift	6	5
Liz Simmons	5	4
Jan Hull	6	6
Phil Brice	6	6
Hayley Peters	6	5
Isobel Clements	6	6
Stuart Walker	6	5
Andy Heron	6	2
Kate Fallon	1	1

Finance and Investment Committee

The Committee is a Board Committee and acts in an advisory capacity. The Finance and Investment Committee met three times during the year to focus on investigating the progress made in the delivery of financial plans and carry out an in-depth analysis

of the financial performance of the Trust. The Chief Executive and other executive directors have a standing invitation to attend this committee.

Attendance at Finance and Investment Committee

Name	Finance and Investment Committee meetings attended	
	Possible	Actual
Philip Dolan (Chairman)	3	3
Barbara Clift	3	2
Barbara Gregory	3	2
Jan Hull	3	2
David Allen	3	2
Pippa Moger	3	3

Finance and performance issues are regularly addressed by the Trust Board and the Finance and Investment Committee, comprising four Non-Executive Directors, and also at the monthly Senior Management Team, which is chaired by the Chief Executive.

Audit Committee

Membership of the Audit Committee consists of four Non-Executive Directors. The Chairman of the Trust is not a member of the Audit Committee.

The role of the Audit Committee is:

- to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities;
- to review arrangements by which staff may raise in confidence, concerns about possible improprieties of financial reporting and control, clinical quality, patient safety or other matters;
- to review the annual accounts and make recommendations on the approval of the annual accounts to the Board;
- to ensure that there is an effective internal audit function established by management that meets mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance;
- to develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- to make recommendations to the Council of Governors in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor;
- to review the work and findings of the external auditor and consider the implications and management's responses to their work;

- to review the work and findings of the Counter Fraud Service and consider the implications and management's responses to their work; and
- to review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the integrated governance of the organisation.

Attendance at Audit Committee meetings

Name	Audit Committee meetings attended	
	Possible	Actual
Barbara Gregory (Chairman)	5	5
Phil Dolan	5	3
Barbara Clift	5	5
David Allen	5	5

Directors' Responsibility for Trust Annual Report and Accounts

The directors have responsibility for preparing the annual report and accounts. They consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess Somerset Partnership NHS Foundation Trust's performance, business model and strategy.

Significant Issues considered by the Audit Committee

After discussion with both management and the external auditor, the committee determined that the key risks of misstatement of the financial statements related to:

- Valuation of Land and Building Assets;
- Accuracy of NHS income and valuation of receivables;
- Management override of controls;
- Expenditure recognition.

Council of Governors

The Council of Governors is made up of 23 elected governors, six of whom are staff Governors. The Council has two working groups – strategy and planning and nominations and remuneration. The Trust's Public and Patient Involvement Group is chaired by the Lead Governor and membership includes other Governors.

The Council meets every quarter in public. Meetings are advertised on the Trust's website and at our headquarters. No business can be transacted at a meeting unless at least half of the governors are present, and of these, not less than half must be governors elected by the public and patient and carers' constituencies or appointed by non-health service bodies.

The responsibilities of the Council of Governors are:

- to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors;
- to represent the interests of the members of the Trust as a whole and the interests of the public;
- to assist the Board of Directors in setting the strategic direction of the Trust and targets for the Trust's performance;
- to monitor the Trust's performance in achieving strategic objectives and performance targets that have been set;
- to act as guardians to ensure that the Trust operates in a way that is consistent with NHS and Trust principles (as set out Annex 9 of the Constitution) and the terms of the Trust's Authorisation;
- to appoint the Trust's external auditors;
- to exercise such other powers and to discharge such other duties as may be conferred on the Council of Governors under the Constitution;
- to appoint the Chairman and other Non-Executive Directors of the Trust;
- with the approval of at least three quarters of the Governors, to remove the Chairman and other Non-Executive Directors of the Trust;
- to approve the appointment of the Chief Executive by the Non-Executive Directors of the Trust, at a general meeting.

The Council of Governors is provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.

Led by the chairperson, the Council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.

All governors are required to disclose details of company directorships or other material interests in companies where those companies or related parties are likely to do business, or are possibly seeking to do business, with the Trust. No such company directorships or other material interests in companies are held by any governors. A register of the interests of governors is published and updated at each public meeting of the Council of Governors and is available on our website at www.sompar.nhs.uk or can be obtained from the Secretary to the Trust.

Disagreements between Council of Governors and Trust Board

Where any disagreements between the Council of Governors and the Trust Board occur, the Trust policy "Policy and Procedure for Council of Governors: Raising Concerns" details the process by which these disagreements are resolved. This policy was last reviewed in 2015. A copy of the policy can be found on our website.

Nominations and Remuneration Committee (Council of Governors)

The Council of Governors is required to approve the remuneration and terms of service of the Chairman and Non-Executive Directors, and has established a

Nominations and Remuneration Committee to do so, in accordance with the Trust's Constitution.

The role of the Committee is:

- to consider the Non-Executive Director or Chairman vacancies due in the next 12 months and make recommendations to the Council of Governors (Annex 9, para 3.1.1 of the Constitution); and
- to advise the Council of Governors as to the remuneration and allowances and of the Terms and Conditions of the office of the Chairman and other Non-Executive Directors (para 32.1 of the Constitution).

The Senior Independent Director, the Chairman and other Directors may be invited to attend meetings of this Committee.

The Committee met four times during the year on 29 May 2018, 27 July 2018, 23 August 2018 and 15 March 2019 to discuss:

- the appointment of two joint non-executive directors;
- the proposed terms and conditions for joint non-executive directors;
- the findings of the 2017/18 Chairman appraisal process and the appraisal process for 2018/19;
- the findings of the 2017/18 Non-Executive Directors appraisals.

The meeting held on 15 March 2019 took the form of a joint meeting with the Taunton and Somerset NHS Foundation Trust's Remuneration Committee to discuss:

- the appointment process for a new Non-Executive Director;
- the appointment of the Chairman post-merger;
- the Board composition post-merger.

A meeting was also conducted by email in March 2019 on the re-appointment of a Non-Executive Director and a report was presented to the March 2019 Council of Governors meeting.

The Committee's attendance is set out below:

NOMINATION AND REMUNERATION COMMITTEE MEETINGS – ATTENDANCE		
	Possible	**Actual**
Richard Porter (Chairman)	5*	5
Philippa Hawkes	5*	5
Richard Brown	5*	5
Cathy Hackett	5*	5
Eddie Nicholas	5*	5

* this includes the meeting conducted by email.

An internal re-appointment process was followed for the Non-Executive Director whose term of office expires on 1 May 2019. This re-appointment was for a second term of three years and the internal re-appointment process complied with the Trust's Constitution. The recommendation from the Nomination and Remuneration Committee was approved by the Council of Governors at their meetings held on 13 November 2018 and 12 March 2019.

The appointment of two joint non-executive directors was treated as an internal appointment and was conducted in line with Trust's Constitution. The recommendations from the Nomination and Remuneration Committee were approved at the Council of Governors meeting held on 29 May 2018.

In addition to the above appointments, the Council of Governors also approved the re-appointment of the Chairman and one Non-Executive Director, from 1 May 2019 and 1June 2019 respectively, for a seventh year in view of the proposed merger with Taunton and Somerset NHS Foundation Trust and the need for continuity of Board members. These re-appointments were approved until the date of the merger.

To market-test the remuneration levels of the chairman and other non-executive directors, the Council of Governors considers that the NHS Providers annual benchmarking for all Trusts executive and non-executive directors remuneration constitutes external advice. A review of remuneration has not been carried out in 2018/19 but will be carried out as part of the proposed merger.

Council of Governors elections

The Trust uses a staggered election process and elections take routinely place two out of every three years. No elections took place in 2018/19.

Governor	Constituency	Governor in place on 1 April 2018	Term of Office		Meetings	
			From	To	Possible	Actual
Ian Aldridge	Public – West Somerset	Ian Aldridge	1 May 2016	30 April 2019	4	1
Peter Ernest	Public – Taunton Deane	Peter Ernest	31 October 2016	30 April 2019	4	4
Sumitar Young	Public – Taunton Deane	Sumitar Young	9 October 2017	30 April 2020	4	3
Elaine Hodgson	Public Taunton Deane	Elaine Hodgson	1 May 2017	30 April 2020	4	2
Philippa Hawks	Public – Taunton Deane	Philippa Hawks	1 May 2017	30 April 2020	4	3
Cathy Hackett	Public – Mendip	Cathy Hackett	1 May 2017	30 April 2020	4	3
Richard Brown	Public – Mendip	Richard Brown	1 May 2017	30 April 2020	4	4
Bob Champion	Public – Mendip	Bob Champion	1 May 2016	30 April 2019	4	4
Nick Phillips	Public – Mendip	Nick Phillips	1 May 2016	30 April 2019	4	2

Governor	Constituency	Governor in place on 1 April 2018	Term of Office		Meetings	
			From	To	Possible	Actual
Malcolm Turner	Public – Sedgemoor	Malcolm Turner	1 May 2017	30 April 2020	4	2
Eddie Nicolas	Public – Sedgemoor	Eddie Nicolas	1 May 2016	30 April 2019	4	4
Dave Gudge	Public – Sedgemoor	Dave Gudge	1 May 2017	30 April 2020	4	4
Richard Porter (Lead Governor)	Public – South Somerset	Richard Porter	1 May 2016	30 April 2019	4	4
Paddy Ashe	Public – South Somerset	Paddy Ashe	9 October 2017	30 April 2020	4	4
Judi Morison	Public – South Somerset	Judi Morison	9 October 2017	30 April 2020	4	3
Nick Beecham	Public – South Somerset	Nick Beecham	1 May 2017	30 April 2020	4	4
Vacancy	Public Outside Somerset	Vacancy	--	--	4	4
Claudine Brown	Staff	Claudine Brown	1 May 2016	30 April 2019	4	1
Hannah Coleman	Staff	Hannah Coleman	1 May 2017	30 April 2020	4	2
Paul Aldwinckle	Staff	Paul Aldwinckle	1 May 2016	30 April 2019	4	4
Polly Maguire	Staff	Polly Maguire	1 May 2016	30 April 2019	4	2
Nicola Price	Staff	Nicola Price	1 May 2017	30 April 2020	4	1
Owen Howell	Staff	Owen Howell	22 August 2017	30 April 2020	4	2
Appointed Governors						
Cllr Nigel Woollcombe-Adams	District Councils	Cllr Nigel Woollcombe-Adams	All appointed organisations were appointed on 1 May 2008 for an unlimited period.		4	3
Cllr Terry Napper	Somerset County Council	Cllr Terry Napper			4	1
Dr Jayne Chidgey-Clark	Somerset Clinical Commissioning Group	Dr Jayne Chidgey-Clark			4	3
Garth Vaughan (until 30 June 2018)	Somerset Youth Volunteering Network	Garth Vaughan			1	0
Vacancy	Somerset Youth Volunteering Network	Garth Vaughan			--	--
Ian Hawkins	Taunton Samaritans	Ian Hawkins			4	4
Caroline Toll	Care UK	Caroline Toll			4	2

Governor	Constituency	Governor in place on 1 April 2018	Term of Office		Meetings	
			From	To	Possible	Actual
Melissa Hillier (until 8 October 2018)	We Hear You	Melissa Hillier	23 May 2017	30 April 2020	2	0
Vacancy	We Hear You	Melissa Hillier	8 October 2018	--	--	--
Vacancy	Voluntary Sector organisation	Vacancy	1 May 2017	--	-	--

The process for removal from the Council of any Governor who consistently and unjustifiably fails to attend the meetings of the Council or has an actual or potential conflict of interest which prevents the proper exercise of their duties, is clearly set out in the Constitution which has been approved by the Council of Governors. Any incidence of consistent non-attendance by a governor is discussed at a Council of Governors meeting and individual circumstances are taken into account in deciding whether or not to remove a governor on the ground of consistent non-attendance.

Steps taken by Members of the Board in Understanding the Views of the Council of Governors and Membership

All Board members are encouraged to attend Council of Governors' meetings and routinely do so, with the Chief Executive leading on standing agenda items and other Directors presenting agenda items and responding to questions as required.

As the majority of Board members attend the Council of Governors' meetings, feedback from the meetings can be taken into account immediately. In addition, representatives from the Council of Governors also attend the public Board meetings and governors are invited to attend the joint Board/Council of Governors away day held in December each year to discuss strategic priorities. Governors also have an open invitation to attend Board Committee/Governance Group meetings.

The Chairman meets with the lead governor after each Board meeting to discuss issues arising from Board meetings and governors' concerns. The Chairman also meets with the Staff Governors on a regular basis.

The Council of Governors had a number of development days throughout the year and all Board members are invited to attend the afternoon sessions. The development day included a question and answer session at which a Non-Executive Director, on a rotating basis, or a new Executive Director, are given the opportunity to respond to governors' questions or concerns. Details are given below of the attendance at meetings of the Council of Governors by Trust Board members. Board members are not members of the Council, but have a standing invitation to attend Council meetings.

Board Member Attendance at Council of Governors Meetings

		Meetings	
		Possible	**Actual**
Stephen Ladyman	Chairman	4	4
Philip Dolan	Non-Executive Director	4	0
Barbara Clift	Non-Executive Director	4	3
Liz Simmons	Non-Executive Director	3	3
David Allen	Non-Executive Director	4	3
Jan Hull	Non-Executive Director	4	4
Barbara Gregory	Non-Executive Director	4	0
Kate Fallon	Joint Non-Executive Director	2	2
Stephen Harrison	Joint Non-Executive Director	2	2
Peter Lewis	Chief Executive	4	4
Stuart Walker	Chief Medical Officer	4	1
Pippa Moger	Director of Finance	4	1
Phil Brice	Director of Governance and Corporate Development	4	4
Hayley Peters	Chief Nurse	4	3
Andy Heron	Chief Operating Officer (Mental Health and Community Services)	4	2
Isobel Clements	Director of People and Organisational Development	4	4
David Shannon	Director of Strategic Development and Improvement	4	**1**
Matthew Bryant	Chief Operating Officer (Acute Hospital Services)	4	0

Governor Involvement in Business Planning

Since becoming a foundation trust, we have encouraged governors and members to participate in the Trust's annual business planning process. Proposals for 2018/19 and 2019/20 service development priorities were developed taking account of the feedback received from staff across the Trust and other stakeholders.

Governors were invited to and attended a joint Board/Council of Governors Away Day on 12 December 2017 to discuss the key priorities for 2018/19.

Governors have also been involved in setting the Quality Account priorities for 2019/20 in support of the NHS Improvement Annual Plan process and governors were invited to and attended a joint Board/governors away day held on 4 December 2018 to discuss the key priorities for 2019/20 and to provide feedback from their members or appointed organisations on their priorities. The following priorities for 2019/20 were identified by Board/governors:

- delivering parity of esteem between physical and mental health services;
- learning from incidents, complaints and mortality reviews;
- improving the quality of discharge summaries;
- improving sepsis recognition;
- improving implementation of the Rapid Response service;
- developing co-design/user involvement

Progress made in implementing the annual plan action plan is monitored by the Strategy and Planning Group who receives quarterly progress reports for discussion. The Group provides regular feedback on progress made in implementing the actions to the Council of Governors meeting.

Engagement with members

We recognise the importance of having a strong and engaged membership. With circa 10,327 members (public and staff combined), the Trust has access to the local population, interaction with which helps to improve services. The focus of the Trust's membership strategy, which is monitored by the Patient and Public involvement Group, is on improving meaningful engagement with its members and a key form of engagement is through the annual members' meeting held in September each year. In addition, Governors also engage with members of the public. The membership strategy will be reviewed to take account of the proposed merger with Taunton and Somerset NHS Foundation Trust.

The Trust's membership (which is reviewed by the Patient and Public Involvement Group), is broadly representative of the population it serves. According to 2011 census data, the majority of Somerset residents are 'white British'. Somerset also has an increasingly older population, and the Trust's membership reflects this trend.

Membership as at 31 March 2019

Public membership

Constituency	Number of Members 31.03.2019	Number of Members 31.03.2018	increase/ decrease over year
Public	6,033	6,189	- 156

Staff membership

Constituency	Number of Members 31.03.2019	Number of Members 31.03.2018	increase/ decrease over year
Staff	4,313	4,282	+ 31

Signed

PETER LEWIS
Chief Executive

Date: 23 May 2019

Information governance, cyber and data security

The Trust manages its information governance agenda through a number of different approaches. The Governance and Corporate Development Director chairs the Data Security and Protection Group (DSPG), which is responsible for setting the framework for information governance standards in the Trust and ensuring delivery of action plans to improve compliance.

A key part of the DSPG work is to review compliance against the Data Security and Protection Toolkit and to ensure evidence is externally assured through audit. In 2018/19 the Trust achieved 'Standards Exceeded' rating within the Data Security and Protection Toolkit.

The information governance framework is supported by the Data Protection Officer, The Caldicott Guardian and the Senior Information Risk Owner (SIRO).

Information Governance SIRIs

There were no serious data breaches which were required to be reported to the Information Commissioner's Office during 2018/19.

Cyber Security

The security of digital information held on Somerset Partnership's systems has always been a high priority. During 2018/2019 a dramatic increase in the quantity and sophistication of spam email was detected by Trust security systems with attacks becoming more targeted and much harder to defend against. However, the IM&T service response to cyber security incidents has continued to improve and refine as the number of attacks have increased, culminating in the team achieving Cyber Essentials Plus certification in January 2019. The team have been working closely with colleagues over several years to successfully raise cyber security awareness of staff across the Trust through fake phishing e-mail campaigns. These have proven to improve the healthy suspicion of strange emails, raising the frequency with which emails are reported and then dealt with.

Action Plan

During 2019/20 we will maintain compliance by completion of the Data Security and Protection Toolkit and continuing our readiness and compliance with the Data Protection Act and General Data Protection Regulation.

Emergency Planning and Business Continuity

The Trust has continued to work closely with partner agencies within the Local Health Resilience Partnership and Local Resilience Forum to help ensure NHS resilience and service continuity in the event of disruptive and major incidents. The organisation was again assessed as being substantially compliant during the annual Emergency Planning, Response and Recovery assessment by NHS Somerset and NHS England in 2018. Our resilience measures helped to ensure our resilience during severe weather this year, utilities' failures and informed our preparations for the UK's exit from

the European Union. Our plans are tested through local and organisational exercises and with partner agencies and we seek to learn and embed lessons when real incidents occur. The Trust remains ready to support other organisations who may be affected by major incidents in the county and in a wider regional context.

Security Management

The Trust's Local Security Management Specialists have had a busy year providing specialist security advice and support to local teams, managers and the wider Trust. Advice and support on building security, lone working and CCTV systems. Reported crimes have been investigated alongside police colleagues and perpetrators have as a result been prosecuted in court for harassment, assault, criminal damage and theft. The security managers work closely with operational colleagues to prevent crime taking place to ensure the safety and wellbeing of patients, colleagues and the public.

QUALITY GOVERNANCE

New and Expanded services

Individual Placement Support (IPS)

The Trust led a successful bid across the Somerset Sustainability and Transformation Programme to expand the currently successful IPS service which supports people with mental health issues get and remain in employment. This forms part of the employment support service.

Perinatal Mental Health

Somerset Partnership has been awarded transformational funding from NHS England for a specialist perinatal mental health for Somerset. The new team started taking referrals in February 2019 and provides support to women and families with complex mental health needs during the perinatal period.

The team will work closely with the wider workforce including, maternity services, health visiting, primary care, existing mental health services and the voluntary sector.

We have also supported Devon Partnership Trust in the development of the Mother and Baby unit in Exeter to ensure effective working across both counties. This includes working with their outreach workers to provide a seamless service to women at risk of admission and those returning home after an admission.

Diabetic Eye Screening Programme DESP

Somerset Partnership NHS Foundation Trust has successfully retained the Diabetic Eye Screening Service which has been commissioned by NHS England for the next 4 years.

Diabetic retinopathy is a complication of diabetes affecting the blood vessels of the retina at the back of the eye and is one of the biggest causes of blindness and visual impairment amongst the working age population in the United Kingdom.

We are very pleased to have been awarded this contract and it provides an opportunity for close working across the Alliance through enhanced rapid pathways to hospital eye services provided by Taunton and Somerset NHS Foundation Trust. The new contract began in April 2019.

Ministry of Defence - expansion IAPT

The MOD has expanded the existing contract to increase use of High Intensity Therapy from the Improving Access to Psychological Therapies (IAPT) provision for MOD personnel.

Offender Personality Disorder (OPD) Community Based Intensive Intervention and Risk Management Service (IIRMS)

Working with NHS England and HM Prison and Probation Service as co-commissioners, Somerset Partnership have been awarded 3 years funding for this service. This service aims to bring about a reduction in repeat serious sexual and/or

violent offending in men and a reduction in repeat offending of specified offences for women. This is achieved through improved access to interventions and improvement to the quality of the OPD pathway services. Additionally the service will result in reduced usage of secure NHS and independent sector beds.

TDBC/ Mendip Dual Diagnosis

Two district councils in Somerset (Mendip and Taunton Deane) have each funded posts for a dual diagnosis worker to work alongside the rough sleeping multiagency team.

Mindline Plus & Mind Line Navigators

The Mindline Contract which has been jointly funded between Somerset Partnership NHS Trust, Somerset County Council and Somerset Clinical Commissioning Group has been extended to include 2 new additional services; Mindline Plus and Mindline Navigators.

Mindline Plus is a referral service for high impact frequent callers to the CMHS who are considered to benefit from regular emotional support via telephone and who have given consent for MIND to share information with CMHS. This service is not available to anyone discharged or not being care managed.

Mindline Navigators is for high impact users to be offered face to face contact with a navigator to support in accessing community based resources.

British Red Cross – Supporting the Rapid Response Team (RRT)

This service provides support to vulnerable people on discharge from hospital; identified as at risk of admission or struggling to cope at home. The integrated model merges the current SCC funded British Red Cross support at home service with RRT. The fast track service has started with a pilot in Taunton and Bridgwater districts and if successful will expand to other areas.

Delivery of Mental Health Practitioners in Primary Care

This initiative places Mental Health Practitioners within GP practices with the aim of providing rapid access to specialist mental health advice and support to enable them to deal more effectively with a range of health problems. This has been implemented at Creech Medical Centre, Lister House and Warwick House

Joint working

Somerset's Sustainability and Transformation Plan

The Somerset STP sets out the following priorities:

- Developing an integrated care system
- Developing local services
- Prevention
- Strengthening more specialist and acute services

- Improving our financial position

In 2019/20 we will work with colleagues in the Somerset system to deliver transformation in line with the system vision and the single system and programme approach to strategy, transformation and collective system management.

In particular we will support the system investment in core mental health services, recognising the current level of investment and service gaps, and implement universal support services for children and adults aimed at mitigating specialist demand.

We will implement neighbourhoods across the system to work to support the longer-term mitigation of demand growth and these will be inclusive of the setup of primary care networks and will review the scope and range of community services (across health and care). Through the neighbourhoods and local services we will have a centred, prevention focussed approach to stop or reduce escalation, with specific clinical pathways to be focussed on. These will, as a result, ensure that we are prepared to support the move away from an (excess) reliance on bed-based care.

More information can be found about the development of Somerset's Health and Care Strategy at www.fitforourfuture.org.uk

How our 2019/20 Priorities will link to the STP

The themes of the integration programme between Taunton and Somerset NHS Foundation Trust and Somerset Partnership are consistent with the STP's key priorities and wider aims. The proposed merger between the two trusts strongly supports the STP's strategic objectives of integrated care and strengthened community services for the people of Somerset. It will create a financially sustainable organisation that will help address the Somerset STP's financial challenges and support the development of an integrated care system for the county.

Alliance with Taunton and Somerset NHS Foundation Trust

During 2018/19 we have also further developed our alliance with Taunton and Somerset NHS Foundation Trust which has seen us work increasingly closely as two organisations under a joint Executive Team. In September 2018 NHS Improvement supported our Strategic Outline Case to proceed towards a potential merger. We believe that this merger will provide the pathway to improved patient care and better integrated services for all of our patients and the population we serve in Somerset and beyond.

The alliance between Somerset Partnership and Taunton and Somerset NHS Foundation Trusts has worked actively as a partnership to drive forward the vision of the local STP through improved ways of working, and transformational programmes involving the development of new models for the delivery of better quality care for patients, including:

Rapid Response: this team provides GPs and the South West Ambulance Service NHS Foundation Trust with a credible alternative to Accident and Emergency for frail older people, helping to reduce bed occupancy by the equivalent of 20 beds across

the STP by reducing preventable admissions and caring for people in their own homes.

Home First: this Discharge to Assess service reduces length of stay in hospital and also the number of delayed transfers of care. A team of nurses and allied health professionals assesses the needs of patients their own homes, community hospitals or care homes, and provides support until an out of hospital care package is in place.

Psychiatric Liaison Team: this enhanced service means more liaison psychiatrists and psychiatric liaison nurses are available to assess, treat and signpost mentally unwell patients presenting at both Somerset acute Trusts to alternative locations for care, such as Crisis Intervention and Home Treatment. Its aim is to reduce by 20% the admissions and length of stay for mentally unwell patients presenting at the acute hospitals.

Complex Care Hubs: These hubs treat the increasing number of patients with multiple long-term conditions and enable patients' whole care needs to be assessed and managed in one place. The hubs bring together existing community services with primary care and are located across the county in existing community services localities, with plans to create additional hubs in advance of winter.

Better Births: this £1 million project is one of seven nationwide pilots aimed at digitally-enhancing maternity services, in line with the recommendations of the Better Births review. The project involves data collection, access to information and records for families and staff, and linking data systems across hospitals and primary care. A new post-natal nurse associate post is supporting this work, providing continuity of care for vulnerable families, as well as offering a new career opportunity for support workers.

Nursing Associates: Nursing Associates provide care and support to patients, addressing a gap in care skills between healthcare assistants and registered nurses. The roles represent a further option for career development and can be used as a stepping stone to graduate-level nursing qualifications. The third cohort of Nursing Associates is in place, and the initiative is another example of how we are 'growing our own' workforce to address skills shortages.

Patient Safety and Quality Improvement

The Trust's quality improvement programme brings together all key improvement initiatives including the Quality Account priorities, Positive and Proactive Care and the application of the patient safety thermometer. Increasingly the programme looks to 'whole system' initiatives to improve patient experience and safety across the whole healthcare system.

During 2018/19 the Trust again increased the number of staff who have under taken the Quality Improvement 'Launchpad' course provided by the South West Academic Health Scientific Network. As part of our work in alliance with Taunton and Somerset NHS Foundation Trust, we have taken advantage of their well-developed Quality Improvement function to further improve our training and methodologies and have

established a Mental Health Improvement Board to oversee quality improvement within these core services.

We have also maintained improvement boards for our community hospital inpatient services – which supported the excellent CQC inspection outcome – and for our community CAMHS services which is driving the improvement programme in response to the issues identified in the CQC report.

We are looking to share Quality Improvement infrastructure and resources across both Trusts to ensure QI is firmly embedded in in the culture across both organisations as we move towards our potential merger.

The Trust is committed to improving the quality of care, ensuring that information is widely available to the public through our monthly detailed quality reports to the Trust Board. This ensures that our performance and commitment to improvement is transparent. Measures of success include our provision of high levels of harm free care in our community hospitals and community services - with the majority consistently delivering harm free care in excess of the national average. This is testament to the expert clinical leadership and front line support for our improvement programmes.

During the year we also:

- Strengthened our directorate governance through the appointment of Associate Directors of Patient Care with dedicated focus on quality improvement and patient safety within community and mental health services and renewed focus on locally delivered care
- Launched an accreditation scheme for inpatient care within the community hospitals to provide assurance on levels of quality and care
- Refreshed our Leadership Quality Walk Round programme where executive and non-executive directors and governors regularly visit inpatient areas to talk to staff and discuss their concerns about delivering safe patient care where they work.
- Held an Always Events ® programme focusing on how we deliver the essentials of care and best practice consistently across our services.
- Participated in the South of England Mental Health Patient Safety Collaborative and has both ‘exported’ and ‘imported’ initiatives. Examples include our SPIRAL project developing better engagement with families and carers affected by the suicide of loved ones.

Research and Development 2018/19

In 2018/19, the Trust continued its involvement in clinical research supported by the National Institute for Health Research (NIHR) (www.nihr.ac.uk). The active portfolio consisted of 53 studies. 27 research studies were recruited to, 20 of which were observational and 7 were interventional. 15 of the 27 were new projects opened in 2018/19.

The Trust actively recruited 501 participants across the following areas: Dementias and Neurodegenerative Diseases; Primary Care; Stroke; Mental Health; Infection; Ageing; Musculoskeletal conditions; and Health Service Research.

Of the participants' recruited 71% were entered into observational studies and 29% into interventional studies.

Studies supported were investigating issues such as:

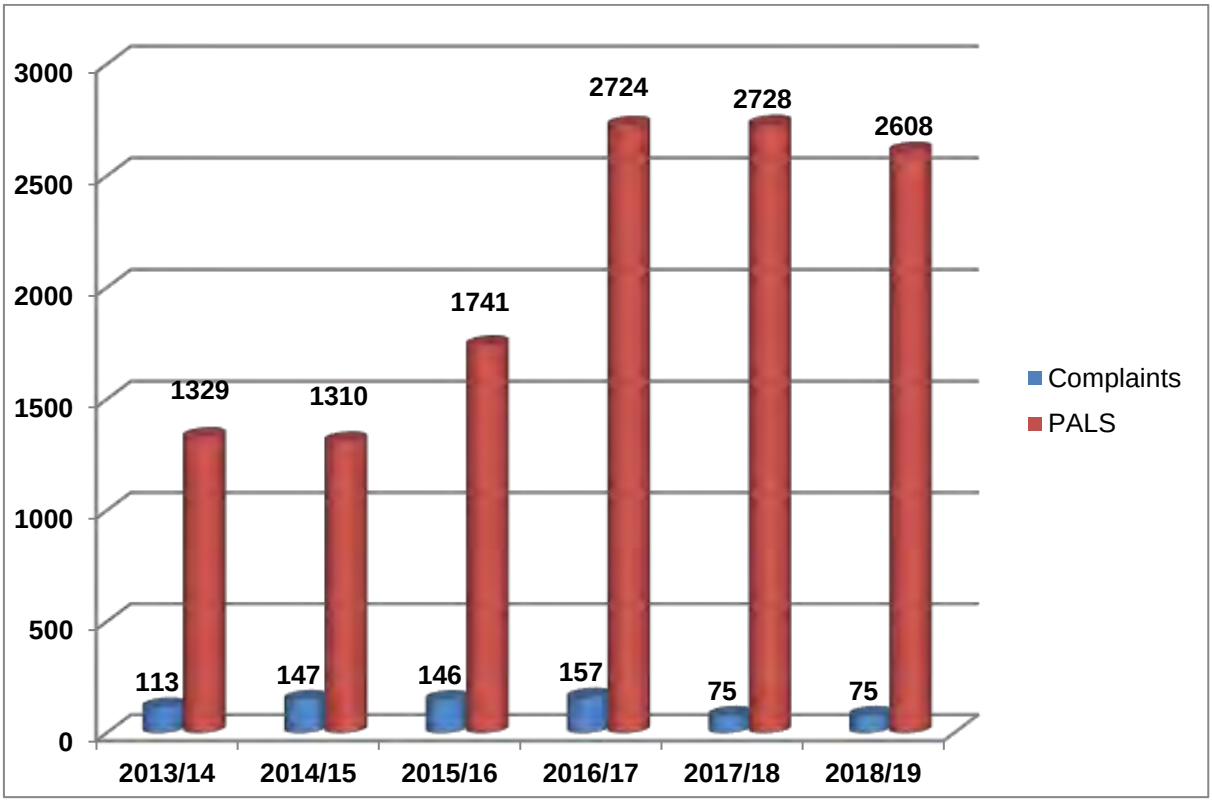
- Exploring the contribution of the social work role in CMHTs for working age adults: staff and service user perspectives
- Exploring the cause and prevalence of memory problems in people mental health, neurodevelopmental and neurodegenerative disorders
- Exploring if CAMHS clinicians receive trauma-focused PTSD training and supervision for working with children and adolescents
- Assessing what cultural adaptations are made in clinical interactions by clinicians in different settings to ensure appropriate communication with diverse populations
- Assessing the clinical and cost effectiveness of a home-based exercise intervention for older people with frailty as extended rehabilitation following acute illness or injury, including embedded process evaluation
- Evaluating the psychometric properties of new measures of responding to distressing voices and other people
- Comparing early vocational rehabilitation with usual care for stroke survivors: an individually randomised controlled multi-centre pragmatic trial with embedded economic and process evaluations
- Measuring Experiences of Restrictiveness in Secure Forensic Psychiatric Care: Developing a Scale.
- Designing a series of stress management interventions, co-designed by NHS employees, to reduce sickness absence in NHS Trusts.
- Evaluating the effects of the novel GLP1 analogue, liraglutide, in patients with Alzheimer's disease.
- Assessing what type of treatment is best for a rotator cuff injury, 6 physiotherapy sessions or one best-practice advice session with a physiotherapist. The trial will also test whether getting a steroid injection in the shoulder joint before starting either regime helps.

Complaints, Compliments and Patient Advice and Liaison Service Enquiries

The table below summarises the activity for the year for complaints, PALS and MP enquiries.

	Complaints	PALS	MP enquiries
2018/19	**75**	**2608**	**17**
2017/18	**75**	**2728**	**25**
2016/17	**157**	**2724**	**11**
2015/16	**146**	**1741**	**13**
2014/15	**147**	**1310**	**33**
2013/14	**113**	**1329**	**42**

The chart below shows the number of PALS enquiries and formal complaints by year.



Comparison to previous years

Complaints

During the year 2018/19 we received 75 recorded complaints which is exactly the same number as 2017/18

PALS enquiries

During the year 2018/19 we received a total of 2,608 PALS enquiries registered which is a decrease of 120 (4.3%) from 2017/18.

MP Enquiries

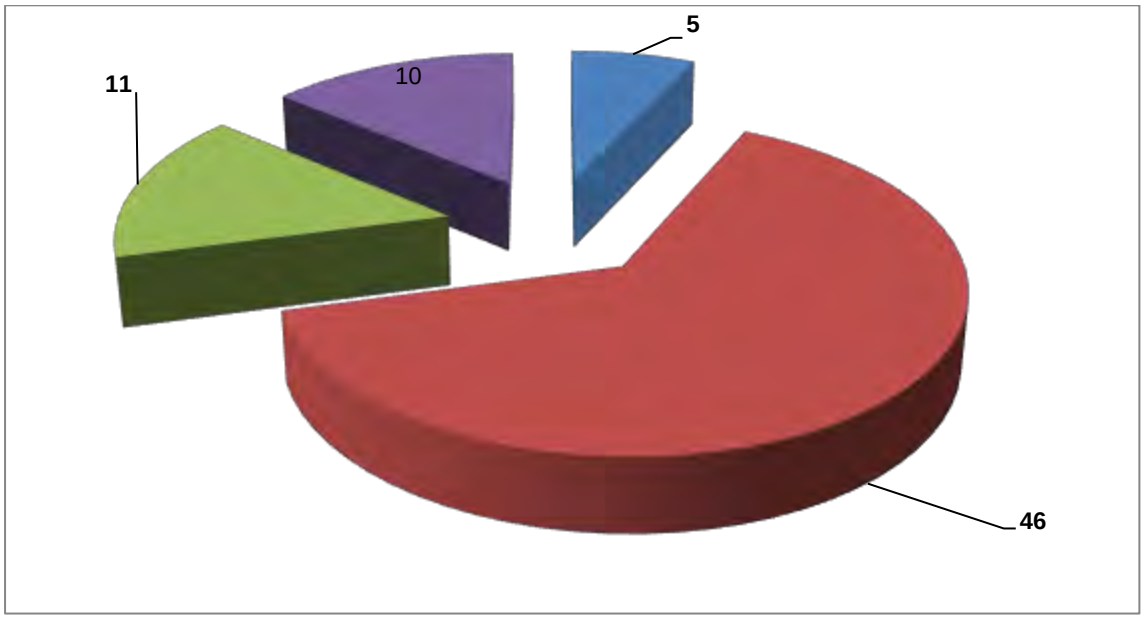
During the year 2018/19 there have been a total of 17 MPs enquiries registered, which is a decrease of 8 (32%) from 2017/18

Analysis of complaints and action taken

The Trust receives a comparatively small number of complaints given the significant number of patient contacts that our staff have over a year. Patient satisfaction rates from surveys and other sources remain very high but the Trust takes very seriously all formal complaints received and looks to act on areas of concern identified both in individual investigations and where trends or concerns are suggested about services.

Numbers of complaints and PALS received remained very similar this year compared to last year. All complaints were subject to detailed investigation and a local and organisational level action plan was developed.

Of the 75 complaints received, 46 were partially upheld, 5 were fully upheld, 11 not upheld and 10 are on-going. One was withdrawn, one transferred to be dealt with as a Serious Incident and the final one investigated as an MP complaint.



The Trust received notification from the Parliamentary and Health Service Ombudsman (PHSO) that 4 complainants wished to have their complaint independently reviewed. The details of the complaints are as follows:

Cases Still Under Investigation by the Ombudsman

There are currently **four** cases with the PHSO for independent review.

Cases currently being assessed or under investigation;

Ms H complaining about the care and treatment she received between June and December 2016. In particular about the failure to implement the findings of the

psychology assessment undertaken in July 2016, inadequate risk assessment and risk management, failures in care planning and inappropriate discharge. The Trust has sent all information to the Ombudsman for their investigation. 25/10/2018: Request for further information received and actioned.

Miss S has referred her complaint to the PHSO and they have notified us of their intention to consider this for independent review. However, they have not informed us of the nature of the concerns. The Trust has sent all the requested information to the Ombudsman for their investigation and we await further correspondence.

Mr D has referred his complaint to the PHSO and they have informed us of their intention to review this case in the first instance. However, they have not informed us of the nature of the concerns. The Trust has sent all the requested information to the Ombudsman and we await further correspondence.

Ms L has referred her complaint to the PHSO and they have notified us of their intention to review the information as provided by her in the first instance. However, they have not informed us of the nature of the concerns. We await further correspondence.

Cases Closed by the Ombudsman - Partly Upheld

Mrs C, complained on behalf of her deceased daughter (the patient) regarding the lack of availability of district nurses and that on 7 May 2015 it took over two hours for a district nurse to arrive to give an injection, despite her daughter being in considerable pain. On 25 May the family needed a district nurse again, but as they were advised it would take two hours for one to arrive, they took patient to the local MIU instead. On 26 May the district nurse advised the family that she would go back to the surgery and arrange for patient to be admitted to MPH, however later she then told the family it would be quicker if they rang 999 for an ambulance. The Trust has sent all information to the Ombudsman for their investigation. 15/10/2018: Up-date from the PHSO – Final decision that they will **partially uphold** this complaint.

PHSO Recommendations:

- SOMPAR prepares a response to the PHSO that:
- Describes what it has done and / or plans to do to ensure that the organisation, and the individuals involved, have learnt the lessons from the failings identified by this ‘Partly Upheld’ complaint; and
- Details what the Trust has done, and / or plans to do, including timescales, to avoid a recurrence of these failings including how this will be evidenced.
- A letter of apology requested by the PHSO re this case – went out to the complainant in November 2018.
- 07 January 2019: Confirmation from the PHSO that the case is closed and they are satisfied the Trust has completed the required recommendations.
- On Tuesday 5 February 2019 a final resolution meeting was held with the family.

Mr E, the brother of a deceased female patient has referred his complaint for

independent review regarding the discharge from community hospital to residential care. Also about the refusal of staff to provide him with a copy of his sister's care plan. He has stated that Trust nursing staff acted inappropriately in their interactions with him and accused him of being aggressive and threatening. The Trust has sent all the requested information to the Ombudsman for their investigation and we await further correspondence. 5/12/2018: Final decision that they will **partially uphold** this complaint.

PHSO Recommendations:

- Within four weeks, the Trust should apologise for the distress caused to Mr E for recording he was threatening to staff. Completed on 4 February 2019.
- Also, it should add an addendum to their records to reflect that Mr E was not threatening to staff. Completed on 1 February 2019.
- 5 February 2019 – The PHSO have confirmed they are satisfied and the case closed.

Consultation, Patient and Public Involvement Activities including Scrutiny Committees

Listening to our patients and their families is at the heart of all we do. We strive to provide the best care and treatment for our patients and hearing their stories is the best way for us to learn what is going well – and what can be improved.

The Trust has a variety of approaches to listening and learning from our patients, their families and carers: through the Friends and Family Test, PALS, social media, patient and carer groups, voluntary and community groups, surveys and research, engagement events and also through compliments letters and complaints.

Consultations

The Trust has not undertaken any formal consultations during the year.

Scrutiny Committees

During the year the Trust presented to the Scrutiny for Polices, Adults and Health Committee of Somerset County Council about staffing pressures in community hospitals.

Engagement activity

Patient and Public Involvement (PPI)

During 2018-19 we developed our patient involvement work through our PPI Action Plan which encompasses the three domains which underpin our PPI Strategy: involvement at an individual, service and organisational level.

This Action Plan is monitored by our Patient and Public Involvement Group, which comprises Trust staff, Governors, voluntary sector representatives and representatives

from Somerset Healthwatch. The PPI Group reports quarterly to the Council of Governors.

The Trust Patient and Public Involvement Best Practice Group meet quarterly and each service and division has completed a six-monthly 'PPI Workbook', compiling all their patient feedback into one document in order to capture learning and PPI activities.

Stakeholder Engagement Strategy

During the year the Trust has developed a Stakeholder Engagement Strategy and Charter with patient, carers and Governors. This is underpinned by the following aims:

1. TO ENGAGE: We will engage and build relationships with our local community.
2. TO COMMUNICATE: To ensure that our stakeholders are regularly updated about everything significant we do and we listen to what they tell us.
3. TO INVOLVE: To involve stakeholders at all levels of the Trust, and to listen and learn from what local people have to say about our services before change is made or decisions are taken.

Governors

As an NHS foundation trust we also rely on our membership and our Governors to ensure that the voice of the patient and the public is heard throughout our organisation. Governors are encouraged to engage with their constituents – local people – and their feedback is reported to our Patient and Public Involvement Group, which reports to the Board, as well as the Council of Governors. During the year, patients and carers have given talks to the Council of Governors about their experiences of our services.

The Governors' views were sought on the Quality Priorities for the year and local Healthwatch were also asked to provide comment. They have also been an essential partner in developing our approach and decisions relating to developing our alliance with Taunton and Somerset NHS Foundation Trust.

League of Friends' Forum

The Friends' Forum was held twice during the year to invite all the Leagues to come together and share news and ideas. The Leagues of Friends continue to support the work of their local community hospitals and local communities through voluntary fundraising for equipment, rehabilitation aids and research.

Engagement with Healthwatch

We have engaged with Healthwatch Somerset during the year by keeping them informed of service developments, in particular any impacts on local communities due to temporary ward closures in community hospitals. Healthwatch Somerset worked with the Trust to develop criteria for the planning of temporary winter inpatient bed closures.

We have also held regular meetings with Healthwatch Somerset to discuss progress against our quality priorities. A representative from Healthwatch Somerset also sits on our Patient and Public Involvement Group.

We have supported Healthwatch's annual priorities by providing information about their key work areas including Health Visiting and community hospitals. We have also welcomed Healthwatch Somerset to our Minor Injuries Units to carry out a series of 'roadshow' events to gather patient feedback for their NHS 111 project. Healthwatch Somerset's 'Readers' Panel' has helped the Trust develop new patient leaflets.

> *"The staff were really lovely and shared their experiences of using services locally. It was an ideal location as we set up a little table just to the left hand side of the door as you come in. People who were waiting were more than happy to talk to us." - Healthwatch Somerset Manager*

New Support for Patients and Carers

Carers' Posters

The Trust's Triangle of Care Steering Group comprises carers who drive the Trust's Triangle of Care work programme. Part of the work undertaken with carers during the year has been the development of confidentiality guidelines and posters for services to display.

Care Opinion

The Trust has expanded its involvement with patients via the independent website Care Opinion. We have included information about Care Opinion on appointment letters and have increased the number of frontline and clinical staff who personally responds to patient stories that are posted on the site.

184 stories have been told by patients during the year on Care Opinion. Trust staff have responded to all stories posted on the website during the year. The infographic below shows the issues that were raised by patients over the year.

Patient Experience Collaborative with Northumbria NHS Trust (inpatient survey)

The Trust has worked with a team of staff from Musgrove Park Hospital in a new project collaborating with Northumbria NHS Trust and 11 other Trusts across the country to use 'real-time' measurement of patient experience through an inpatient survey. The Trust undertook this survey in Minehead Community Hospital and Rydon Ward in Taunton. Patients were asked a range of questions about their care, with a range of questions including cleanliness, noise at night and the caring attitude of staff. Patient comments were also collected. This information is shared with the ward staff as soon as possible ("real-time feedback").

As a result of this patient feedback, changes were made to the ward environment (individual bins and menus on display in Rydon ward) and improvements were measured in relation to the ward environment at night-times.

> *"The real-time surveys have been a great snapshot of what is happening on the ward."- Ward manager*

The new Rapid Response Service in Somerset

This new service has been established to help patients stay at home with appropriate support and avoid a hospital discharge; this service works with the voluntary sector to help support patients and carers in their own home.

> *"This service allowed my mum to stay at home with her family during her final illness." – Carer, Rapid Response Service*

The Intensive Dementia Support Service has been rolled out across Somerset, providing individual support for patients and carers in their own homes in order to avoid disruptive inpatient stays.

> *"Thank you from all of us to you and your colleagues in IDSS for helping Dad and making sure that the last weeks of his life were as good as they could be and for the considerable support that you offered Mum and I. Your kindness will not be forgotten." – Carer, Intensive Dementia Support Service*

Service Improvements following Patient Survey Results/Comments/CQC Results

Patient feedback is central to our service planning and service improvements. Service feedback comes via comments received by our Patient Advice and Liaison Service, the Friends and Family Test and other patient involvement work.

We also use learning from patient surveys and patient experience benchmarking, driven by national programmes and also our own audit and survey programmes. This includes our annual community mental health patient survey.

Each service has its own record of patient and public feedback and how it uses this to improve services. A few examples are described below.

The Somerset-Wide Sexual Health Service SWISH has opened more clinics in Yeovil, increased the number of sit-and-wait clinics and improved online booking services.

Mental Health services have established a Patient Participation Service which has had a significant impact on patient involvement within these and other services. Patients now sit on recruitment panels and are involved in service developments, including developing 'Letters of hope' which are positive messages of affirmation for people who are struggling with their mental health.

The Adult Speech and Language service developed a trans-inclusive and patient-friendly care plan with service users.

The Dietetics service has rolled out webinars for more patient groups, following the positive feedback about webinars for patients with coeliac disease. As a result of this work, the Gastro team have received national recognition in the Chief Allied Health Professions Officer Awards 2018**.**

Children and Adolescent Mental Health Services (CAMHS) have worked with patients to produce an 'About me' briefing for patients, which introduces the staff member to the patient in an informal way. This followed the feedback from young people about how anxious they were before an assessment. The 'About me' includes a picture of the clinician and some informal information about them which a young person can read before their assessment.

Patient Led Assessment of the Care Environment (PLACE)

Patient Led Assessment of the Care Environment (PLACE) is an assessment process of the care environment which the former Health and Social Care Information Centre (HSCIC) now NHS Digital provides a framework for inspecting standards to demonstrate how well individual healthcare organisations are performing in key areas. The PLACE inspection process examines the following criteria within each inpatient site:

Cleaning
Ward Food
Privacy Dignity & Wellbeing
Condition Appearance & Maintenance
Dementia
Disability

Patient's representatives are key to this assessment process. At least 50% of the team involved in undertaking assessments must meet the definition of a 'patient' as follows 'anyone whose relationship with the hospital is as a user rather than a provider of services'.

The Assessment

The assessment period was from March 2018 to May 2018 when all sites comprising of ten or more beds undertook an assessment using the standard assessment forms provided by the NHS Digital. Trusts were able to determine the date(s) on which to undertake assessment.

Overall PLACE Inspection Results 2018 table

The table below details the Trust scores across the main inspection criteria in previous year 2017 and the current year 2018 comparing the current year's results with the current national averages for 2108.

	Cleanliness %	Ward Food % (only)	Privacy, Dignity and Wellbeing %	Condition Appearance & Maintenance %	Dementia %	Disability %
Somerset Partnership Scores 2018	99.93	95.51	90.98	98.81	89.5	93.87
Somerset Partnership Scores 2017	99.73	95.34	90.72	97.45	87.11	90.93
National Average Scores 2018	98.50	91.00	84.20	94.30	78.90	84.20
Variance 2018	1.43	4.51	6.78	4.51	10.6	9.67

Results Summary

Cleanliness

All the hospitals scored above the National average, which reflects the considerable efforts of all staff that ensure a clean care environment, is maintained. These scores reflect particularly positively on the work of Housekeepers, Assistant Housekeepers and Service Assistants as they predominately, although not exclusively, deliver environmental cleaning.

Thirteen sites achieved 100% cleanliness score and three hospitals Williton, West Mendip and Wincanton were less than 1% below 100%. Elements falling below standard on Williton, West Mendip and Wincanton have been identified in the Action plan and will be rectified.

Food

In summary there are fifteen hospitals and wards where the food is above the National average with only two hospitals where the food scores fell below the National average.

The inspection results are the assessment team's interpretation of the food standards at the time of inspection. The inspection process involves different groups of Patient Assessors for many of the hospitals and therefore the results can differ as the assessments are subjective by nature.

The vast majority of the dishes tasted were scored Good and some Very Good. Dishes tasted during the inspection where the scores are Acceptable and Poor are being reviewed as part of the Action plan.

All patient assessors stated when questioned that they would be more than happy to eat the food and on the assessment day at all the hospitals.

All the hot meals are sourced from the same contractor so therefore prepared in an identical way making it difficult to interpret the variation in scoring other than it is subjective and differing assessment team member for each inspection.

There have been no formal complaints surrounding food in the 12 months prior to the inspection. The six monthly Meal Observations undertaken by the Facilities managers provide positive meal time feedback reported via the Facilities Governance group.

Privacy, Dignity and Wellbeing

All results for Privacy, Dignity and Wellbeing other than Holford ward and Crewkerne scored above the National average. Elements falling below standard on Holford ward have been identified in the Action plan and will be rectified.

Condition, appearance and maintenance

All results for Condition, Appearance and Maintenance other than Rowan Ward scored above the National average. Elements falling below standard for Rowan ward have been identified in the Action plan and will be rectified.

Dementia

All results for Dementia are above the National average. Elements falling below standard have been identified in the Action plan and will be rectified.

Disability

All results for Disability are above the National average.

Local Action Plans

Local action plans have been developed for Estates and Facilities managers, Matrons and Ward Managers. The plans detail the improvements that are required to improve the scores for the PLACE inspection for next year.

The Action plans provide details of how non-compliance issues are to be rectified. The Action plans also identify who is responsible for improving the standards and rectifying the issues.

The completion of the Action plans will be monitored at monthly meetings between Facilities Managers and Estates Managers who formally report to the Estates & Facilities Governance meetings. This report will form part of the Facilities Managers report to the group. This report if required can be provided to other Governance groups for final scrutiny and assurance purposes.

How to Become a Member of the Trust

Anyone aged 12 years or over, living anywhere in England or Wales, can join us as a Member. You can sign up online https://secure.membra.co.uk/SomersetApplicationForm/ or write, phone or email the Membership Office to have a Freepost form sent to you. There is no charge to become a member.

We welcome suggestions from members for topics which they would find of interest, or other types of event they would like us to arrange.

There are also web pages for members on the Trust's website, and governors are happy to accept invitations to talk to community groups with an interest in local health services.

Details of meetings and events can be found on the Trust's website.

Membership Office Tel: **01278 432167**

Email: foundationtrust@sompar.nhs.uk

Somerset Partnership NHS Foundation Trust
2nd Floor Mallard Court, Express Park, Bristol Road
Bridgwater, Somerset TA6 4RN

Tel: 01278 432000 Fax: 01278 432099

Email: foundationtrust@sompar.nhs.uk

Website: www.sompar.nhs.uk

Trust Board Contact Details

All Board members can be contacted at the above address.

Telephone numbers:

Chairman, Chief Executive and Non-Executive Directors	01278 432094
Chief Operating Officer (Mental Health and Community Services)	01278 432163
Chief Operating Officer (Acute Hospital Services)	01823 343411
Chief Nurse	01823 342498
Director of Finance	01823 342512
Chief Medical Officer	01823 342442
Director of Governance and Corporate Development	01278 432084
Director of People and Organisational Development	01278 432076
Director of Strategic Development and Improvement	01823 342527
Secretary to the Trust	01278 432073

A register of interests of the Trust Board and Council of Governors is available upon request from the Secretary to the Trust, who can also provide a copy of the Scheme of Delegation. The Registers of Interests are also available on the internet www.sompar.nhs.uk as part of the Board and Council of Governors' meeting papers.

Council of Governors Contact Details

Governors can be contacted via the Membership Support Office:

Tel: **01278 432167**
email: governors@sompar.nhs.uk

or write care of the address above.

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

Somerset Partnership NHS Foundation Trust is committed to providing high quality services in environments which are safe and secure for patients, visitors and staff.

The Board and I are committed to providing the resources and support systems necessary to deliver the Risk Management Strategy and Policy and to ensure that action is taken to address all identified risks which are assessed as unacceptable to the organisation.

The Trust has established a Quality and Performance Committee. The Director of Governance and Corporate Development has held executive level responsibility for risk management and is a member of the Quality and Performance Committee and attends all Audit Committee meetings.

The Trust's Risk and Compliance Manager has had operational lead for developing the Risk Management Strategy and Policy, working with the Head of Corporate Business, and undertakes training and support sessions for managers, teams and staff in relation to risk assessment and risk management.

Risk management awareness training is available to the Trust Board and senior managers and the Trust's Risk Management Strategy and Policy is published on the Trust's website which is available to all staff.

The Trust is committed to the sharing of good practice and learning from incidents, complaints and patient feedback and it does this through:

- individual appraisal and personal development planning for all staff
- policies that encourage reporting and investigation of adverse incidents, near misses and complaints
- root cause analysis of incidents
- clinical and non-clinical audit
- feedback on learning and good practice through a range of communications media, including the Trust staff newsletter, the Trust intranet, Best Practice Groups, Away Days and team and service meetings

The risk and control framework

The idea of 'integrated governance' in the NHS combines the principles of corporate and financial accountability with clinical and management accountability and it moves towards a single risk management process which covers all the Trust's objectives, supported by a co-ordinated approach to collecting and analysing information about performance and risk.

For Somerset Partnership NHS Foundation Trust, the Board of Directors is responsible for overseeing the Trust's integrated governance programme. It delegates key duties and functions to its sub-committees. There are four key committees within the structure that provide assurance to the Board of Directors. These are:

- Audit Committee
- Quality and Performance Committee
- Finance and Investment Committee
- Mental Health Legislation Committee

During the year the Trust also established the People Committee as a committee in common with Taunton and Somerset NHS Foundation Trust to oversee the implementation of the joint People Strategy approved by the two trusts.

There are a range of mechanisms available to these committees to gain assurance that our systems are robust and effective. These include using internal and external audit, peer review, external inspection and review, management reporting and clinical audit.

The Board of Directors receives regular reports from its sub committees on business covered, risks identified and actions taken. The minutes of each committee meeting are presented to the Board and reporting to the Board is based on the principle of exception reporting.

The **Audit Committee** provides objective assurance to the Board and management as to the adequacy and effectiveness of the organisation's risk management. The Committee is required to discharge a number of statutory duties and assists the

Board with its responsibilities to strengthen and improve the risk management and controls framework. The Audit Committee considers the findings and recommendations of internal and external audit reports, counter fraud reports and monitors the Trust's Assurance Framework.

Membership of the Audit Committee comprises four Non-Executive Directors.

The **Quality and Performance Committee** co-ordinates the individual operational strategies of the Trust to provide assurance to the Board in relation to the quality of the services it provides. The Committee receives reports covering three areas:

- risk, performance and quality assurance (including the Corporate Risk Register and Assurance Framework and quality and performance dashboards);
- external reports and reviews (including CQC, PHSO, internal and external audit, relevant national and regional reports);
- exception reporting from governance groups in relation to quality performance, based on identified key performance indicators.

The Quality and Performance Committee triangulates performance information with clinical governance (patient safety, clinical effectiveness and patient experience) and workforce data to provide oversight of the quality of trust services. The Committee oversees the Trust's Corporate Risk Register and will monitor progress against action plans to mitigate identified risks upon the register.

Membership of the Quality and Performance Committee comprises four Non-Executive Directors, two of which are also members of the Audit Committee, together with the Chief Nurse, Chief Medical Officer, both Chief Operating Officers, the Director of People and OD and the Director of Governance and Corporate Development.

During 2018/19, as part of the integration process with Taunton and Somerset NHS Foundation Trust, the Quality and Performance Committee has met in common with the Taunton and Somerset NHS Foundation Trust Governance and Quality Committee to review areas of risk for both organisations and for the prospective merged trust.

The Quality and Performance Committee reviews the corporate risk register and the integration risk register bi-monthly and every six months has also reviewed risks at a directorate level. The Committee also receives bi-monthly:

- Care Quality Commission Insight reports
- Quality and Performance exception reports and divisional dashboards
- Safer staffing dashboards
- Serious Incident Review Group minutes and tracker report
- Mortality surveillance and learning from deaths reports
- Exception reports from the Quality Assurance Group for any high risk themes or topics which are assessed as amber or below for compliance over the year

- RIDDOR reports
- Inquest reviews

The Committee also receives external reports impacting on patient safety, quality and colleague wellbeing.

Every other month the Committee also receives in-depth reports on areas of risk identified from these reports, setting out areas of risk identified, actions being taken to address and mitigate the risks and determines areas for which further assurance is required.

Issue and risks may be referred to the Audit Committee to request additional external assurance. The Quality and Performance Committee monitors all reports on Care Quality Commission inspections of the Trust services and any action plans arising from them; all reports of investigations undertaken by the Parliamentary and Health Service Ombudsman, the Information Commissioner, HM Coroner and the Health and Safety Executive and all action plans arising from them.

The **Finance and Investment Committee** acts in an advisory capacity to the Board. It comprises four Non-Executive Directors, the Director of Finance, the Deputy Director of Finance, the Associate Director of Estates and Facilities and the Head of IM&T. The Committee focuses on the delivery by the Trust of its key financial targets, its management of capital and investment, including the IM&T and Estates strategies.

The **Mental Health Legislation Committee** focuses on compliance and monitoring of the Trust's approach to Mental Health Legislation, including the Mental Health Act, Mental Capacity Act and Deprivation. The Committee comprises two Non Executive Directors, the Medical Director (Mental Health), the Chief Operating Officer, the Director of Governance and Corporate Development, the Deputy Service Director for Mental Health and Learning Disabilities and the Mental Health Legislation Co-ordinator. Representatives from Somerset County Council and from the Care Quality Commission also attend the meetings.

The **People Committee** was established as a committee in common with Taunton and Somerset NHS Foundation Trust to oversee the development and delivery of the joint People Strategy, approved by both trust boards in May 2018. The Committee monitors development and performance against the core objectives of the policy relating to colleague engagement; leadership; learning and development and workforce planning. The Committee comprises non-executive directors from both trusts; the Director of People and Organisational Development and other executive directors. Freedom to Speak Up Guardians; staff governors and staff side representatives also attend the meeting.

The Trust's Risk Management Strategy and the Risk Management Policy sets out responsibilities for all staff in relation to risk identification, risk assessment, risk management and risk handling.

The Trust's overall risk identification and management process represents a four stranded approach:

- a top down process, beginning with the Trust's strategic objectives and the Annual Operating Plan, which identifies the strategic risks to the Trust in achieving its plans and in remaining a viable organisation;
- a subjective process, emanating from the Board, its Committees and the supporting governance groups, in which process risks are identified and fed into the Board Assurance Framework if organisationally threatening;
- an objective process, emanating from internal and external audit of our processes and procedures; and
- a bottom up process, initiated by staff and team meetings, in which local risks are identified and recorded within directorate risk registers and escalated to the Corporate Risk Register in line with the Risk Management Policy.

All risks are assessed using a 5x5 likelihood v consequence matrix.

The Trust has developed a risk appetite that ensures that risks are considered in terms of both opportunities and threats. It is also influenced by the strategic objectives set by the Trust, individual programmes of work and the delivery of operational, quality and performance objectives across divisions, as well as the organisational and system changes identified above.

In line with the Trust's Risk Management Policy, we will, where necessary, tolerate overall levels of risk that are classified as moderate (12 or lower on the risk assessment matrix) where action is not cost effective or reasonably practicable.

The Trust will not normally accept levels of risk rated high (red) which are scored between 15 and 25, using the Trust's risk assessment matrix. The Trust ensures that plans are put into place to lower the level of risk whenever a high risk has been identified and the target risk (risk appetite) for each risk is recorded on risk registers and will regularly monitor the effectiveness of actions to achieve this.

Risks assessed as 'low' represent the lowest levels of threat and actions are limited to contingency planning rather than active risk management action. Such risks were recorded on local risk registers and their level monitored as part of local risk register review activities such as team and directorate meetings.

Risks assessed as 'moderate' represent moderate levels of opportunity/threat which may have a short-term impact on organisational objectives. Risks in this category are recorded onto directorate/divisional risk registers along with supporting action plans for risk treatment. All risks have been subject to ongoing review and monitoring via directorate and specific governance group meetings together with the status of controls in place and risk treatment.

A significant risk is defined as any risk which has been identified as being potentially damaging to the organisation's objectives. Significant risks are those assessed as having a risk rating of 15 or above. Risks rated at 15 and above are incorporated within the Trust's Corporate Risk Register and were subject to review and scrutiny at the bi-monthly meetings of the Quality and Performance Committee.

The Trust has had an Assurance Framework in place throughout 2018/19. The Assurance Framework is designed to provide the Trust with a method for the effective and focused management of the principal risks which may impact on the achievement of objectives.

The Assurance Framework is linked to the Trust's strategic aims and objectives.

The highest risks to the Trust were cross-referenced with the Assurance Framework. The Assurance Framework was reviewed by the Audit Committee at every meeting and issues of concern escalated to the Board.

The highest risks to the Trust are available for detailed scrutiny to both internal and external auditors. Action plans for the management of risks have been developed and monitored through identified governance groups and overseen by the Audit Committee and the Board.

The Quality and Performance Committee reviews quarterly the levels of risk identified and the controls in place to manage them.

During 2018/19, as part of the integration work with Taunton and Somerset NHS Foundation Trust, the Trust has reviewed its risk register format to align those between the two trusts and also developed an aligned Board Assurance Framework, following a development session involving the Trust's external and internal auditors, non-executive and executive directors.

The revised Board Assurance Framework incorporates key performance indicators for the strategic objectives and key actions from the Trust's business action plan to deliver the strategic objectives and address the risks identified.

The Audit Committee reviews quarterly the levels of assurance that the Trust has that the systems of control are effective. A summary of significant risks (managed in year) is provided below:

- **Staffing Pressures** - The Trust has continued to identify risks in a number of services around staffing pressures arising from vacancies, sickness absence and increasing levels of demand. This has led to the temporary closure or reduction of some services. In particular, we had to continue the temporary closure of Magnolia Ward, the Trust's dementia ward for older people in Yeovil, due to significant and sustained staffing pressures. To mitigate this we have extended the community based Independent Dementia Support Service (IDSS) to maintain services for these highly vulnerable patients. It was also necessary to continue to temporarily close two community hospital inpatient wards at Dene Barton and Chard; and, although we were able to re-open the ward at Shepton Mallet, we subsequently had to temporarily close the ward at Wellington Community Hospital to ensure sustained provision of community hospital beds over the winter period in the face of significant staffing issues. An extensive recruitment campaign was maintained during the year, including continued overseas recruitment, but was not sufficiently successful and significant pressures remain. A system-wide Community Hospital Resilience Group was established to the Health Scrutiny Committee during the year.

- **Sustainability and Transformation Plan (STP)** – progress of the development and implementation of the Somerset STP – and the Somerset Clinical Commissioning Group's Fit for My Future programme - has again presented a number of risks for the Trust. The timetable for the engagement and consultation of the programme has slipped during the year which has limited the Trust's options for transformational change to support financial resilience and meaningful service change. Senior members of the Trust, including the Chief Executive, continue to occupy central roles in the STP Programme and the Trust's Chairman has continued in the role of Chair of the STP Somerset System Leadership Board. The delay in development of plans has continued to have an impact on the Trust delivering some of its plans, particularly for mental health services. However, progress has been made to advance these discussions across providers and with commissioners and a firm programme has been developed for delivery in the coming years. As the Trust and Taunton and Somerset NHS Foundation Trust develop our clinical model for the proposed merged organisation, we will continue to ensure that our proposals align with those of the wider STP programme and our objectives for the delivery and sustainability of high quality, effective community health, mental health and learning disability services.

- **Finance** - Although the Trust achieved its control total this year, the system-wide risks in relation to the financial position have also been significant again during the year and the Trust has worked with the CCG, Somerset County Council and partner organisations to manage these risks during the year. The year-end position has been testament to the significant hard work of staff across the organisation to manage these pressures during the year.

- **CAMHS services** - During October 2018 some of the Trust's services were inspected by the Care Quality Commission. The report of the inspection was published in February 2019 and the Trust was found overall to be 'Good'. However, our community Child and Adolescent Mental Health Services (CAMHS) were found to require improvement with four areas of improvement identified, particularly around waiting times for young people to access services in the east of the county and the risk assessment processes supporting those under the care of the services. An action plan to address those issues has been developed and shared with the Care Quality Commission and implementation is monitored through the Quality and Performance Committee.

NHS Resolution handles negligence claims made against the Trust and works to improve risk management practices in the NHS.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. There are structured processes in place for incident reporting, and the investigation of Serious Incidents. The Trust Board, through the risk management policy and incident reporting policy, promotes open and honest reporting of incidents, risks and hazards.

The Trust has a positive culture of reporting incidents enhanced by accessible online reporting systems available across the Trust. All patient related incidents which have resulted in harm as well as 'near miss' incidents are reported onto the National Reporting & Learning System (NRLS) to aid national trend analysis of incident data. Twice yearly, the Trust receives a summary of activity benchmarked against that of other, similar organisations. Significant issues are escalated to the Quality and Performance Committee.

Developing Workforce Safeguards

In October 2018 NHSI released 'Developing workforce safeguards – supporting providers to deliver high quality care through effective staffing'. The report made many recommendations and highlighted good practice to support Trusts make evidenced decisions about safe staffing levels across all clinical areas, covering all staffing groups.

The Trust has reviewed the safeguards and recommendations during the year and put in place, along with Taunton and Somerset NHS Foundation Trust, a series of measures to meet these requirements. Central to this is the resourcing principles, aims and plans set out in the joint People Strategy published in May 2018.

We have in place regular reviews of safe staffing for inpatient ward areas with safecare data triangulated against outcomes such as incidents, red flag reports or any harm reported, professional opinion from clinical leaders about current risks or mitigation in all areas. There is a six-monthly report to the Trust Board on safer staffing in inpatient wards and it is planned to extend this to include all clinical professions in the next twelve months.

The Trust does not as yet have a comprehensive workforce plan that extends to all clinical professionals but is working with colleagues and partner organisations through the Local Workforce Action Board to develop this.

Any service changes, skill mix reviews and new roles are subject to a Quality Impact Assessment process that it shared with organisations across the county. Escalation processes are documented at a local level and as part of system-wide escalation needs. Where these issues have continued or increases, these are escalated to the Trusts board and has resulted in the temporary closure of services where the risks are deemed too significant o continue to run the services.

Care Quality Commission

The Trust is registered with the Care Quality Commission (CQC) for the provision of all of its services. During October 2018 the Trust was subject to a routine CQC inspection covering six of our core services.

In addition, all the Trust's adult, children and young people's and older people's mental health inpatient wards were subject to Mental Health Act compliance reviews during the year.

The CQC inspected the following services:

- community child and adolescent mental health services;
- child and adolescent mental health wards;
- long stay/rehabilitation mental health wards for working age adults;
- community based mental health services for older people;
- mental health crisis services and health based places of safety;
- community health inpatient services;

CQC inspectors also conducted a Well Led inspection of the Trust's governance during which they interviewed executive and non-executive members of the Board, Clinical Directors, governors and senior managers.

CQC published its report of this inspection in February 2019.
The Trust achieved an overall rating of 'good" and is rated 'good' for the 'effective', 'caring', responsive' and 'well led' domains and 'requires improvement' for 'safe'

This means that 15 of the Trust's 17 core services continue to be rated as 'good'. Community health inpatient services and our long stay/rehabilitation mental health ward for adults of working age were rated as outstanding for 'Caring'.

As a consequence of the inspection, the foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

Public engagement with risk management

The Trust involves its key public stakeholders with managing the risks that affect them through the following mechanisms:

- Engagement with HealthWatch Somerset;
- The Council of Governors and Trust members are consulted on key issues and risks as part of the annual operating plan;
- Annual members' meeting;
- Engagement with patient and carer representative groups, including the voluntary sector and Leagues of Friends;
- Involvement with local Patient Participation Groups.

The Trust has an integrated Patient and Public Involvement Group, which is chaired by the lead public governor and comprises governors, executive directors, operational staff, voluntary sector representatives and Healthwatch representatives. The PPI Group provides a quarterly report, including assessment of risks and issues, to the Council of Governors and escalates areas of risk to the Quality and Performance Committee.

During 2018/19 the Trust did not undertake any formal public consultations.

The Trust has an up-to-date register of interests for decision-making staff and will be publishing this, as required by the 'Managing Conflicts of Interest in the NHS' guidance, in 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 all organisations' obligations under equality, diversity and human rights legislation are complied with. The Trust adopted the Equality Delivery System (EDS) when it was first published as its preferred way or reporting its equality information and objectives.

During 2018/19 the Trust reviewed its achievement against EDS2 and submitted a report to the Board on compliance. The Trust's delivery of its equality objectives for 2018/19 was monitored through its Patient and Public Involvement Group and the Board.

All Trust policies are impact assessed in respect of the nine protected characteristics and a tenth characteristic – Learning Disabilities – which the Trust has identified as part of its own strategy.

The foundation trust has undertaken risk assessments and has a sustainable development management plan in place which is being developed to take 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.

Quality Governance is a key element of the overall governance arrangements of the Trust. At the heart of the Trust's commitment to quality is a clearly defined system of quality performance management, and a clear risk management process.

A Quality and Performance Report is presented to the Board at each meeting and highlights the key issues and trends, in relation to the provision of high quality care and patient experience.

The Chief Executive is ultimately accountable for the clinical governance processes in the Trust. During the year, this responsibility was delegated to the Chief Nurse.

The Executive Directors are experienced in NHS settings and the Non-Executive Directors provide independent challenge and bring a range of senior level experience from the commercial and public sectors. They receive independent appraisals conducted by the Chief Executive and Chairman.

The Trust has an integrated structure for monitoring quality and safety including a committee structure which has executive and non-executive representation.

The Board monitors quality through the following processes:

- the monthly quality and performance report;
- the reporting of serious incidents and learning;
- a monthly Quality Assurance Group which was reconstituted during the year to align with the processes in Taunton and Somerset NHS Foundation Trust and focus on compliance with statutory, regulatory and quality standards, reporting exceptions to the Quality and Performance Committee;
- an in-depth review of quality is undertaken on a bi-monthly basis by the Quality and Performance Committee and Trust Board

The Trust has a comprehensive clinical audit work plan covering both national and local audits. An annual review of clinical audits is reported to the Quality and Performance Committee and the outcomes of specific clinical audits considered as a key part of reporting to the Quality Assurance Group.

A framework exists for the management and accountability of data quality.

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

The following key processes are in place to ensure that resources are used economically, efficiently and effectively:

- Scheme of Delegation and Reservation of Powers approved by the Board
- Standing Financial Instructions
- The monitoring of spend in year using budgets and variance analysis against actuals, with regular monthly financial monitoring reports produced for each operational unit or segment. An organisational report is produced monthly and reported to the Board, and discussed and reviewed in detail at the Finance and Investment Committee
- Robust competitive processes used for procuring non-staff expenditure items
- Cost improvement schemes, which are assessed for their impact on quality with local clinical ownership and accountability
- Strict controls on vacancy management and recruitment; and
- Contract monitoring arrangements with key commissioners which provide evidence that key requirements have been delivered.

Staff have a responsibility to identify and assess risk and to take action to ensure controls are in place to reduce and or mitigate risks whilst acknowledging need for economy, efficiency and effectiveness of the use of resources. All budget managers have a responsibility to manage their budgets and systems of internal control effectively and efficiently. These processes are not only reviewed on an ongoing basis by managers themselves but are also examined by internal and external audit as part on their annual plans.

A local counter fraud specialist and procedures are in place for work related to fraud and corruption as required by NHS Protect.

The Trust Board gains assurance from the Finance and Investment Committee in respect of financial and budgetary management across the organisation and the Audit Committee, which receives reports regarding Losses and Special payments and the Write-Off of Bad Debts.

There are a range of internal and external audits that provide further assurance on economy, efficiency and effectiveness, including internal audit reports on creditors, financial reporting and budgetary control and cost improvement programmes.

The Audit Committee receives reports from directors of the Trust as well as internal audit, external audit and the Counter Fraud specialist on the work undertaken to review the Trust's systems of control including economy, efficiency and effectiveness of the use of resources. Action plans are agreed from these reports to improve controls where necessary.

Information Governance

Maintaining the security of the information that the Trust holds provides confidence to patients and employees. To ensure that security is maintained an Executive Director has been identified to undertake the role of Senior Information Risk Owner (SIRO). The SIRO has overseen the implementation of a wide range of measures to protect the data we hold and a review of information flows to underpin the Foundation Trust's information governance assurance statements and its assessment against the data security and protection toolkit. The review against the data security and protection toolkit provides assurance that these aspects are being managed and identified weaknesses addressed.

In March 2019 the Trust submitted its return for the first data security and protection toolkit with an achievement of compliance with all areas of assessment.

During 2018/19, the Trust reported no Level 2 incidents to NHS Digital and the Information Commissioner.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The following steps were put in place during the year to assure the Board that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data:

- The information provided is subject to robust checking and scrutiny through the Trust's governance groups and the Senior Management Team meetings. The information is further integrated and tested by the Quality and Performance Committee and by the Board itself

- The Trust ensures key areas of performance are included within the annual internal audit programme
- Data quality and information governance are reviewed through regular quarterly reports to the Data Security and Protection Group and through Board monitoring of the data security and protection toolkit
- The priorities for the Quality Account were drawn from the Trust's own review of its quality performance and the identification of areas for improvement - whether continuing existing areas or developing new themes from quality issues or feedback. These priorities were discussed with a wide range of people, including representatives of patients and carers and voluntary sector organisations, governors and members of the Trust, senior managers, staff and clinical teams and commissioners and were aligned with those of Taunton and Somerset NHS Foundation Trust.
- This review took into account:
    - National patient safety and patient experience initiatives
    - Patient, carer and public feedback on Trust services
    - Learning from complaints, PALS, incidents and quality reviews
    - Patient surveys and patient satisfaction questionnaires
    - Feedback from Leadership Quality Walkrounds and staff listening events
    - Feedback from external reviews of Trust services
    - Progress on last year's Quality Improvement Plans
    - Feedback on last year's Quality Account
    - Trust strategic objectives and service development plans
- Performance against the priorities is monitored through the Trust's Quality Account Priorities which is reviewed and reported to the Quality and Performance Committee

Governance and leadership

The Trust's integrated governance model uses a full range of corporate, clinical, and information governance assurances to inform the Board in relation to operations and compliance.

As part of the review of governance arrangements during the year, the trust has aligned its reporting processes with Taunton and Somerset NHS Foundation Trust, moving towards formal 'topic-based reporting to the Quality Assurance Group, still supported in-year by governance sub groups for data security and protection, health safety, security and estates and patient and public involvement In addition, each of the four operational divisions within the Trust has their own devolved governance responsibilities and governance groups which report to the Quality Assurance Group. There are also sub groups dedicated to specific topics, such as the Best Practice Groups, which act as a vital part of the clinical audit cycle by bringing together clinical experts and leaders within the Trust to look at setting practice standards,

which are informed by quality and best practice sources and advice, such as NICE guidance etc.

The Trust monitors agreed performance and quality targets in a number of ways. This information is scrutinised by the Board on a monthly basis as part of the Trust's Quality and Performance Reports, and the Finance and Investment Committee and Quality and Performance Committee of the Board scrutinise this information in significant detail, including the triangulation of data.

The Trust monitors quality issues alongside performance through the use of a Trust dashboard which is examined in detail at the Senior Management Team. This examines quality information including performance against CQUIN and local and national quality measures, across the Trust's services. This information is then disseminated to directorate, ward and team level.

The Trust works collaboratively with Somerset Clinical Commissioning Group as the main commissioner of Trust services to set effective and meaningful quality and performance targets and these are regularly monitored in joint quality contract meetings.

The Trust believes that these various levels and methods of leadership and governance relating to governance and quality are effective.
The Trust also consults broadly on the content of its Quality Accounts.

At a corporate level the various audits and quality reports feed into the Trust's assurance framework as forms of assurance against significant risks.

Policies

The Trust has a well-developed system for the formulation, updating, management and dissemination of policies. This process is managed by the Trust's Corporate Governance Team.

Policies go through a clear process. The formulation and update process is led by a named senior manager or senior clinician, who consults with appropriate governance, specialty, managerial and other groups.

In terms of dissemination, all Trust employees are advised to familiarise themselves with all policies and alerts to new or reviewed policies are published on the intranet and highlighted in the staff newsletter. However, there are specific policies which are defined as essential for particular occupational and professional groups. The decision on which policies are allocated to which group is reached between the professional head and the Corporate Governance Team.

The management of policies has again been aligned in year with Taunton and Somerset NHS Foundation Trust and a new policy template and approval process established for 2019/20.

People and skills

The Trust utilises a number of systems to ensure that it has effective staff and skills capability but this has remained an area of challenge for the Trust during the year.

The Trust has a matrix of mandatory and recommended training, and attendance is closely monitored and reported to the Board. This matrix is updated regularly.

The Trust has a system in place for appraisal and the development of Personal Development Plans, which not only identifies learning and development needs related to the Knowledge and Skills Framework for individuals, but on a wider organisational scale, has supported the development of the People Strategy.

The Trust works closely with the universities and professional training bodies to ensure that the correct skills and development are in place for professionals in training who will come to work in the Trust, and those who currently work for the Trust but will require further development. These institutions include the Severn Medical Deanery, Bristol University, the University of the West of England, Plymouth University, Bournemouth University and the Royal College of Psychiatrists and the Royal College of Nursing.

Practice standards are used to identify expected practice and competence requirements for clinicians and those in support roles.

The Trust has identified staffing recruitment and retention as a key risk area during the year and implemented a series of measures to address this. Actions included:

- Regular safer staffing level reports
- Six monthly safer staffing establishment reviews
- Implementation of year one of the People Strategy
- Implementation of the Health and Wellbeing Strategy
- Recruitment and retention plans
- Further review of skill mix and development of new roles
- Full staff survey published in February 2019
- Introduction of regular PULSE surveys for all staff to support greater interactive staff engagement

Data use and reporting

Internal audit provides independent validation.

There are documented data quality procedures and policies, and weekly data quality meetings. Data quality issues are reported to the Data Security and Protection Group, and to the Quality and Performance Committee and Trust Board as appropriate.

The Board has approved the content and derivation of performance dashboard items. The Quality and Performance Committee and the Board regularly reviews how

each dashboard item is calculated and inclusions/exclusions from the calculations to assist with the triangulation of data.

Reports are provided to operational managers at ward and team level for validation.

Review of effectiveness

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

My review is also informed by:

- NHS Improvement Single Oversight Framework
- Care Quality Commission inspection reports
- Internal Audit reports
- External Audit reports
- CQC Insight Reports
- NHSR assessments
- Clinical audits
- Patient and staff surveys; and
- Benchmarking information

The Board is supported by the Quality and Performance Committee, Finance and Investment Committee, Mental Health Legislation Committee, People Committee and Audit Committee who routinely review the Trust's system of internal control and governance framework, together with the Trust's integrated approach to achieving compliance with the Care Quality Commission essential safety and quality standards.

The Assurance Framework provides the Board with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. The Assurance Framework was subject to review and scrutiny at each meeting of the Quality and Performance Committee and Audit Committee, with a quarterly update provided to the Trust Board. The Assurance Framework and Corporate Risk Register were also subject to a positive internal audit review.

The Finance and Investment Committee focus on investigating the progress made in the delivery of financial plans and to undertake an in-depth analysis of financial information.

Clinical Audit is given a high importance. The annual clinical audit plan was agreed by the Quality and Performance Committee and reflects the priorities of the Board of Directors and national best practice, for example, NICE clinical guidelines, national confidential enquiries, NHS frameworks, high level enquiries and other nationally agreed guidance is taken onto account in the context of clinical services provided by the organisation.

Internal audit has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management.

Internal audit identified four areas of high risk as part of the review of trust services in year. The review of Estates included two high risk findings - firstly that there is no formal contractual agreement in place for estates maintenance with Simply Serve and secondly there was limited performance monitoring in place over the service. Actions are in place to formalise the contract and performance monitoring arrangements for 2019/20.

The Non-Medical Prescribing review resulted in a satisfactory with exceptions report, although had 1 individually high risk rated recommendation. This related to instances found of non-medical prescribers having not completed the required training. Actions are in place to improve monitoring and recording of this training.

The review of Grievance and Disciplinary processes resulted in a satisfactory with exceptions report, although had one individually high risk rated recommendation. This recommendation related to there being poor record keeping of evidence in relation to both grievance and disciplinary cases in order to evidence compliance. This is being addressed.

The Head of Internal Audit Opinion was issued for 2018/19 was issued as generally satisfactory with some improvement required. The opinion states:

“Our opinion is based on:

- All audits undertaken during the year.
- Any follow up action taken in respect of audits from previous periods.
- Any significant recommendations not accepted by management and the resulting risks.
- The effects of any significant changes in the organisation’s objectives or systems.
- Any limitations which may have been placed on the scope or resources of internal audit.
- What proportion of the organisation’s audit needs have been covered to date.

Governance, risk management and control in relation to business critical areas are generally satisfactory. However, there are some areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk.

Some improvements are required in those areas to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Conclusion

The Annual Governance review has identified no significant control issues.

Signed……

Chief Executive Date: 23 May 2019

Appendix 1

Somerset Partnership NHS
NHS Foundation Trust

Quality Report 2018/19 incorporating the Quality Account

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A report on the quality of the care we offer
and how we are seeking to improve
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Quality Report 2018/19 – incorporating the Quality Account

PART ONE: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

Somerset Partnership NHS Foundation Trust are passionate about the quality of care that we provide to our patients. Our vision is to work together with all our partners in health and social care in Somerset to improve the health and wellbeing of the people of the county by providing and supporting high quality, effective, physical, specialist, mental health and learning disability services.

This year, maintaining and improving the quality of care we provide to patient across our many services remained our overarching priority, even as, like many NHS providers, we made significant efficiency savings. We believe that our unrelenting focus on patient safety, clinical effectiveness and patient experience has helped to ensure our success.

In October 2018, the Trust underwent a further routine inspection by the Care Quality Commission (CQC), following our inspection in 2017. We were delighted that the CQC again rated our services as Good overall which is further testament to the dedication of our colleagues to their patients. Inspectors remarked specifically on their compassion, kindness and support for patients and how motivated they are to achieve the best outcomes for patients and carers and the pride they take in their work. It was also particularly pleasing that our community inpatient services and our long term mental health rehabilitation ward for adults were rated as Outstanding for Caring.

In addition to setting out where we are doing well, the CQC's inspection report also highlights areas where we have more work to do. The rating for our Community CAMHS (Child and Adult Mental Health Service) was "requires improvement". Our teams have already done an enormous amount of work to improve these services, including bringing waiting times down, which the CQC also recognised in their report and we continue the work to make sure our services are accessible to the young people who need them and provide high quality care.

During 2018/19 we have also further developed our alliance with Taunton and Somerset NHS Foundation Trust which has seen us work increasingly closely as two organisations under a joint executive team and the report which follows will highlight some of the patient benefits which are already occurring. In September 2018 NHS Improvement supported our strategic outline case to proceed towards a potential merger. We believe that this merger will provide the pathway to improved patient care and better integrated services for all of our patients and the population we serve in Somerset and beyond.

The Trust's workforce remains our most important asset and recruiting and retaining a workforce to meet the needs of our patients over the past 12 months has again been our most pressing and difficult challenge. We have continued to look for innovative solutions to help us address the workforce challenges we are facing. However, vacancies in our nursing workforce in particular has meant we have again had to make difficult decisions, including the continued temporary closure of some of our community hospital inpatient wards which remain closed at the time of writing this report.

The commitment of all our teams and colleagues has again been recognised in a number of regional and national awards including for our independent rehabilitation teams, hotel services, volunteers, tissue viability, our support for placement practice and our SPIRAL campaign supporting suicide prevention and improved risk assessment through liaison with families and carers.

We remain committed to ensuring that, in partnership with Taunton and Somerset, this trust can develop a culture which ensures that our colleagues are supported and able to provide the best possible care to our patients, service users and their carers.

The quality of care we provide will continue to be our number one aim through 2019/20. Indeed, it is our central reason for merging with Taunton and Somerset NHS Foundation Trust in the future. I look forward to updating you on our work next year.

PETER LEWIS
Chief Executive

PART TWO: PRIORITIES FOR IMPROVEMENT AND STATEMENT OF ASSURANCE FROM THE BOARD

PRIORITIES FOR IMPROVEMENT 2018/19

In this section we review how we performed against the key priorities we set ourselves last year.

While our aim is always to achieve the continuous quality improvement of all our services, each year we focus on a number of particularly key issues where we think improved quality would make the most difference to our patients. We then agree ways to measure how we have improved these aspects of our care delivery and we ask teams, wards and services to develop plans to make improvements in these areas at a local level.

Here is how we have done.

PRIORITY 1 - IMPROVING UNDERSTANDING AND RECORDING OF CAPACITY AND CONSENT

Why is this important?

The challenges of effectively assessing and recording capacity and consent for patients across community health and mental health services has been highlighted as a national priority and this was identified by the Care Quality Commission as an area for development for us in their report on the inspection of our services in 2017.

During 2017/18 we undertook clinical audits of compliance with our standards for recording capacity and consent. These audits demonstrated some limited progress in the recording of assessments of capacity, particularly within community services but also identified further training and support needs which we are prioritising this year.

What did we want to achieve?

We wanted to:

- Improve compliance standards with the internal audit to be re-taken during 2018/19
- Ensure all eligible staff have completed the appropriate level of training and competency in the Mental Capacity Act

How have we done?

Our safeguarding e-learning package contains a module on the Mental Capacity Act. It is set at two different levels, in line with the competency framework for safeguarding training, and is accompanied by an on-line ‘test your knowledge’ system. We developed plans for the rollout of three levels of Mental Capacity Act training and agreed eligibility criteria for staff to undertake the training.

Actions that we undertook during 2018/19 to improve the way in which we obtain consent to treatment from patients included:

- On admission checking the patient's capacity, and seeking and recording their consent to being admitted for an inpatient stay
- At the initial clinical review, confirming and recording the patient's consent to treatment.
- Ensuring that there is a further review when there are significant changes to the treatment plan, and that the patient's consent is sought and recorded.
- Amending the electronic patient record (RiO) to clarify the recording of capacity and consent.
- Undertaking 'PDSA' (Plan, Do, Study, Act) cycles in relation to changes made and introducing those to the live electronic patient record.
- Undertaking education / awareness raising with staff.
- Auditing compliance with the capacity to consent process.

As at 28 February 2019, compliance in respect of Mental Capacity Act training was 78.5% against a target of 85% and we are on trajectory to achieve our target early in 2019/20.

PRIORITY 2 - REDUCING THE INCIDENCE OF VENOUS THROMBOEMBOLISM (VTE) IN INPATIENTS

Why is this important?

We are committed to providing harm free care to all our patients in line with the NHS 'Patient Safety Thermometer'. In previous Quality Accounts, we have focused on falls and pressure ulcers and reducing the incidence of venous thromboembolism (VTE) in inpatients is a further element of harm free care upon which we have had a particular focus during 2017/18 and 2018/19.

VTE is a condition in which a blood clot (thrombus) forms in a vein. It most commonly occurs in the deep veins of the legs; this is called deep vein thrombosis. The thrombus may dislodge from its site of origin to travel in the blood – a phenomenon called embolism. The consequences of a VTE can be fatal and treatment of non-fatal symptomatic VTE and related long-term morbidities is associated with considerable cost to the health service.

The risk of developing VTE depends on the condition and/or procedure for which the patient is admitted and on any predisposing risk factors (such as age, obesity and concomitant conditions).

What did we want to achieve?

We set ourselves a zero tolerance of avoidable Venous Thromboembolism incidents during the year.

How have we done?

During 2018/19, 97.2% of patients admitted to our community hospitals were assessed for risk of VTE within 24 hours of admission and as at 28 February 2019, the latest data available, there had been no reported incidents of venous thromboembolism since April 2018.

PRIORITY 3 - INCREASING THE SKILL SET OF STAFF WHEN CARING FOR PATIENTS WITH DEMENTIA / COGNITIVE IMPAIRMENT

Why is this important?

Dementia and cognitive impairment are becoming increasingly prevalent as our population ages.

The number of people with dementia is increasing and presents a significant and urgent challenge to health and social care, both in terms of the number of people affected and the associated cost.

- There are approximately 850,000 people with dementia in this country.
- Approximately one in six people over the age of 80 have a form of dementia.
- The number of people with dementia is expected to double within 30 years.
- Whilst dementia is predominantly a condition of later life, there are at least 17,000 people under the age of 65 in the UK who have the illness.

We need to ensure that all of our staff who provide care for patients are appropriately trained and have the necessary skills to deliver the best quality of care to patients with dementia or cognitive impairment.

What did we want to achieve?

We wanted to:

- Increase the percentage of our clinical staff who have Dementia Awareness training.
- Increase the percentage of our clinical staff who have Enhanced Dementia Awareness training.

How have we done?

As at 28 February 2019, 97.9% of our clinical staff had undertaken Dementia awareness training.

PRIORITY 4 - IMPROVING INCIDENT REPORTING

Why is this important?

Safety incidents are any unintended or unexpected incidents which could have, or did, lead to harm for one or more patients, colleagues or visitors to our premises.

Reporting incidents supports us to learn from mistakes – or near misses - and to take action to keep our patients, colleagues and visitors safe.

The Trust has been previously identified as a comparatively low reporter of incidents when benchmarked against similar organisations so during 2018/19, we aimed to improve the reporting of incidents while also reducing the number of incidents involving harm to patients or staff.

What did we want to achieve?

We wanted to:

- Increase the rate of incidents reported per 1000 bed days, for inpatient services, and per 1000 contacts for non-inpatient services.
- For both measures, reduce the proportion of reported incidents which result in harm.

How have we done?

As at 31 January 2019, the latest data available, we had increased the rate of incidents reported per 1,000 bed days for our inpatient services, from 29.0 incidents in 2017/18, to 34.1 incidents per 1,000 occupied bed days in 2018/19.

Our rate of incidents reported per 1,000 contacts for non-inpatient services was 2.3 in 2018/19, compared to 2.4 incidents per 1,000 contacts in 2017/18.

PRIORITY 5 - IMPROVING PERSONALISED CARE PLANNING

Why is this important?

Improving Personalised Care Planning was one of our Quality Account priorities in 2016/17 and 2017/18, and remains an area that those individuals and organisations consulted felt most strongly about.

We continue to monitor the number of patients with care plans and those whose care has been reviewed. Care planning remains a core task carried out to support the delivery of effective care. Feedback through patient and carer groups indicates that effective involvement in personalised care planning is important to them and remains a key focus of concerns.

What did we want to achieve?

We wanted to improve the percentage of patients with care plans (for mental health services these will be measured in line with the Recovery Care Programme Approach), and the percentage of patients whose care plans have been reviewed.

How have we done?

Work we have undertaken during 2018/19 includes:

- Holding a personalised care planning summit, attended by front line staff, managers, clinical leads and lay people (mainly governors)
- Developing a service user testimony video
- Developing a vision and driver diagrams to underpin quality improvement
- Reviewing feedback from PDSA cycles and agreed draft amended care planning template
- Developing a new care plan, which has gone live on our electronic patient record system (RiO)

As at 28 February 2018, 95.4% of all recovery care plans had been reviewed at least annually, based on care co-ordinator contacts.

PRESSURE ULCERATION

The effective provision of care in relation to the prevention of Trust-acquired pressure ulcers is an important aspect of delivering harm free care for all of our patients.

In setting our priorities for 2018/19, we also set ourselves a target to reduce the number of Trust-acquired pressure ulcers in our community hospitals, per 1000 occupied bed days and to reduce the number of Trust-acquired pressure ulcers on our district nursing caseload, per 1000 district nursing contacts.

However, during the year it became apparent that the target and trajectory we had set would not be achievable. In particular, during the period 1 April to 30 September 2018, the rate of Trust-acquired pressure ulcers on the District Nursing caseload, per 1000 contacts was 1.39. This compares to a rate for 2017/18 of 1.18.

Identifying the reasons for the increase in the number of incidents is complicated and there are many factors which are likely to have given rise to the increase, including the increasing complexity / acuity of patients on the caseload, the ageing population, and the time during which patients on the caseload are not seen regularly by a district nurse, which requires that patients / families / carers notify us of pressure ulcer damage at an early stage. However, there is currently no national tool available that enables us to assess acuity, so any such change cannot be demonstrated.

Incidents are assigned to Somerset Partnership for those patients who are on our caseload. This includes patients who do not have frequent contact with our district nursing service, and thus we are reliant in part on families, carers or other services such as social care to inform us of when pressure ulcer damage occurs.

Results from a thematic review undertaken in 2017 indicated that approximately 60% of patients who developed pressure ulcer damage attributable to the Trust were receiving private care provision. A high portion of patients were only being seen by our District Nursing teams on a weekly basis. The review also found that between 40 and 50 of the cases related to patients in the final stages of life, and good evidence of pressure ulcer prevention was found.

It is hard to demonstrate the impact of these and other factors as in many cases we do not have supporting data. An increase in the numbers of reported incidents does appear to coincide with arrangements put in place by the Tissue Viability service to improve the processes for the validation of incidents. Following the implementation of these arrangements, the reported numbers of pressure ulcers and moisture lesions both rose. It has therefore proved difficult to compare meaningfully the number of pressure ulcer incidents between periods, as the enhanced validation processes make it likely that the numbers of incidents could have increased due to improved reporting of those incidents.

For that reason, it is difficult for us reliably to assess progress against the Quality Account priority to effect a reduction in the number of pressure ulcer incidents and the Trust's Quality and Performance Committee therefore took the decision in November 2018 not to continue monitoring against the specific targets identified in last year's Quality Account.

What are we planning to do?

We have completed a thematic review of all Trust acquired 'Grade 3' pressure ulcers within the Community Hospitals, involving the local Leads. This will ensure there is countywide shared learning from these cases and any actions will be incorporated into the Organisational Action Plan and progress will be monitored through the Community Hospitals Best Practice Group.

We are actively recruiting to an Educational Role (secondment) within the Tissue Viability Team. This member of staff will work on a number of areas including the progression of the NHSI Pressure Ulcer Collaborative project within the Community Hospitals, preventative management of pressure ulcers within Community Nursing and developing improved engagement across the health and social care system to improve pressure ulcer prevention across Somerset.

The Trust is involved in the Health Foundation *PROMISE* project (led by Cornwall Partnership NHS Foundation Trust), as an adapter site until May 2020. This project looks at utilising continuous pressure monitoring to work in partnership with patients to develop bespoke strategies to prevent pressure ulcers or improve outcomes of patients that have developed pressure ulcers. Cornwall have reported a number of positive outcomes for patients using this approach.

We have developed a detailed improvement plan which is monitored regularly through the Quality and Performance Committee and we will continue to raise the issues regarding the definition, and perceived attribution, of Healthcare Associated pressure Ulcers within Community Nursing, particularly in relation to the incidences where patients are acknowledged to be making unwise choices, where there is a reliance on other agencies (paid or private) to provide the preventative care, or where patients are seen infrequently by the Community Nursing Team.

PRIORITIES FOR IMPROVEMENT 2019/20

This section sets out how we decided our priorities for improvement for 2019/20.

During 2018/19 we consulted with staff, governors and patient representative groups on our proposals for priorities for quality improvement for 2019/20, based on the key areas from our 'Sign Up to Safety' campaign, our own review of our quality performance and the identification of areas for improvement. This included sharing the priorities with the Council of Governors and members, with Healthwatch Somerset and with staff through our newsletter *Staff News*.

The process also took into account:

- our CQC action plan, drawn from the CQC's Comprehensive Inspection reports;
- national patient safety and patient experience initiatives;
- patient, carer and public feedback on our services;
- learning from complaints, PALS, incidents and quality reviews;
- patient surveys and patient satisfaction questionnaires;
- feedback from Leadership Quality Walkrounds and other staff listening events;
- feedback from other external reviews of our services (Healthwatch, external and internal audit);
- feedback on last year's Quality Account;
- our strategic objectives and service development plans.

Following the consultation exercise the general feedback has been supportive of the overarching approach and of the issues and priorities identified. For 2019/20 these are:

- Delivering parity of esteem between physical and mental health services
- Learning from incidents, complaints and mortality reviews
- Improving the quality of discharge summaries
- Improving sepsis recognition
- Improving implementation of the Rapid Response service
- Developing co-design/user involvement

We will monitor performance against these priorities through our Quality and Performance Report and other reports to the board and Council of Governors and through the Clinical Governance Group and the Serious Incident Requiring Investigation (SIRI) and Mortality Group.

QUALITY ACCOUNT PRIORITIES 2019/20

The table below sets out the currently proposed key performance indicators for inclusion in the 2019/20 corporate balanced scorecard for Somerset Partnership NHS Foundation Trust linked to the Quality Account priorities for that year.

	Priority Area	**Why Is It Important?**	**Performance Improvement Measures**
1.	Delivering parity of esteem between physical and mental health services.	The Health and Social Care Act 2012 created a new legal responsibility for the NHS to deliver 'parity of esteem' between physical and mental health. Parity of esteem means equal access to effective care and treatment; equal efforts to improve the quality of care; equal status within health care education and practice; equally high aspirations for service users; and equal status in the measurement of health outcomes (Royal College of Psychiatrists 2013). In essence, it means valuing mental health equally with physical health. It is also about ending the stigma which stops people with serious mental health problems getting treated with the same vigour as if they had a physical illness such as, say, diabetes. Parity is also about tackling the physical illnesses of people with severe mental health problems. Currently they have the same life expectancy of people who lived in the 1950s – some 10 to 15 years shorter than average. As part of our work as an alliance with [insert other trust], the principle of provide parity of esteem for mental and physical health for children, adults and older adults is at the core of our emerging clinical model, linked to the priorities and investment set out in the NHS Long Term Plan. We will look to improve the early detection and intervention for health risks for people with mental health problems and work with our partners to address the social issues that can lead to poor mental health and wellbeing.	95% of mental health inpatients to receive a physical health assessment within 48 hours of admission

	Priority Area	Why Is It Important?	Performance Improvement Measures
2.	Learning from incidents, complaints and mortality reviews.	When things go wrong in care, it is vital that we investigate the circumstances to ensure learning can take place. By learning, we mean people working out what has gone wrong and why it has gone wrong, so that effective and sustainable actions are then taken locally and across the trust and other agencies to reduce the risk of similar things happening again.	Percentage of actions agreed as a result of incidents, complaints and mortality reviews which have been implemented.
3.	Improving the quality of discharge summaries	The impact of poor quality documentation is hard to quantify, but it has a significant impact on patient care. Good discharge summaries facilitate continuity between secondary and primary care and are essential for safe transitions from hospital to home and good continuity of care. The NHS has produced a range of guidance on different aspects of discharge summaries, including key content and timeliness requirements relating to specific parts of the discharge pathway and conditions. For 2019/20, the Trust plans to focus on the quality of the information included in the discharge summary in addition to the timeliness. An audit and measurement programme will be developed, based on Royal College of Physicians guidelines, to identify key quality issues and inform the development of an improvement plan. The Trust will explore a range of potential improvement ideas, including further development of digital solutions already in place.	90% of discharge summaries to conform to Royal College of Physicians criteria for discharge letters
4.	Improving sepsis recognition.	Sepsis is a leading cause of death in the United Kingdom with a reported 44,000 cases every year. The successful management of sepsis requires prompt recognition; appropriate interventions to identify and control the micro-organisms; restore oxygen delivery to tissues; appropriate escalation and decisive medical management within the first hour of a sepsis flag being identified.	Percentage of emergency patients screened for sepsis Neutropenic Sepsis – percentage of patients receiving antibiotics within 60 minutes

	Priority Area	Why Is It Important?	Performance Improvement Measures
5.	Improving implementation of the Rapid Response service.	The new Somerset Rapid Response Service (RRS) was commissioned by the Somerset A&E Delivery Board. This is in response to rising annual levels of emergency admissions to its acute hospitals, and presentations to A&E departments. This compromises the ability of local acute trusts to deliver national standards for referral to treatment times and meet the needs of those patients most in need of inpatient care. This new service is one of the initiatives introduced to help reduce the pressure on the system by reducing the number of admissions, and was seen as a priority to establish by the winter of 2018/19. The service targets patients who have had a fall, a loss of mobility or who are unwell (for example, with a urinary tract infection), but do not need acute medical investigation or treatment. Without additional support at home by RRS such patients would need to be admitted to hospital.	Rapid Response: at least 80% of referrals received should not result in admission to an acute hospital.
6.	Developing co-design/user involvement.	Patients and the public are at the heart of everything we do. The NHS Constitution states that 'You have the right to be involved, directly or through representatives, in the planning of healthcare services commissioned by NHS bodies, the development and consideration of proposals for changes in the way those services are provided, and in decisions to be made affecting the operation of those services'. We believe that by listening to people who use and care about services we can understand their health needs better and focus on, and respond to, what matters to them. People are realistic about what the service can and cannot offer if they are engaged in the right way. But, as we lead service changes, engaging with the public can feel difficult, especially when potentially unpopular decisions need to be made. Therefore comprehensive engagement and involvement is critical.	All service improvement groups / new service implementation groups to have patient / service user / carer involvement.

Performance against the quality account priorities will be monitored by the Board through the Business Action Plan section of the Trust's Assurance Framework and through directorate and topic reporting programmes through the Integrated Quality Assurance Board. Regular reports will also be provided to the Strategy and Planning Working Group of the Council of Governors.

STATEMENTS OF ASSURANCE FROM THE BOARD

In this following section we report on statements relating to the quality of NHS services provided as stipulated in the regulations.

The content is common to all providers so that the accounts can be compared between organisations and provides assurance that Somerset Partnership NHS Foundation Trust Board has reviewed and engaged in national initiatives which link strongly to quality improvement.

The board has received monthly information on quality indicators as part of the Quality Report, the Finance Report and the Performance Report. In addition, the board has received reports on patient experience and workforce issues. The board is satisfied with the assurances it has received.

The board has discussed the priorities for 2019/20 and has agreed those described above.

Services provided by the Trust

During 2018/19 Somerset Partnership NHS Foundation Trust provided and/or sub-contracted 75 relevant services, including the following:

- **Acute services** (including community hospitals; minor injury units; surgical operations; diagnostics, termination of pregnancy clinics; psychiatric liaison)
- **Long-term conditions services**
- **Hospital services for people with mental health needs, and/or learning disabilities, and/or problems with substance misuse**
- **Rehabilitation services**
- **Community healthcare services** (including district nursing; integrated therapy services; health visiting; school health nurses; family planning and sexual health services)
- **Dental services**
- **Community based services for people with a learning disability**
- **Community based services for people with mental health needs** (including community mental health teams; assertive outreach; early intervention teams; court assessment services; crisis resolution home treatment teams)
- **Primary Care Services**

The Somerset Partnership NHS Foundation Trust Board has reviewed all the data available on the quality of care in all 75 of these relevant health services.

The income generated by the NHS services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by Somerset Partnership NHS Foundation Trust for 2018/19.

The data reviewed aimed to cover the three dimensions of quality – patient safety, clinical effectiveness and patient experience. The types of data reviewed included targeted measures and patient experience. The Trust considers that the amount of data did not impede these objectives.

CLINICAL AUDIT/RESEARCH ACTIVITY

During 2018/2019, thirteen national clinical audits covered relevant health services that Somerset Partnership NHS Foundation Trust provides.

During that period, Somerset Partnership NHS Foundation Trust participated in eleven (85%) of national clinical audits in which it was eligible to participate.

The national clinical audits that Somerset Partnership NHS Foundation Trust was eligible to participate in (*and for which data collection took place during 2018/19*) are listed below alongside the number of cases submitted as a percentage of the number of registered cases required by the terms of that audit:

National AUDIT Title	Participation	Data collection	Notes (where applicable)
Sentinel Stroke National Audit programme (SSNAP)	-	-	*Stroke services did not achieve the minimum dataset. From 2019, changes to staffing, training, and organisation merger should result in the minimum completion required.*
National Audit of Cardiac Rehabilitation	-	-	*No data submitted due to system issues. This is being reviewed in 2019 and alongside the organisation merger this should result in submission of data.*
National Audit of Anxiety and Depression	72 (100%)	Jun-Sept 2018	Report due Nov 2019
National Clinical Audit of Anxiety and Depression – Spotlight: Psychological Therapies	30 (100%)	Oct-Dec 2018	Report due May 2019
National Audit of Care at the End of Life	1 (100%)	Jun-Oct 2018	Organisational level only. See below for local actions
National Audit of Intermediate Care	32 (40%)	Reporting	PREM element only. 80 (100%) forms sent to patients, 32 returned
National Clinical Audit of Psychosis – Spotlight: Early Intervention in Psychosis	58 (100%)	Oct-Nov 2018	Report due August 2019
National Diabetes Foot Care Audit	423 (100%)	Ongoing	Report due July 2019

National AUDIT Title	Participation	Data collection	Notes (where applicable)
POMH-UK Use of Clozapine	183 (100%)	June 2018	See below for local actions
POMH-UK Side effects of Depots	196 (100%)	Sept 2018	Report due April 2019
POMH-UK Monitoring of patients prescribed Lithium	83 (100%)	Feb 2018	Report due July 2019
POMH-UK Rapid Tranquilisation	136 (100%)	March – May 2018	Data collection period covers this and previous QA timeline. See below for local actions
National Audit of Inpatient Falls	Registered, not yet able to input	Ongoing	Newly opened to our services, registered Sept 2018. Data collection started Nov 2018.

The Trust's response to national and local audit findings

NATIONAL CLINICAL AUDIT

The reports of three national clinical audits were reviewed by the provider in 2018/19 and Somerset Partnership NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

National Audit of Care at the End of Life

The Trust completed the organisational arm of this national audit. A case note audit was completed 18 months before this national audit was available, and therefore was not repeated.

The following actions have been agreed:

- Improve and develop bereavement provision within the trust (in line with countywide End of Life (EOL) strategy) by:
  - Develop bereavement policy in line with NHS guidance
  - Develop guidelines for meaningful and compassionate engagement with bereaved relatives, including provision of bereavement cards
  - Seek relatives' views on care through a trust bereavement survey
  - Develop guidance to support staff who have been bereaved
- Raise profile of end of life care at trust board level by:
  - Appoint executive and non-executive members for EOL care on trust board
  - Develop trust structure to report on the 5 priorities of care
  - Develop involvement of carers and public in trust policy/ board level discussion on end of life care
- Increase provision to support patient care in the last days of life by:

    - Develop rapid discharge process to support patients who wish to die at home (from community hospital setting)
    - Embed and improve end of life care plan in clinical practice across the community hospitals and community settings
- Improve trust recording of complaints relating to end of life care by:
    - Develop trust systems to flag complaints related to end of life care
- Raise awareness of end of life care to all new and existing employees by:
    - Including end of life care training at induction;
    - Making end if life care training mandatory to specific groups;
    - Considering provision of training to improve culture, behaviours and attitudes around communication skills.
- Increase provision of spiritual care across the trust by:
    - Making dedicated quiet space/ prayer space available for patients, relatives and staff in each trust location; and
    - Increasing numbers of chaplaincy staff and volunteers.

POMH-UK Use of Clozapine:

When benchmarked nationally, Somerset Partnership performed higher than the national average in 11 of the 14 eligible measures.

Actions include:

- Improving recording where clozapine is being prescribed off-label, and the accompanying discussions with the patient and/or carer by:
    - Including within Clozapine policy;
    - Including in Junior Doctor training, and train existing doctors via Post-Graduate Medical Education (PGME) sessions;
    - Including in Clozapine training.
- All physical health monitoring should be recorded in the correct place/s within RiO at the point of the monitoring being carried out:
    - Ascertain where this should be properly recorded in electronic patient records
    - Communicate this decision to all staff
- System to be put in place to ensure annual medical reviews are carried out:
    - Review list of patients from audit data who did not have a general physical health check in the last 12 months
    - This list to be investigated to identify different results across the 4 clinics and take further action where appropriate
- Improve documentation of clozapine treatment in the primary care Summary Care Record:

- List of patients who do not have their treatment recorded on the Summary Care Record to be extracted from the audit data
- List to be investigated to ensure that every patient now has clozapine listed on their summary care record

POMH-UK Rapid Tranquilisation (RT):

When benchmarked nationally, Somerset Partnership were in the top half of all mental health Trusts for monitoring post RT (with the exception of physical monitoring – see actions agreed below).

Mental and behavioural state assessment scored 81% compared to national average of 42%.

Two areas demonstrated significant increase from 2016: Recording of debrief (67% increased to 88%) and recording management of episodes of disturbed behaviour in care plan (75% increased to 87%).

Actions include:

- Reviewing the Rapid Tranquilisation (RT) monitoring form on the electronic patient record (in particular RT Risk Factors) to bring them in line with national standards used in the POMH-UK audit
- Improving the recording and carrying out of physical observations following RT by:
  - Reminding all staff that following RT, full physical observations should be carried out, and fully recorded (including recording of any refusal)
  - Each ward to adopt a process to review each incident of RT (where IM medication is involved) to ensure the RT Monitoring Form on the patient record is fully completed
- Influencing the next audit to include non-contact observations, and query benefit of including oral PRN in any re-audit

The remaining nine national audits have reporting dates later in the year.

LOCAL CLINICAL AUDITS

The reports of 52 local clinical audits were reviewed by the provider in 2018/19 and Somerset Partnership NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

The following are examples of projects conducted by clinical teams across the trust and the changes proposed as a result of them:

Use of Routine Urinalysis for identifying UTIs in Community Hospitals

This audit demonstrates that urinalysis testing is occurring as a routine admission process, even though there is no evidence (other than it being on the admission checklist) that this is beneficial to either the patient or the Trust.

Actions include:

- Reviewing the requirement for “routine” admission urinalysis
- Development of countywide algorithm for management of routine urinalysis
- Improving knowledge of all standards covered in the audit, by Governance Groups taking a lead of education with support from the Clinical Skills Team, Continence, and Infection Control

Record Keeping (all services):

Of the ten standards relating to electronic records eight had been measured previously. Of these eight four showed improvement from amber to green; three remained at amber. The two new standards showed compliance above 85% (green).

Of the eleven paper equivalent standards, eight had been previously measured. Of these eight, 4.5 maintained or improved compliance at green; the remaining 3.5 showed a decline in compliance but maintained amber.

Actions include:

- Improving recording of Confidentiality and Consent to Share Information, by:
    - Directorate governance groups to ensure the requirement for recording consent to share information is carried out at initial contact, and reviewed on an annual basis as a minimum.
    - Learning and Development to ensure that any education and training modules where consent is incorporated must include requirement for recording consent to share information.
    - Author of the Confidentiality and Data Protection policy to be asked to consider extending section 5.21 to include minimum annual review for all consent status entered.
    - Reviewing confidentiality status via report from RiO and circulated to Directorate governance groups to review progress against standard (August 2019)
- Progress notes/running record to be validated within 5 working days of entry:
    - All Directorate governance groups to ensure the requirements for validation of progress notes are cascaded effectively.
    - Review of confidentiality status via report from RiO and circulated to Directorate governance groups to review progress against standard (August 2019)
- Counter signing of entries made by non-registered staff where required
    - All Directorate governance groups to ensure the requirements for counter signing of entries made by non-registered staff are cascaded effectively.
- Information about any allergies to be clearly recorded

- All Directorate governance groups to ensure the requirements for information about any patient allergies to be clearly recorded are cascaded effectively.

Clinical Supervision (all services)

Results follow the same pattern as original audit in 2016. Where clinical supervision takes place, it is highly valued. This audit has highlighted inconsistency across Directorates.

Actions include:

- A central database from which clinical supervision can be monitored, including Child Protect Supervision
- Safeguarding Team to make suggestions to the authors of the new integrated policy to ensure Child Protection Supervision is included
- Areas for improvement highlighted to be incorporated in the alliance Clinical Supervision Policy

Dementia

This audit included Mental Health Inpatient Wards, Community Hospitals, Older Persons Community Mental Health Teams (OPCMHT) and the Intensive Dementia Support Service (IDSS). Evidence base; NICE Guidance and NICE Quality Standard.

Actions include:

- Ensuring training available is sufficient and relevant; review mandatory induction training
- Improving completion of carers assessments: teams to request monthly reports of carers assessments from RiO to identify where assessments are not being offered
- Improving the frequency of discussions on Lasting Power of Attorney (LPA), Advance Decisions (AD), statements and Preferred Priorities of Care (PPC), by:
  - Promoting new capacity training
  - Invite Mental Capacity Act, Depravation of Liberty Safeguards and Consent Lead to Best Practice Group meetings to discuss
  - Inpatient staff to utilise Family Liaison and Triangle of Care work to establish if there are LPAs, ADs and PPCs in place
  - Review RiO to ensure no duplication in recording

Consent and Capacity

This audit included Mental Health Inpatient Wards and Community Hospitals.

Actions include:

- Regular monitoring of RiO consent and capacity form completion upon admission

- Ensuring staff have access to up to date training
- Increasing use of the new RiO consent and capacity form across all inpatient services
- Identifying a strategic Trust lead to implement and lead a consent and capacity group to offer support to staff on issues experienced and develop training that includes consent and best interests
- Staff to have access to guidance on when a consent form should be completed; consideration to service guidelines/standards on consent should be produced
- Reviewing the standard prior to next re-audit

Consent to admission/assessment and treatment: Children and Young People

This audit included community teams and inpatient ward.

Actions include:

- Identifying a strategic Trust lead to implement and lead a consent and capacity group to offer support to staff on issues experienced and develop training that includes consent and best interests
- Staff to have access to guidance on when a consent form should be completed; consideration to service guidelines/standards on consent should be produced
- Improving understanding of consent and capacity for children and young people
- Valid consent, capacity/competence to be assessed and recorded for all admissions, assessments, treatment and changes in treatment

Frailty

This audit included Community Hospitals, Older Persons Inpatient Wards, District Nursing, Stroke Team and Integrated Rehabilitation Teams.

Actions include:

- Review how the Trust assesses, measures and manages frailty in alignment with the Somerset-wide strategy by:
    - Setting up a system wide multi-disciplinary team task and finish group to review evidence in conjunction with the Somerset-wide strategy group
    - Establishing in conjunction with the county wide group who should be completing geriatric assessments and promote through Best Practice Groups
    - Inform the RiO team that the FRAT (Falls Risk Assessment Tool) is currently for inpatients only and not accessible by community teams
    - Develop an action plan for training staff on assessing and managing frailty
- Upskill District Nursing (DN) and Integrated Rehabilitation Teams (IRT) in the assessment and management of frailty by:

- Somerset Partnership staff to attend the South West Regional Frailty conference and attendees to share learning at divisional meetings and team meetings
- Deliver frailty awareness sessions to DN , IRT, Older People's Mental Health (OPMH) and stroke teams via Complex Care meetings
- Identify a DN member of staff who can deliver DN frailty awareness sessions

- Reaudit to include Older Persons' Community Teams

Electronic prescription of Opiate Based Pain-Relief Medication

This audit included Adult and Older Adult Mental Health Inpatient Wards

Actions include:

- Sharing with clinicians the opiate calculator and The Royal College of Anaesthetists guidance for 'Dose equivalent and Changing Opioids'
- Indications should be recorded within Electronic Prescribing (EP)
- Producing and share with doctors guidance on common opiate interactions and how they affect the effectiveness of doses
- Considering use of pain clinic when working with patients that are opiate dependent
- Advising GP on discharge to review inpatients on long-term opiates

Alcohol Dependence and Harmful Alcohol Use

This audit included mental health services (inpatient and community), community health services and community hospitals.

Actions include:

- Sharing the results with community services staff via the Community Services Business and Performance Meetings and discuss the options to improve the results regarding screening and referral. This includes offering Train the Trainer opportunities.
- Further 3 day training on dual diagnosis to continue across the mental health directorate throughout 2019
- Discussing at the Urgent Care Steering Group to explore the following:
  - Brief interventions recorded
  - Mental Health Dashboard updated
  - Alcohol Detox checklist on RiO
  - Clear liaison with Somerset Drug and Alcohol Service (SDAS) and joint assessments planned as part of treatment
  - Discharge plans much more collaborative and more focused on alcohol related care pathways

- Discussing with the RiO Team the possibility of developing and enhancing RiO to make the recording of substance misuse more accessible and user friendly

Mental Health Act: Section 17 Leave

This audit included a sample of patients who had been granted Section 17 leave from a mental health inpatient ward.

Actions include:

- Ensuring the S17 leave form is fit for purpose and addresses all areas of improvement including:
    - Increasing the recording of time and date on the S17 form
    - Increasing the completion and documentation of risk recording prior to S17 leave
- Reviewing the requirement to involve carers to ensure that carers are involved at all appropriate times
- Encouraging use of checklist to ensure there is evidence on whether the Code of Practice is followed, where relevant
- Sharing areas of improvement with all Mental Health doctors and nursing staff
- Community Treatment Order consideration and suitability to be recorded for all patients granted leave for longer than 7 days

Research and Development 2018/19

In 2018/19, the Trust continued its involvement in clinical research supported by the National Institute for Health Research (NIHR) (www.nihr.ac.uk). The active portfolio consisted of 53 studies. 27 research studies were recruited to, 20 of which were observational and 7 were interventional. 15 of the 27 were new projects opened in 2018/19.

The number of patients receiving relevant health services provided or sub-contracted by Somerset Partnership NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 501 across the following areas: Dementias and Neurodegenerative Diseases; Primary Care; Stroke; Mental Health; Infection; Ageing; Musculoskeletal conditions; and Health Service Research.

Of the participants' recruited 71% were entered into observational studies and 29% into interventional studies.

Studies supported were investigating issues such as:

- Exploring the contribution of the social work role in Community Mental Health Teams (CMHTs) for working age adults: staff and service user perspectives
- Exploring the cause and prevalence of memory problems in people mental health, neurodevelopmental and neurodegenerative disorders

- Exploring if Child and Adolescent Mental Health Services (CAMHS) clinicians receive trauma-focused post-traumatic stress disorder (PTSD) training and supervision for working with children and adolescents
- Assessing what cultural adaptations are made in clinical interactions by clinicians in different settings to ensure appropriate communication with diverse populations
- Assessing the clinical and cost effectiveness of a home-based exercise intervention for older people with frailty as extended rehabilitation following acute illness or injury, including embedded process evaluation
- Comparing early vocational rehabilitation with usual care for stroke survivors: an individually randomised controlled multi-centre pragmatic trial with embedded economic and process evaluations
- Measuring Experiences of Restrictiveness in Secure Forensic Psychiatric Care: Developing a Scale.
- Designing a series of stress management interventions, co-designed by NHS employees, to reduce sickness absence in NHS Trusts.
- Evaluating the effects of the novel GLP1 analogue, liraglutide, in patients with Alzheimer's disease.
- Assessing what type of treatment is best for a rotator cuff injury, 6 physiotherapy sessions or one best-practice advice session with a physiotherapist. The trial will also test whether getting a steroid injection in the shoulder joint before starting either regime helps.

COMMISSIONING FOR QUALITY AND INNOVATION (CQUIN)

A proportion of Somerset Partnership NHS Foundation Trust's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between Somerset Partnership NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2018/19 and for the following twelve month period are available electronically at
http://www.sompar.nhs.uk/about_us/our_performance

The value of CQUINs for 2018/19 was £3,206,289. In 2018/19, Somerset Partnership NHS Foundation Trust received £3,206,289 in income for achieving the CQUIN goals set by Somerset Clinical Commissioning Group. In 2017/18 the Trust received £3,165,979.

REGISTRATION WITH THE CARE QUALITY COMMISSION (CQC) AND PERIODIC/SPECIAL REVIEWS

Somerset Partnership NHS Foundation Trust is required to register with the CQC and its current registration status is compliant for the 24 registered locations. Somerset Partnership NHS Foundation Trust has no conditions on its registration.

Somerset Partnership NHS Foundation Trust has participated in the following reviews and inspections undertaken by the CQC relating to the following areas during 2018/19:

Care Quality Commission (CQC) Inspections

In September and October 2018 the CQC undertook a routine inspection of six of the Trust's core services.

The CQC inspected the following services:

- community child and adolescent mental health services;
- child and adolescent mental health wards;
- long stay/rehabilitation mental health wards for working age adults;
- community based mental health services for older people;
- mental health crisis services and health based places of safety;
- community health inpatient services;

CQC inspectors also conducted a Well Led inspection of the Trust's governance during which they interviewed executive and non-executive members of the Board, Clinical Directors, governors and senior managers.

CQC published its report of this inspection in February 2019.

The Trust achieved an overall rating of 'good" and is rated 'good' for the 'effective', 'caring', responsive' and 'well led' domains and 'requires improvement' for 'safe'.

A full copy of the current reports and ratings from CQC can be found on our website at www.sompar.nhs.uk and on the CQC website at www.cqc.org.uk.

Care Quality Commission Mental Health Act Assessment

During 2018/19, CQC also undertook Mental Health Act Assessment visits of all our adult, older people's and children and young people's inpatient mental health wards. Overall the inspections and reports have been very positive although CQC identified some areas where we needed to improve our compliance with the Act and the new Code of Practice published in 2015.

We provided the CQC with responses to all the areas highlighted and CQC has not asked for any further information.

Key areas for improvement identified in the visits included:

- Patient and carer involvement in care planning (this continues to be one of our priorities for 2018/19).
- Recording of advanced wishes statements (we will be working with patients to identify and record these better).
- Recording of sharing s17 plans with carers and relatives.

The Trust monitors its actions against these plans and wider compliance through our Mental Health Legislation Committee.

DATA QUALITY

Somerset Partnership NHS Foundation Trust recognises the important role of data quality in providing confidence in the accuracy of information used to inform decisions relating to service improvement. Data quality indicators relating to the timeliness and accuracy of coding are routinely reported to the Trust's Finance and Performance and Audit Committees. Additional measures which permit the regular monitoring of data quality include:

- the use of the NHS number
- the clinical coding completion rate
- the use of GP medical practice
- the Information Quality and Records Management score

Somerset Partnership NHS Foundation Trust submitted records in 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episodes Statistics which are included in the latest published data.

The percentage of records in the published data:

- which included the patient's valid NHS Number was:
  - 99.8% for admitted patient care;
  - 100.0% for outpatient care; and
  - 98.8% for accident and emergency care.
- which included a valid general practice code was:
  - 100.0% for admitted patient care;
  - 100.0% for outpatient care; and
  - 100.0% for accident and emergency care.

The Somerset Partnership NHS Foundation Trust Information Governance Assessment Report overall score for 2018/19 for data quality was 96.5% and was graded as GREEN.

Somerset Partnership NHS Foundation Trust will be taking the following actions to improve data quality:

- Continue to monitor quality of individual data items on the Trust's clinical systems, providing exception reports to staff to enable then to improve the quality of the clinical data. Currently the information team carry out approximately 100 data quality tasks which are continuing to expand.

- Regular meeting with Clinical staff outlining any data quality issues and discussing solutions.

- Regular working groups within the IT division to review local Secondary Uses Service (SUS) submission VODIM (Valid, Other, Default, Invalid, Missing) reports to see if any data quality issues can be resolved technically or if any potential data quality issues can be addressed before they become a problem. This group will also review Data Quality Maturity Index (DQMI) reports from the SUS Submissions as well as the Mental Health Services Data Set (MHSDS), Community Services Data Set (CSDS) and Improving Access to Psychological Therapies (IAPT) datasets.

- The continued rollout of a clinician based clinical self-reporting portal to all staff members which will include a number of reports enable them to monitor their own data quality.

Somerset Partnership NHS Foundation Trust utilised the Terminology Reference-data Update Distribution Service (TRUD) to ensure the local Electronic Patient Record contains update reference data.

Somerset Partnership NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period.

PERFORMANCE AGAINST CORE INDICATORS

Single Oversight Framework targets

These indicators form part of appendices 1 and 3 of the Single Oversight Framework:

NHS Improvement's Single Oversight Framework sets out the key national standards which are applicable to Somerset Partnership as a service provider. The table below sets out our performance levels across the year:

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral	53%	50%	92.3%	93.3%	76.9%
Data Quality Maturity Index (DQMI) – MHSDS dataset score	95%	98.2%	98.3%	98.3%	98.1%
Referral to Treatment Waiting Times: percentage of patients waiting within 18 weeks: (Incomplete pathways)	92%	99.6%	99.7%	99.8%	99.8%
Improving Access to Psychological Therapies (IAPT)/talking therapies: Percentage of people completing a course of IAPT treatment moving to recovery	50%	40.7%	50.1%	51.7%	62.9%
Improving access to psychological therapies (IAPT): • people with common mental health conditions referred to the IAPT programme will be treated within 6 weeks of referral	75%	91.7%	96.1%	93.7%	91.9%
• people with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral	95%	99.7%	99.6%	99.2%	98.6%
Inappropriate out-of-area placements for adult mental health services (cumulative numbers shown)	No more than 365 bed days in 2018/19	125	125	125	125

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
Percentage of minor injury unit patients waiting under four hours from arrival to admission, transfer or discharge	95%	99.6%	99.4%	99.3%	99.3%
The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period	95%	96.6%	97.1%	98.2%	97.1%
The percentage of patients on Care Programme Approach who were followed up within 7 days after discharge from psychiatric inpatient care during the reporting period	95%	96.3%	98.9%	97.9%	98.4%
Admissions to adult facilities of patients under 16 years old	0	0	0	0	1
Mental health scores from Friends and Family Test – % positive	85%	93.0%	95.4%	93.0%	92.7%
Community health scores from Friends and Family Test – % positive	95%	98.2%	96.7%	98.3%	98.2%
The percentage of clients in settled accommodation	50%	87.9%	87.2%	86.3%	87.3%
The percentage of clients in employment	50%	85.5%	84.5%	83.6%	84.2%
Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas: a. inpatient wards b. early intervention in psychosis services c. community mental health services (people on care programme approach)		Reported annually. Data not yet available.			

Target	Threshold	Performance			
		Q1	Q2	Q3	Q4
The number of patients in the defined audit sample who have both: - a completed assessment for each of the cardio-metabolic parameters with results documented in the patient's electronic care record held by the secondary care provider. - a record of interventions offered where indicated, for patients who are identified as at risk as per the red zone of the Lester Tool.	90% 90%				

National and Local Performance Indicators

	Definition	2014-15	2015-16	2016-17	2017-18	2018-19	Bench Mark (national averages) - where available	Highest performing Trust – where available	Lowest Performing Trust – where available
1. Seven day follow up Percentage of people receiving face to face or telephone contact within 7 days of inpatient discharge	National (target 95%)	97.5%	96.5%	97.1%	97.3%	97.9%	96.9%[1]	Not available[2]	Not available[2]
2. Recording of risk Percentage of clients under our care who have had a formal assessment of risk and safety recorded	Local (target 95%)	97.25%	99.5%	98.6%	98.9%	97.3%	Not available[2]	Not available[2]	Not available[2]
3. Patient Safety Incidents Reported Patient safety incidents reported to the National Reporting and Learning Services (NRLS)	National	3,148	3,215	2,591	4,180	5,619	Not available[5]	Not available[5]	Not available[5]
4. Safety Incidents involving severe harm or death Percentage of patient safety incidents reported to the NRLS where degree of harm is recorded as 'severe harm' or 'death'	National	1%	1%	1%	1.4%	1.98%	1%[4]	Not available[5]	Not available[5]
5. Gatekept Admissions Admissions to inpatient services had access to crisis resolution home treatment teams	National (95%)	98.1%	98.2%	98.2%	98.8%	97.9%	Not available[6]	Not available[6]	Not available[6]
6. Emergency Readmissions The percentage of patients aged (i) 0-15 and (ii) 16 and over readmitted to a hospital which forms part of the trust within 30 days of being discharged from a hospital which forms part of the trust during the reporting period.	National	(i)… .0% (ii)11.2%	(i)… .0% (ii)10.6%	(i)… .0% (ii)10.9%	(i)… 0% (ii) 0.5%	(i) 0% (ii) 8.6%	Not available[8]	Not available[8]	Not available[8]

	Definition	2014-15	2015-16	2016-17	2017-18	2018-19	Bench Mark (national averages) - where available	Highest performing Trust – where available	Lowest Performing Trust – where available
7. Complaints Number of complaints received by the Trust	Local	113~	146	157	75	75	Not available[7]	Not available[7]	Not available[7]
8. Patient Advice and Liaison Service (PALS) Number of enquiries received by the Trust Patient Advice and Liaison Service Officer	Local	1,329~	1,741	2,724	2,728	2608	Not available[6]	Not available[6]	Not available[6]
9. Community Mental Health Patient Survey The trust's 'Patient Experience of community mental health services' indicator score with regard to a patient's experience of contact with a health or social care worker during the reporting period	National	6.9	6.9	7.0	7.0	6.8	Not available[9]	7.5[9]	5.6[9]
10. Staff Friends and Family The percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends	National	68	82	84	88[10]	69.6%	Not available[6]	Not available[6]	Not available[6]

- [1.] 2016-17 Q3 HSCIC website
- [2.] Local target not collated nationally or regionally
- [3.] Information on the number of falls is not collated nationally or regionally but data on falls resulting in harm is collected through the HSCIC Patient Safety Thermometer Report at http://www.hscic.gov.uk/thermometer
- [4.] NHS Commissioning Board Special Health Authority Organisation Patient Safety Incident Report March 2015
- [5.] Information on number of incidents is not collated nationally or regionally but the Commissioning Board Special Health Authority Organisation Patient Safety Incident Report September 2015 benchmarks the reporting rate of incidents per 1,000 bed days. Somerset Partnership NHS Foundation Trust has a reporting rate of 23.08 incidents per 1,000 bed days compared to a median of 38.62

- [6] Information not collated nationally or regionally
- [7] Information not collated nationally or regionally but The NHS Benchmarking Network is including areas of corporate governance as part of its benchmarked information in the 2013-14 programmes. This covered complaints and reported in 2014/15.
- [8] Information not collated nationally or regionally
- [9] CQC national patient survey information at http://www.cqc.org.uk/content/community-mental-health-survey
- [10] Based on a 13% response rate
- * change of definition to include those care managed by others
- ~ figure for the integrated Trust for the full year. Previous years' reports relate only to mental health inpatient services)

1. **Seven day follow up** Somerset Partnership considers that this data is as described for the following reasons: This was defined in the NHS Improvement Single Oversight Framework and the former Monitor 2016/17 Risk Assessment Framework. Data is sourced from the electronic patient record. Performance is monitored monthly through a balanced scorecard presented to the Trust's Senior Managers' Operational Group Meeting which identifies discharges and follow ups, and enables our Service Directors to alert clinicians and take focused, informed action. There is a CPA Policy to support this operationally, and the business rules are published and shared across the Trust to ensure we are acting on and recording this information correctly.

The Trust continues to undertake actions to improve this percentage, and so the quality of its services: by continuing the level of monitoring at service and locality level through the coming year.

2. **Recording of Risk** Somerset Partnership considers that this data is as described for the following reasons: This is defined locally as the percentage of clients who have a risk assessment recorded in the electronic patient record as a proportion of those over 18, open to services, and placed on a CPA level. All relevant records are checked each month as part of an automated report. This process has been subject to a previous internal audit review. A clear record of an assessment of risk is an important component in the process of managing risk and of communicating patient safety factors in a structured, easy to find, manner.
The Trust has taken the following actions to improve this percentage, and so the quality of its services: by monthly reporting on performance in this area and notifying individual health care professionals of cases requiring a record of the risk assessment when performance falls below a threshold in that service area.

3. **Patient Safety Incidents Reported** Somerset Partnership NHS Foundation Trust considers that this data is as described for the following reasons: the total number of patient safety incidents is exported directly from the Trust's Risk Management System, DATIX to the National Reporting and Learning System (NRLS). All untoward events, including patient safety incidents, are reviewed daily by the Risk Management Team. This centralised function enables the team to accurately record patient safety incidents that require reporting onto the NRLS.

The Trust has taken the following actions to improve this number, and so the quality of its services: by promoting risk management within the organisation and undertaking a detailed review of levels of incidents reported, following identification of this risk through CQC reports and liaison meetings. The review continues to inform the reconfiguration in the mapping of the DATIX system to improve reporting levels and additional training and support for practitioners and teams.

4. **Patient Safety Incidents involving Severe Harm or Death** Somerset Partnership NHS Foundation Trust considers that this data is as described for the following reasons: the percentage of patient safety incidents recorded as major or catastrophic consisted of Somerset Acquired pressure ulcers graded 3 or 4, sudden unexpected deaths and other reportable Serious Incidents Requiring Investigation (SIRI). Within this 1% are also significant incidents where a full Root Cause Analysis (RCA) was not required from the Commissioner. The Trust receives a bi-annual report from the NHS Commissioning Board Special Health Authority which uses data submitted to the NRLS to benchmark Somerset Partnership NHS Foundation Trust against similar neighbouring NHS Trusts. Within these reports Somerset Partnership NHS Foundation Trust is within the bottom 25th percentile of reporters.

The Trust has taken the following actions to improve this percentage and so the quality of its services: by developing strategies to reduce significant harm to patients and actively learning from experiences. The Trust has reviewed its suicide prevention strategy during the year and continued to undertake a range of measures to reduce the instances of falls and pressure ulcers and the position is monitored monthly by the Board through the Quality Report.

All incidents are reviewed by the risk management team. Significant incidents are followed up by a 72 hour review which, if necessary will inform the level of RCA investigation required. SIRIs and other significant incidents are reviewed at the SIRI review group, where full investigations are considered, and learning outcomes and action plans are monitored. We have again reviewed the Trust's processes around serious incident investigation and the role and functions of the SI Review Group.

5. **Gate-kept admissions** Somerset Partnership considers that these percentages are as described for the following reasons: This was defined in the Monitor 2013/14 Risk Assessment Framework and includes for the Trust gate-kept admissions via Psychiatric Liaison Teams as part of Crisis Services as recorded in the electronic patient record. Performance is monitored monthly through a balanced scorecard presented to the Trust's Senior Managers' Operational Group Meeting which identifies admissions and gate-keeping which informs actions as required. The Crisis Resolution Team policy and business rules are published and shared with all staff via our intranet to ensure we are acting on and recording this information correctly.

The Trust has taken the following actions to improve this number, and so the quality of its services: by reporting compliance rates each month in the relevant divisional dashboards.

6. **Emergency Readmissions**: Somerset Partnership considers that these percentages are as described for the following reasons: emergency readmissions are reported directly from the electronic patient record and monitored through the Trust's performance management systems.

The Trust has taken the following actions to improve this number, and so the quality of its services: by reporting emergency readmissions rates each month in the relevant divisional dashboards and undertaking regular reviews of cases to establish underlying themes and implement actions to minimise risk of re-admissions. .

7. **Complaints** Somerset Partnership considers that these percentages are as described for the following reasons: complaints are recorded on the Trust's Risk Management System, DATIX and reported monthly to the Trust's Clinical Governance Group for review. The number of complaints, information on

response times and analysis of themes, lessons learned and actions taken are reported quarterly to the Patient and Carer Involvement Group and as part of the Trust's Quality Report to the Board. The report is also presented in the public meetings of the Council of Governors. A quarterly return on complaints (K041a) is submitted to the Department of Health and validated as part of the national reporting system.

The Trust has taken the following actions to improve this number, and so the quality of its services: by reviewing its Complaints and PALS policy and systems following further feedback from the CQC follow up inspection.

8. **PALS** Somerset Partnership considers that these percentages are as described for the following reasons: PALS enquiries are recorded on the Trust's Risk Management System, DATIX and reported monthly to the Trust's Clinical Governance Group for review. The number of PALS enquiries, analysis of themes, lessons learned and actions taken are reported quarterly to the Patient and Public Involvement Group and as part of the Trust's Quality Report to the Board.

The Trust has taken the following actions to improve this number, and so the quality of its services: by reviewing its Complaints and PALS policy and systems following feedback from the CQC follow up inspection team and introducing a workbook for teams to provide a structured systems for feedback of lessons learned across the Trust.

9. **Community Mental Health Patient Survey** Somerset Partnership considers that this figure is as described for the following reasons: The national patient survey for community mental health is conducted independently on behalf of the Trust by Quality Health and submitted to the Care Quality Commission. The results are published on the CQC website. The Trust has taken the following actions to improve this number, and so the quality of its services: by focusing our action plan on key areas for improvement, such as crisis care. The actions are monitored through the Mental Health Improvement Board and the Trust Patient and Public Involvement Group which includes staff, governors, patient and voluntary sector representatives and commissioners.

10. **Staff Friends and Family** Somerset Partnership considers that this figure is as described for the following reasons: The national staff survey is conducted independently on behalf of the Trust and submitted to the Department of Health. The results are published on the website and openly available.

The Trust has taken the following actions to improve this number, and so the quality of its services: by undertaking a further full staff survey during 2018/19 together with staff engagement events across the Trust. The Trust has also introduced service level 'PULSE' surveys to gain a greater detail of local feedback from staff.

As part of its programme for external assurance, the Trust identified three performance indicators for detailed audit by our external auditors.

Under the guidance issued by NHS Improvement, as a provider of both community health services and mental health services, the mandated indicators for the Trust are those for the service which forms the majority of income for the organisation. These are community health services. However, only one of the mandated indicators is relevant to the Trust. This is:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

In line with NHS Improvement guidance, the Trust's governors agreed with our external auditors a further indicator and it was decided this would relate to mental health services. This indicator was:

- Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral

The final indicator is a local indicator chosen by the governors and this is:

- The percentage of clients under our care who have had a formal assessment of risk and safety recorded

The definitions of these indicators are set out in Appendix 3.

PART THREE: OTHER INFORMATION

The NHS (Quality Accounts) Amendment Regulations 2012 requires Trusts to identify three performance indicators against each of the quality criteria:

- patient safety
- clinical effectiveness
- patient experience

We have set these out in Part Two (see pages 2 – 35) together with the additional key indicators that we have identified as priorities for the Trust. We also continue to improve quality across other essential areas of our services. Some examples include:

Patient Safety and Quality Improvement

The Trust's quality improvement programme brings together all key improvement initiatives including the Quality Account priorities, Positive and Proactive Care and the application of the patient safety thermometer. Increasingly the programme looks to 'whole system' initiatives to improve patient experience and safety across the whole healthcare system.

During 2018/19 the Trust again increased the number of staff who have under taken the Quality Improvement 'Launchpad' course provided by the South West Academic Health Scientific Network. As part of our work in alliance with Taunton and Somerset NHS Foundation Trust, we have taken advantage of their well-developed Quality Improvement function to further improve our training and methodologies and have established a Mental Health Improvement Board to oversee quality improvement within these core services.

We have also maintained improvement boards for our community hospital inpatient services – which supported the excellent CQC inspection outcome – and for our community CAMHS services which is driving the improvement programme in response to the issues identified in the CQC report.

We are looking to share Quality Improvement infrastructure and resources across both Trusts to ensure QI is firmly embedded in the culture across both organisations as we move towards our potential merger.

The Trust is committed to improving the quality of care, ensuring that information is widely available to the public through our monthly detailed quality reports to the Trust Board. This ensures that our performance and commitment to improvement is transparent. Measures of success include our provision of high levels of harm free care in our community hospitals and community services - with the majority consistently delivering harm free care in excess of the national average. This is testament to the expert clinical leadership and front line support for our improvement programmes.

During the year we also:

- Strengthened our directorate governance through the appointment of Associate Directors of Patient Care with dedicated focus on quality improvement and patient safety within community and mental health services and renewed focus on locally delivered care
- Launched an accreditation scheme for inpatient care within the community hospitals to provide assurance on levels of quality and care
- Refreshed our Leadership Quality Walk Round programme where executive and non-executive directors and governors regularly visit inpatient areas to talk to staff and discuss their concerns about delivering safe patient care where they work.
- Held an Always Events ® programme focusing on how we deliver the essentials of care and best practice consistently across our services.
- Participated in the South of England Mental Health Patient Safety Collaborative and has both 'exported' and 'imported' initiatives. Examples include our Suicide Prevention through Improved Risk Assessment and Liaison (SPIRAL) project developing better engagement with families and carers affected by the suicide of loved ones.

Learning from Deaths

The number of deaths for the year 2018/19 is shown in the table below:

Total number of deaths recorded on RiO					
	Q1 18/19	**Q2 18/19**	**Q3 18/19**	**Q4 18/19**	**Total**
Number of Deaths	1,296	1,279	1,394	1,394	5,363
Of above, number open to DNs on date of death	447	448	476	516	1,887
Total number of deaths - died in Community Hospital or within 30 days of Discharge					
	Q1 18/19	**Q2 18/19**	**Q3 18/19**	**Q4 18/19**	**Total**
Number of Deaths	55	70	93	88	306
Of above, number open to DNs on date of death	10	24	26	24	84
Total number of deaths - Mental Health deaths within six months (183 days) of last contact (inpatient and/or appointment)					
	Q1 18/19	**Q2 18/19**	**Q3 18/19**	**Q4 18/19**	**Total**
Number of Deaths	215	246	228	231	920
Of above, number open to DNs on date of death	114	119	124	129	486

During 2018/19 a total of 5,363 patients who were known to Somerset Partnership NHS Foundation Trust services died.

The range of services provided by the Trust means that a significant number of these deaths will have been expected as part of a patient's end of life or other care pathway.

The Trust has always maintained a robust process of investigating unexpected deaths. However, in line with national guidelines, from September 2017, a process of case record review was started to look at a greater number of deaths. From 2018 the Learning from Deaths team used quality improvement methodology to develop the Royal College of Physicians Situational Judgement Review tool to improve the review process for community hospital deaths, as the tool was noted to be acute hospital focused. This tool was used to review a total of 18 cases. The iterations of the modified tool were used to review a further 18 cases. The team also piloted the use of the Humber review tool. This was felt to be time consuming and a total of 8 reviews were undertaken before the adapted SJR tool was used for mental health reviews instead.

In November 2018 the Royal College of Psychiatrists published a review tool specifically for mental health. In line with the College of Psychiatrists guidance, we have adapted this tool for use within the community setting. It has been in use within the trust for reviews undertaken since October 2018. It utilises a 2 stage process, with stage 1 being an initial screen. If certain triggers are met then a more in depth stage 2 review is undertaken by a clinician who was not involved in the persons care. This is providing more useful data and we have added a prompt for the reviewer to identify the learning points after a stage 2 review.

The total number of case record reviews undertaken in the year 2018/19 (up to Q3 only) is 101 of which 66 are community hospital and 35 for mental health.
The trust aims to review a proportion of deaths within community hospitals and within 30 days of discharge from a community hospital, all learning disability deaths while also addition to referring them to the Learning Disabilities Mortality Review (LeDeR) process, and deaths known to the mental health teams, or within 6 months of last contact, that were not subject to a serious incident review.

The mortality review process has not identified any cases that required escalation to a serious incident review. No significant issues with care requiring a formal duty of candour were identified.

The wider learning themes from the completed reviews up to Q3 are:

1. Opportunities to consider advance care planning for people with dementia and frailty when they have contact with the trust.
2. Opportunities to utilise the trusts end of individualised care plan to increase communication with patients and those important to them at the very end of their life.
3. Promotion of training in decision making in delirium and dementia: practical use of the Mental Capacity Act.

These are all being addressed within existing work streams across the Trust. NHS England has developed guidance on engagement with bereaved families. The trust has been working towards this.

1. "Information for families following a bereavement" is a leaflet to be provided to families after a death which has been designed to be adapted locally. The trust has benefitted from input from user groups in modifying and localising the information to make it more useful. Further work is required to ensure the information provided remains accurate as the trusts merge.
2. The mortality reviews have noted reported feedback from relatives. This has related to care provision in the community setting, prior to admission to a community hospital, and the issues had been resolved locally. Further work to improve recording of conversations at the time of death is required.
3. The provision of a telephone call from a senior nurse within the community hospital three days after the death of a relative will be promoted. This simple measure that is already standard practice within some hospitals should be rolled out to all, and is a compassionate response to the loss of a loved one. It is also an opportunity to answer any unanswered questions.

Learning from any death is disseminated through Trust governance processes and includes local governance meetings, the Serious Incident Review Group and the Mortality Surveillance Group. Any identified changes to practice are agreed and escalated to be implemented Trustwide.

Medical Revalidation

Dr Stuart Walker was Responsible Officer (RO) for the 2018-19 appraisal year and Dr Sarah Oke continued as Deputy RO for Somerset Partnership NHS Foundation Trust, performing the majority of RO duties for Somerset Partnership doctors on behalf of the RO. Dr Walker and Dr Oke regularly participated in regional RO Network events.

The revalidation teams from Taunton and Somerset Partnership NHS Foundation Trust and Somerset Partnership have continued working closely together. The Somerset Partnership NHS Foundation Trust Medical Revalidation Steering Group became an alliance wide group on 7 August 2018, chaired by the Head of Medical Services, Jeremy Smith, and a joint Task and Finish Group has been established, to concentrate on joint working practices as well as the procurement of a single medical appraisal and revalidation software system for both trusts.

The RO has been supported by the Lead Appraiser, Dr Reenee Barton, and a team of medical appraisers (Consultants and Specialty Doctors from a range of disciplines). The Lead Appraiser regularly participated in regional RO and Appraisal Lead Network events. The appraisal team was initially six in number, but this went down to three halfway into the year - two appraisers stepped down due to other leadership responsibilities and a further appraiser went on long-term sickness absence for several months. Three new appraisers were recruited and they were able to join the team on 0.25 SPA (support programmed activities) in the latter half of the year.

Appraisers attended quarterly peer group supervision. Half the appraisal portfolios were formally audited by the appraisal team in June 2018 and established appraisers had a 1:1 with the Lead Appraiser for quality assurance and professional development. The number of appraisals completed by each appraiser in 2018-19 ranged between 2-4 (pro-rata for new appraisers allocated 0.25 PA as they started later in the year – the yearly requirement would usually be 6 appraisals) and 6-15 (for appraisers allocated 0.5 PA – taking into account sickness absence), which is within the recommended range of between 5 and 20 appraisals per appraiser.

Out of 79 appraisals due in 2018-2019, a total of 76 appraisals were undertaken and signed off. Two appraisals have been postponed until 2019-20 due to long-term sickness absence and one new starter from overseas, who had previously not been subjected to appraisal and revalidation, is having their first appraisal with the trust early in the 2019-20 year. The RO and Deputy RO both undertook external appraisals.

During 2018-19, the DRO made a total of 15 positive revalidation recommendations and four deferrals to the General Medical Council (GMC). (Two of the deferrals were due again within the appraisal year and received subsequent positive submissions.) All deferrals were due to insufficient supporting information (two were new starters for whom we didn't have enough previous appraisal information at the time the recommendation was due, in order to make a positive recommendation).

All recommendations except one were submitted on time. The late recommendation was submitted the day after it was due and involved a deferral as sufficient supporting information had not been made available.

The Somerset Partnership NHS Foundation Trust Medical Appraisal Policy was updated in line with new guidance from the GMC and NHS England and was ratified in August 2018.

An external audit on Appraisal and Revalidation carried out by PriceWaterhouseCoopers in September 2018 found overall evidence of clear and robust controls in place, which are operating effectively. There were two low-risk recommendations, which involved exceptions to usual practice, rather than the norm. Additional measures have been put in place to avoid a future recurrence.

Oversight of medical revalidation is the responsibility of the Medical Revalidation Steering Group. An annual report on Medical Appraisal and Revalidation was submitted to the Trust Board at the beginning of September 2018. The Board subsequently made the required declaration of compliance to NHS England by the deadline later in September 2018.

Guardians of Safe Working (GOSW)

There is a requirement in the 2016 Terms and Condition of Service (TCS) to produce a quarterly report and an annual report to the Board of the Somerset Partnership NHS Foundation Trust. The purpose of this report is to create awareness to the

Board and to the doctors that they are training safely and their working hours are compliant with the TCS.

Summary of Doctor in Training Data

There are two rotas in Somerset (Taunton and Yeovil). The Yeovil rota is a traditional on-call rota with 24 hour working with mandatory rest period of 8 hours, 5 hours to be taken between 2200 and 0700.

The Taunton rota is a shift pattern rota.

	AUGUST 2018
Number of Doctors in Training	22
GP and Foundation Grades (GP, F2, F1)	13
Core Trainees (CT)	7
Specialist Trainees (ST)	5

Breakdown of Trainees and Location (1 August 2018)

LOCATION	**SPECIALTY**	**GRADE**	**GAPS**
TAUNTON			
Rydon 1	General Adult Inpatients	GP and F2	
Rydon 2	General Adult Inpatients	GP and F1	
Holford	Intensive Care	CT	
Pyrland	Old Age (Inpatient)	GPx2, F1, CT	
Wessex	Child and Adolescent (Inpatient)	CT	
Willow/Ash	Rehabilitation/Forensic	CT	
YEOVIL			
Rowan	General Adult Inpatients	GP, F1, F2	
Yeovil	General Adult Community	GP	
Yeovil	General Adult Community	CT	Vacancy
Yeovil	Psychotherapy	CT	

Exception Reports

Since 31 October 2017, there have been 5 exception reports. One is pending and the other 4 have been resolved. The reports relate to hours worked in Yeovil. One has been dealt with through time in lieu. Two are pending subject to request for more information. Appropriate reminders have been sent to the clinical supervisors to complete the outcome on the Allocate software.

- Exception reports raised 5
- Number of exception reports closed 5
- Number of exception reports outstanding 0

Work Schedule Review

All trainees have work schedules.

Open Forum

Meetings are taking place on a regular basis.

Locum Bookings

Somerset Partnership NHS Foundation Trust runs a bank of junior doctors who have previously worked, or currently work, for the Trust that would like to do extra shifts at NHS rates. There have been no problems in recruiting short-term locums to fill gaps due to sickness.

Vacancies in Rota

These occur mainly due to sickness and maternity leave. In recent years, as the profile of training in psychiatry in Somerset has improved, the Trust has recruited fully to the junior doctor training posts. Nationally psychiatry is recruiting at 80%.

Fines

No fines were made.

Period from August 2018 to December 2019

There have been 6 exception reports, 2 in Yeovil and 4 in Taunton. All have been dealt with and are closed. Two exception reports relate to cover arrangements to a gap created as a result of a doctor on long-term sick. This is now resolved. Four exception reports relate to interrupted protected time and overtime.

STAFF ENGAGEMENT

Engagement

We continue to use a variety of methods to ensure colleagues are provided with information about the Trust, the NHS and any changes that may affect them. Some of the forums used are listed below:

- Staff News – Started in February 2018 this is a joint newsletter with Taunton and Somerset NHS Foundation Trust which ensures that colleagues across both Trusts are kept informed about Trust news including celebration of successes of colleagues from across the alliance as well as regular updates on the Merger;
- Joint Management and Staff Side Committee which now include both Staff side representatives from across the two Trusts;
- Leadership Forums – inviting all senior managers from across the two Trusts on a quarterly basis;
- Direct communications to all staff from the Chief Executive and members of the executive team.

Senior Managers continue to meet regularly with Executive Team members to discuss financial, performance, operational and other issues of importance at the Senior Managers' Operational Group. Operational and Professional managers meet with the Chief Executive and the Executive Directors three times per year, to hear and discuss updates in relation to partnership working, our financial and clinical performance and any other relevant national and local issues. These meetings are also used to engage managers in the Trust's annual business planning process, particularly in identifying priorities for the future together with a range of consultative activity.

Pulse Check

Engagement for colleagues is now measured through the Pulse Check survey which is run every 6 months across the Trust. The purpose of the Pulse Check survey is to take a temperature check of how engaged colleagues are feeling by asking them to answer a series of questions relating to Leadership Capability and Wellbeing. The first Trust wide Pulse Check was run in June/July 2018 with the following results:

In the table below green indicates a positive response and red indicates a negative response. The next wave of Pulse Check results close on 17 April 2019 with results due in mid-May 2019.

Question	Green	Red
How likely are you to recommend this organisation to friends and family if they needed care or treatment?		
How likely are you to recommend this organisation to friends and family as a place to work?		
I believe that we are providing high quality services to our patients/service users		
I feel that quality and safety of our patient care is our Trust's top priority		
I think that it is safe to speak up and challenge the way things are done		
My immediate manager motivates and inspires me to do a great job		
My immediate manager recognises and acknowledges when I have done my job well		
My immediate manager makes time to see me when I need support or direction		
I receive regular and constructive feedback on my performance		
Leadership Capability Index		
I have the tools and equipment I need to do my job well		
When we get things wrong I feel that we learn and make changes to improve		
I feel respected and valued as a member of my team		
My immediate manager places a strong emphasis on promoting safety and wellbeing of colleagues		
I have felt unwell as a result of work related stress in the last 12 months		
Wellbeing Index		
The senior leaders (Directorate Manager and above) of this organisation are doing the right things in line with our values for our hospital to be successful		
Response Rate	1147	

Staff Survey

The 2018 staff survey was completed between September and December 2018 with a 45% response rate equating to feedback from 1,603 colleagues, which was an increase on the response rate of 40% in 2017 and is in line with the average response rates in respect of comparable Trusts.

In 2018 the NHS Staff survey saw some key changes in the way the results were reported these changes included the following:

- A move from 32 Key findings to 10 Key Themes
- A move from a 5 point rating scale to a 10 point rating scale
- The introduction of a new theme under the heading Morale

The 10 Key themes and the results for Somerset Partnership can be seen in the table below:

Theme	2017 score	2017 respondents	2018 score	2018 respondents	Statistically significant change?
Equality, diversity & inclusion	**9.4**	1462	**9.4**	1565	Not significant
Health & wellbeing	**6.3**	1464	**6.2**	1568	Not significant
Immediate managers	**7.0**	1465	**7.1**	1578	Not significant
Morale		0	**6.2**	1539	N/A
Quality of appraisals	**4.7**	1280	**4.8**	1399	Not significant
Quality of care	**7.1**	1287	**7.1**	1399	Not significant
Safe environment - Bullying & harassment	**8.2**	1461	**8.1**	1556	Not significant
Safe environment - Violence	**9.5**	1464	**9.5**	1565	Not significant
Safety culture	**6.6**	1464	**6.7**	1552	↑
Staff engagement	**7.0**	1466	**7.0**	1600	Not significant

Note: The table above presents the results of significance testing conducted on this year's theme scores and those from last year. It details the organisation's theme scores for both years and the number of responses each of these is based on. The final column contains the outcome of the significance testing: ↑ indicates that the 2018 score is significantly higher than last year's. If there is no statistically significant difference, you will see 'Not significant'. When there is no comparable data from the past survey year, you will see N/A. Morale is a new Theme for the 2018 survey data and there is no comparable data from past survey years.

The table shows that there was one positive change in the results in the theme Safety Culture. This theme is made of a series of six questions and these questions are:

Question	2017	2018	National Average 2018
My organisation treats staff who are involved in an error, near miss or incident fairly	51.2%	58.9%	58%
When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again	65.9%	69.3%	70.2%
We are given feedback about changes made in response to reported errors, near misses and incidents	49.5%	57.3%	61.7%
I would feel secure raising concerns about unsafe clinical practice	74.5%	74.3%	73.3%
I am confident that my organisation would address my concern	57.5%	60%	60%
My organisation acts on concerns raised by patients / service users	71.6%	72.7%	73.9%

Overall Staff Engagement

Our overall staff engagement score has remained the same as 2017 which is 7.0 and is in line with the national average of 7.0.

Freedom to Speak Up

The Trust takes concerns raised by colleagues and patients very seriously and has processes in place to enable staff to raise concerns without fear of reprisal. We aim to create a culture where colleagues, patients and carers are able to speak out when concerned about safety, quality or how we are demonstrating our values.

We know there will be occasions when we don't get things right; which is why encouraging colleagues and patients to raise concerns openly as part of normal day-to-day practice is an important part of improving the quality of the service we provide, patient safety and experience.

The Trust this year has introduced the Freedom to Speak Up service which is a service designed to support colleagues to speak up and help the Trust identify and remove the barriers colleagues have in terms of speaking up. The service is currently supported by a joint team across the two Trusts which currently consist of 3 individuals with a fourth to come later in 2019. In 2019 the service will move to a 5-

day a week service and we will look at introducing Freedom to Speak Up champions to support the Guardians in their roles.

PATIENT EXPERIENCE AND PUBLIC ENGAGEMENT

Engagement, Consultation, Patient and Public Involvement Activities, including Scrutiny Committees

Listening to our patients and their families is at the heart of all we do. We strive to provide the best care and treatment for our patients and hearing their stories is the best way for us to learn what is going well – and what can be improved.

The Trust has a variety of approaches to listening and learning from our patients, their families and carers: through the Friends and Family Test, PALS, social media, patient and carer groups, voluntary and community groups, surveys and research, engagement events and also through compliments letters and complaints.

Providing patient and family-centred care is at the heart of our values; listening to patients and carers and properly hearing their experiences is key to providing this care.

The Trust values all comments, compliments and complaints about the services which it provides and welcomes feedback in order to continually improve and develop the care that we provide.

Friends and Family test:

The Trust receives nearly 1,000 Friends and Family test responses each month. These have provided a wide range of views and comments from patients and their carers about our services.

During 2018-19, 97% of respondents would be likely or extremely likely to recommend Trust services to their friends and family members. The themes from the positive comments relate to staff attitude, particularly friendly and caring staff. A strong theme is also that of fast and efficient care. During the next year we will be rolling out the new nationally agreed patient survey and focusing on service improvements as a result of this wealth of feedback.

The word cloud below shows the most commonly used words in the comments provided by patients and carers returning the survey:

CARE OPINION

The Trust has expanded its involvement with patients via the independent website Care Opinion (www.careopinion.org.uk). We have included information about Care Opinion on appointment letters and posters and have increased the number of frontline and clinical staff who personally respond to patient stories that are posted on the site.

184 stories have been told by patients during the year on Care Opinion. Trust staff have responded to all stories posted on the website during the year. The infographic below shows the issues that were raised by patients over the year. Over the next year we will expand the number of staff responding to stories about their services, and will continue to guarantee a staff response to every patient story posted on the website.

Patients rated staff, advice and the help that they received as the best elements of their care. The areas that could be improved included our appointment systems, booking office responsiveness and communication around appointments. These are issues we are focusing on improving as part of our work in the next year.

Real-time inpatient surveys

The Trust has worked with a team of staff from Musgrove Park Hospital in a new project collaborating with Northumbria NHS Trust and 11 other Trusts across the country to use 'real-time' measurement of patient experience through an inpatient survey. The Trust undertook this survey in Minehead Community Hospital and Rydon Ward in Taunton. Patients were asked a range of questions about their care, with a range of questions including cleanliness, noise at night and the caring attitude of staff. Patient comments were also collected. This information is shared with the ward staff as soon as possible ("real-time feedback").

This feedback enabled us to respond quickly to concerns raised by patients, and to feedback compliments directly to staff. As a result of this patient feedback, practical changes were made to the ward environment (individual bins and menus on display in Rydon ward) and improvements were measured in relation to the ward environment at night-times.

> *"The real-time surveys have been a great snapshot of what is happening on the ward."- Ward manager*

Complaints

During the year 2018/19 we received 75 recorded complaints which is exactly the same as 2017/18. Of the 75 complaints received, 46 were partially upheld, 5 were fully upheld, 11 not upheld and 10 are on-going. One was withdrawn, one transferred to be dealt with as a serious incident and the final one investigated as an MP complaint.

PALS enquiries

During the year 2018/19 we received a total of 2,608 PALS enquiries registered which is a decrease of 120 (4.3%) from 2017/18.

The key themes that have emerged from PALS and Complaints in the last year are summarised below:

- Communication
- Service access and waiting times especially in relation to Podiatry and Physiotherapy, which is reflected in the number of enquiries that have been received into the PALS service for the latter half of the year. In relation to the Podiatry and Physiotherapy concerns recruitment is on-going for an additional 100hours to boost the admin support team. Additionally, improvements are being made to the call-handling system.
- All Aspects of clinical care and treatment
- Attitude of staff

Key findings and actions have been shared with teams and colleagues across the Trust to improve the way we do things and we will monitor progress in these areas during the year by way of the Divisional Governance Group's.

Appendix 1

Statements from External Agencies

Healthwatch Somerset's Response to Somerset Partnership NHS Foundation Trust Quality Account 2018-19

Healthwatch Somerset welcomes the opportunity to comment on Somerset Partnership's quality account for 2018/19. Healthwatch Somerset exists to promote the voice of patients and the wider public with respect to health and social care services. Over the past year we have continued to work with Somerset Partnership to ensure that patients and the wider community are appropriately involved in providing feedback and that this feedback is taken seriously.

Healthwatch Somerset is pleased to see that the 2019/20 Priorities have been decided based on engagement with ourselves, patient representative groups and patient, carer and public feedback on services.

Priority Areas for 2019-20

Delivering parity of esteem between physical and mental health services.
Healthwatch Somerset has not been supplied narrative to comment on, however, we know that the benefits of integrated care across boundaries (health, social care, employment and housing) are understood although integrated care for people with mental health conditions is often the exception rather than the rule. This can lead to poor patient experience and reduced quality of care. We would like to see the Trust improve the ability of staff to recognise and respond appropriately, to those patients with mental health needs (children, adults in crisis, and older people).

Learning from incidents, complaints and mortality reviews.
We support any action by the Trust to ensure that, when things go wrong, a proper investigation, with full input of the patient/their relatives or carers, takes place. We note that the Serious Incident Review Group will have a key role to play in ensuring that learning takes place as a result of its overview responsibility. We would welcome regular

conversations with the Trust about how complaints are being used to shape services going forward.

Improving the quality of discharge summaries

Healthwatch Somerset has not been supplied narrative to comment on. Healthwatch Somerset is aware that discharge is a continuing area of concern for patients and carers, and has been pleased to be involved in a number of workshops in Somerset to identify areas of concern, and to develop good practice to improve discharge planning. Healthwatch Somerset would like to be assured that there is sufficient support in the community to meet a person's needs before they are discharged.

Improving sepsis recognition.

We support any action by the Trust to raise awareness of sepsis and to ensure that prompt and appropriate treatment takes place. Healthwatch Somerset would welcome knowing what percentage of patients are screened for sepsis on admission.

Improving implementation of the Rapid Response service.

We note that the new Rapid Response Service has been operational since November 2018, and new relationships built with adult social care and Home First to enable patients to move onto appropriate services where needed. We welcome the collaboration of services to meet patient need.

Developing co-design/user involvement.

By listening to people who use and care about health and social care services the Trust can understand their health needs better and focus on, and respond to, what matters to them. Healthwatch is pleased to note that all service improvement groups and new service implementation groups will have patient/service user/carer involvement.

Summary

Overall, we feel that this is a balanced report covering both past performance and proposals for future priorities. We look forward to working with the Trust over the coming year to ensure that the experiences of patients, their families, and carers are heard and taken seriously.

Somerset Clinical Commissioning Group Response to Somerset Partnership NHS Foundation Trust Quality Account 2018-19

Our Ref: SC/DR/HW

Your Ref: PB/dg/qa

16 May 2019

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Dear Phil

SOMERSET PARTNERSHIP NHS FOUNDATION TRUST QUALITY ACCOUNT 2018/19

I am writing in response to your letter dated 2 May 2019 and the enclosed copy of the draft Quality Account 2018/19 for Somerset Partnership NHS Foundation Trust (the Trust).

During 2018/19 NHS Somerset Clinical Commissioning Group has monitored the safety, effectiveness and patient experience of health services that we commission from Somerset Partnership NHS Foundation Trust. We have welcomed the Trust's engagement in this process as part of quality contract monitoring. This provides a strong position for NHS Somerset CCG to comment on the Quality Account and the Trust's performance against quality improvement priorities.

NHS Somerset Clinical Commissioning Group Commissioner Statement

This is the seventh Quality Account integrating both community and mental health services and reflects the ongoing commitment by the Trust to provide high quality care across all commissioned services. As lead commissioner, NHS Somerset Clinical Commissioning Group (CCG) has monitored the safety, effectiveness and patient experience of health services at the Trust during 2018/19.

The Trust's engagement in the quality contract monitoring process provides the basis for the CCG to comment on the Quality Account including performance against quality improvement priorities and the quality of the data included. The Quality Account document is well presented, easily accessible and demonstrates

consultation with local people and service users about priorities for 2019/20. We can confirm that the Quality Account provides a balanced view of the Trusts' achievements and as such is an accurate reflection of the quality of services provided.

The CCG regularly reviews the quality and safety of the services provided by the Partnership using a broad range of quality indicators and these are reported to the CCG at the Clinical Quality Review meetings (CQRM). These include the quality improvement priorities identified for 2018/19 as part of the Commissioning Quality and Innovation (CQUIN) framework agreed with the Trust. The CCG notes the good progress made by the Trust on its six quality priorities for 2018/19:

- **Priority 1:** Improving understanding and recording of mental capacity and consent. The issue of capacity requires good knowledge and judgement in applying and complying with the legal framework, the CCG commends the work the Trust has taken forward this year to improve the practice of its staff. We note the February 2019 training compliance rate of 78.5%, with a trajectory to reach a target of 85% in early 2019/20. The CCG will be keen to see the impact of the training in terms of audit outcomes.

- **Priority 2:** Reducing the incidence of Venous Thromboembolism (VTE) in in-patients. The CCG acknowledges the Trust's aim for zero tolerance of VTE incidents throughout the reporting period and congratulates the Trust for achieving this (as at 28 February 2019). The CCG also acknowledges the Trust's rate of 97.2% of patients admitted community hospitals having been risk assessed for VTE within 24 hours of admission – this is against the national quality requirement of 95%.

- **Priority 3:** Increasing the skill set of staff when caring for patients with dementia / cognitive impairment. The CCG notes the training uptake rate for clinical staff of 97.9% for awareness training and will welcome an update at CQRM as to the rate of staff who have undertaken enhanced dementia awareness training.

- **Priority 4:** Improving incident reporting. The CCG notes and commends the Trust's increase in incident reporting rate from 29.0 incidents per 1000 bed days in 2017/18 to 34.1 in 2018/19. We note the link with action taken this year by the Trust to establish a Freedom to Speak Up Service. The CCG notes that the percentage of these incidents that have been graded as resulting in severe harm of death has increased from 1.4% in 2017/18 to 1.98% in 2018/19. This is against the expectation and the CCG will welcome any insights from the Trust as part of future CQRM review.

- **Priority 5:** Improving personalised care planning, the CCG welcomes an update at CQRM as to how the Trust has improved upon ensuring effective patient and carer involvement takes place in care planning.

- **Priority 6:** Pressure Ulcers; the CCG notes the endeavour being applied by the Trust to reduce the incidence of skin wound from pressure damage and the difficulties in helping to reduce this risk for those people in contact with the

district nursing service. The consequence of remaining immobile leading to pressure damage can be lead to wounds that are extremely painful and distressing for people. Furthermore such wounds create a risk for further medical complications. The CCG are aware of developments in the district nursing team's approach to helping patients prevent, recognise and treat pressure damage and note the difficulties in helping people in their own homes to manage this risk The Trust has committed to continue to work with other health and care partner agencies during 2019/20; to increase wider community awareness and intervention to reduce the harm arising from skin pressure damage.

The Trust has been working on improving the assessment of wounds as part of the CQUIN scheme during 18/19. The audit results are due in May 2019 and the CCG looks forward to seeing these to demonstrate improvement against baseline under this programme.

The CCG wishes to commend the Trust's continual willingness to learn and improve services. The Trust and its staff are active partners in a wide range of Somerset's health and care system quality improvement initiatives, to which the quality account briefly makes reference in the Patient Safety and Quality Improvement section.

The CQC's inspection report published in January 2019 showed the overall rating as remaining 'Good'. As part of this most recent inspection Children and Adolescent Mental Health Service (CAMHS) was rated as 'Requires Improvement' in the Safe, Responsive and Well Led domains. The CCG will be working with the Trust to support further improvement in the CAMH Service. It is noted that as some of the services previously rated as 'Requires Improvement' were not been re-inspected, irrespective of the significant improvements made in some of the services. Our view is that the Trust provides, overall, good quality care for patients.

The CCG also wishes to highlight the work the Trust has been undertaking in collaboration with Taunton and Somerset NHS Foundation Trust: in November 2018 NHS Improvement (NHSI) gave the two Trusts approval to move to the next stage of merger application, to prepare the business case. The Trust was asked to develop detailed plans for a clinical model that delivers patient benefits beyond the transaction date, how financial savings are linked to the clinical benefits both for the merged Trust and the Somerset Sustainability and Transformation Partnership (STP) for the health and care system of Somerset as a whole and engagement with the STP and assurance that the merged organisation will focus on priorities for the whole of Somerset.

Our remaining commentary will be covered in the three key areas of quality; patient experience, patient safety and clinical effectiveness.

1. PATIENT EXPERIENCE

1.1 The Trust continues to demonstrate commitment to patient engagement and experience demonstrating a diverse range of engagement activities within the Quality Account. The CCG highlighted last year the decrease in complaints received during 2017/18 (75 from 157 during 16/17) and

notes that this level has been maintained during 2018/19. During 2018/19 there has been a decrease (of 120 contacts) in Patient Advice and Liaison Service (PALS) activity. The CCG notes the work the Trust has undertaken during 18/19 broadening out how it invites feedback from patients and carers including through real-time inpatient surveys. The CCG looks forward to receiving regular updates on this work during 2019/20, and what action is taken to improve services as a result.

1.2 The Trust's approach to patient experience sets out the various conduits through which patients and carers are engaged, including Patient Advocacy Liaison Service's (PALS), surveys, social media and the Friends and Family Test (FFT) and Patient groups. Although FFT feedback has had a minor decrease compared to last year (1%) it still remains positive at 97% of respondents being likely or extremely likely to recommend Trust services to their friends and family members.

1.3 The CCG notes the continued low response rate to the Community FFT when compared to peer average (Community Indicators Scorecard, February 2019). The CCG encouraged the Trust to look at ways to improve the FFT response rates in its previous 2018/19 Quality Account response and emphasises the importance to do so again this year.

1.4 Somerset Partnership was rated 1 out of 5 stars on the NHS website (previously NHS Choices) however the CCG feels that this should be put into context as, out of the 39 people who left feedback, only 7 chose to give a 'star rating'; there were many positive responses from patients and their relatives.

1.5 The 2018 survey of people who use community mental health services was published in November 2018, This year, younger respondents aged 18 to 35 and those diagnosed with non-psychotic chaotic and challenging disorders consistently reported worse than average experiences across multiple areas. However, those on the new Care Programme Approach (CPA) and those who had been in contact with NHS mental health services for less than a year often reported better than average experiences. Somerset Partnership score was overall good with the best individual score in the category of 'Safe Environment

1.6 The CCG notes a 21% decrease in the 'Staff Friends and Family Test' would you recommend this organisation as a place to work, 88% in 2017/18 down to 69.6% in 2018/19. The CCG notes that the Trust has acknowledged this reduction and its aims to improve performance through planned staff engagement events and additional staff surveys, including a bi-annual Pulse Check to gauge how engaged staff are feeling at service level. The first Pulse Survey (carried out in June/July 2018) showed an overall 72% positive result in the Leadership Capability Index and 68% in the Wellbeing Index. The CCG welcomes updates in the coming year around staff engagement.

2. PATIENT SAFETY

2.1 The CCG acknowledges the challenges the Trust has continued to face during 2018/19 with regards to nursing staff in community in-patient services and the decision to temporarily consolidate beds on the grounds of patient safety. The CCG continues to work with the Trust to monitor the situation, patient experience and impact on staff.

2.2 As noted in the section on last year's six priorities the CCG notes the continued increase in reporting of patient safety incidents on the National Reporting and Learning Services (NRLS) compared to previous years. . Incidents were submitted to the NRLS in a less timely manner than in previous years, with 5% of incidents being submitted after 93 days and 50% of incidents being submitted after 49 days during April 2018 – September 2018, compared to 5% after 38 days and 50% after 11 days for the same period in 2017.

2.3 The CCG has maintained oversight of the serious incident reports and investigations conducted by the Trust. As in previous years' the majority of serious incidents have sadly been about people receiving mental health services who have taken their own life through suicide. The CCG has visited the Trust to review changes made as a result of issues identified that may have helped these individuals to take a different path. This has included issues such as obtaining In Case of Emergency (ICE) contact telephone numbers from patients and where possible greater involvement of families and others close to the patient in supporting them with care and treatment plan. Going forwards the Trust has committed to further work alongside the CCG, other statutory and voluntary agencies in Somerset to review current service arrangements in the county, to understand what more can be done to support people at risk of suicide.

2.4 During 2018/19 administration of a wrong side nerve block injection, which although no harm occurred to the patient, meant the Trust reported, as required by national guidance, the incident as a 'Never Event'. The Trust despite no harm occurring has taken the incident seriously and have made changes to their Local Safety Standard for Interventional Procedures following the learning from the local investigation they conducted.

The CCG notes learning arising from the Trust's Learning from Death review programme. Their findings are consistent with other Trusts in Somerset, in terms of needing to further improve the support to people and their families at the end of their life and those living with dementia. This will include making learning from incidents and complaints and mortality reviews a priority for next year will help enhance this work.

The Trust has supported the local Somerset programme of the national Learning Disabilities Mortality Review (LeDeR) programme. This programme is identifying areas where there is need for improvement in supporting people with a learning disability, to make adjustments in

service arrangements in such a way as to meet their individual needs. Meaning they are not disadvantaged in accessing and receiving care and treatment.

Although the Trust has managed to maintain targets for levels 1 and 2 of mandatory training in both adults and children's safeguarding, it has struggled to reach the targets for level 3 training. The Trust started the year at 85.23% for adults and 88.19% for children and there were some increase during the year, at the last count the figures remain below the target at 83.81% for adults and 86.78% for children. This is an issue that has persisted for several years without resolution.

3. CLINICAL EFFECTIVENESS

3.1 The Trust continues to display a strong audit function that has supported many of the quality improvement initiatives and identified areas for action over the year, with participation in eleven of the thirteen national clinical audits relevant to the services they provide. One area of focus for the CCG during the year has been the number of falls (and level of harm) reported within the Trust. The CCG, therefore, welcomes the opportunity for the Trust to now participate in the National Audit of Inpatient Falls, which will help support a better understanding of national benchmarking with other community Trusts.

3.2 The CCG acknowledges that the format and content of the section comparing performance with national and Trust averages is required as part of the NHS Improvement requirements for Quality Accounts. However, such information does not reflect the wider quality improvement work that is undertaken within the Trust. The CCG welcomes inclusion of examples of its quality improvement work throughout the Quality Report such as within the listing of outcomes and improvement actions following learning from local clinical audits.

3.3 The CCG wishes to highlight the positive work the Trust has undertaken in the Commissioning for Quality and Innovation (CQUIN) programme for 2018/19. Last year the CCG highlighted the work within the Trust for the 'Personalised Care and Support Planning' indicator and this has continued into 2018/19, thereby complementing that year's 'Improving Personalised Care Planning' quality priority. During the 2018/19 programme the Trust has continued to demonstrate effective collaborative working with both Taunton and Somerset NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust for not only this indicator but also in developing a joint approach to improving services for people with mental health needs who present to A&E.

3.4 The Improving Access to Psychological Therapies (IAPT) programme for treatment of adult anxiety disorders and depression has seen significant improvement in performance over the year. One of the key measures is of individuals who finished a course of treatment in 2018/19 were considered recovered the national ambition is 50%, the Trust achieved 64.1% in

March 2019. This is reflective of the significant work the team have undertaken in year to address the recovery rate and ensure positive outcomes for patients; a huge success for the service given 2017/18 YTD performance was 39.67%

4. QUALITY IMPROVEMENT PRIORITIES FOR 2019/20

4.1 Somerset CCG supports the quality improvement priorities identified by the Trust for 2019/20. The Trust has selected a number of relevant quality priorities for the coming year accompanying this with a clear rationale as to why such priorities are applicable to the Trust, whilst incorporating both patient and CQC feedback. The priorities identified are consistent with wider health and care system priorities; many of which link well with existing Somerset improvement work streams and to which the Trust already makes a significant contribution, such as the Somerset Sepsis Working Group.

Please contact me at the above address if you wish to discuss any of the above comments further.

Yours sincerely

Sandra Corry
Director of Quality and Nursing, Somerset CCG

Copy: Debbie Rigby, Deputy Director of Quality and Nursing, Somerset CCG
David Freeman, Acting Chief Officer, Somerset CCG
Alison Henly, Chief Finance Officer and Director of Finance, Performance and Contracting, Somerset CCG

Somerset County Council Response to Somerset Partnership NHS Foundation Trust Quality Account 2018-19

WWW.SOMERSET.GOV.UK

Somerset County Council
County Hall
Taunton
Somerset
TA1 4DY

0300 123 2224

9 May 2019

Dear Phil,

No specific response from the Scrutiny for Adults & Health Committee other than a comment that the Trust is moving in the right direction.

Kind regards,

Lindsey

Lindsey Tawse
Democratic Services Team Leader

APPENDIX 2

Statement of directors' responsibilities in respect of the quality report

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

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018-19
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
    - Board minutes and papers for the period April 2018 to March 2019
    - papers relating to quality reported to the Board over the period April 2018 to March 2019
    - feedback from the commissioners dated 16 May 2019 (received on 3 June 2019)
    - feedback from local authority dated 9 May 2019
    - feedback from governors dated 20 May 2019
    - feedback from Healthwatch Somerset dated 30 May 2019
    - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
    - the National Patient Survey September 2018
    - the 2018 National Staff Survey
    - the Head of Internal Audit's annual opinion over the Trust's control environment presented at the Trust Audit Committee on 23 May 2019
- the Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and

- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board 23 May 2019

Chairman

Chief Executive

APPENDIX 3

Performance Indicators Subject to External Audit

All information is taken from the Trust Electronic Patient Record.

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

Source of indicator definition and detailed guidance

The indicator is defined within the technical definitions that accompany Everyone counts: planning for patients 2014/15 - 2018/19 and can be found at www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf

Detailed rules and guidance for measuring referral to treatment (RTT) standards can be found at http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-guidance/

Detailed descriptor

E.B.3: The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period

Numerator

The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks

Denominator

The total number of patients on an incomplete pathway at the end of the reporting period

Accountability

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: www.england.nhs.uk/wp-21content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf (see Annex B: NHS Constitution Measures).

Indicator format

Reported as a percentage

Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care

Indicator description

The access and waiting time standard for early intervention in psychosis (EIP) services requires that, from 1 April 2016 more than 50% of people experiencing first episode psychosis will be treated with a NICE-approved care package within two weeks of referral. The standard is targeted at people aged 14-65. Detailed guidance can be found at: https://www.england.nhs.uk/mentalhealth/wp-content/uploads/sites/29/2016/04/eip-guidance.pdf

Numerator

The number of referrals to and within the Trust with suspected first episode psychosis or at 'risk mental state' that start a NICE-recommended package care package in the reporting period within 2 weeks of referral.

Denominator

The number of referrals to and within the Trust with suspected first episode psychosis or at 'risk mental state' that start a NICE-recommended care package in the reporting period.

Indicator

Numerator divided by the denominator expressed as a percentage.

Recording of risk

Indicator description

The percentage of clients under our care who have had a formal assessment of risk and safety recorded

Numerator

The number of clients recorded on RiO under the CPA programme.

Denominator

The number of clients under our care who have had a formal assessment of risk and safety recorded.

Indicator

Numerator divided by the denominator expressed as a percentage.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SOMERSET PARTNERSHIP NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Somerset Partnership NHS Foundation Trust to perform an independent assurance engagement in respect of Somerset Partnership NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;
- early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2018 to May 2019;
- papers relating to quality reported to the board over the period April 2018 to May 2019;
- feedback from governors, dated May 2019;
- feedback from Overview and Scrutiny Committee, dated 09 May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated September 2018;
- the latest national staff survey, dated December 2018;
- Care Quality Commission Inspection, dated February 2019;

- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated March 2019; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Somerset Partnership NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Somerset Partnership NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Somerset Partnership NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

23 May 2019

SOMERSET PARTNERSHIP NHS FOUNDATION TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS

Foreword to the accounts

Somerset Partnership NHS Foundation Trust

These accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) of the National Health Service Act 2006

Signed 

Name **Peter Lewis**
Job title **Chief Executive**
Date **23 May 2019**

KPMG

Independent auditor's report

To the Council of Governors of Somerset Partnership NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Somerset Partnership NHS Foundation 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 Tax Payers' Equity, 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 the Trust's income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care 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 Group 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.

Overview		
Materiality: Trust financial statements as a whole	£3.4m (2017/18:£3.3m) 1.9% of total revenue (2017/18: 1.9%)	
Key audit matters		**vs 2017/18**
Recurring risks	Valuation of Land and Buildings	▲
	NHS Income and NHS receivables	◄►
New risk	Fraudulent Expenditure recognition	▲

Key

◄► Risk level unchanged from prior year

▲ Risk level increased from prior year

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

We summarise below, the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion . These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon , and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of Land and Buildings (£86 million; 2017/18: £115.6m) *Refer to page 81 (Annual report), page 9-11 (accounting policy) and page 11 (financial disclosures).*	**Subjective estimate:** Land and buildings are initially recognised at cost. Non-specialised property assets in operational use are subsequently recognised at current value in existing use (EUV). Specialised assets, where a market value is not readily ascertainable, are subsequently recognised at the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV). An impairment review is carried out each year to ensure that the carrying amounts of assets are not materially different from their fair/current values, with a full valuation every five years and an interim desktop valuation after three years, performed by an independent valuer. Desktop reviews were performed as at 31 March 2019 and 1 April 2018, with a full revaluation performed as at 1 April 2016. There is significant judgment involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation of the asset. In particular the DRC basis of valuation requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site.	**Our procedures included:** • **Assessing valuer's credentials**: We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the information provided to the Trust in 2018/19, to inform its assessment of market value movements, for consistency with the requirements of the DHSC Group Accounting Manual; • **Test of detail:** We assessed the report of the external expert regarding the MEA model and its review and approval by the Board; • **Test of detail:** We agreed the information provided to the valuer by the Trust to underlying records of the estate held; • **Benchmarking assumptions:** We critically assessing the calculation of market value indices movements completed by the Trust, including a re-performance of this calculation to confirm that no material movements in the value of the land and buildings assets were indicated; and • **Test of detail:** We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken and the adequacy of the decision outcomes as a result of the process; and **Our findings** • We found the resulting valuation of land and buildings to be balanced

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
NHS income and NHS receivables NHS income (including PSF Income): (£155.5 million; 2017/8: £158.9m) NHS Receivables: (£7.5 million; 2017/18: £4.6m) *Refer to page 81 (Annual report), page 6 (accounting policy) and page 20-21 (financial disclosures).*	**Subjective estimate** Of the Trust's reported total income, £151.3 million (2017/18, £148.4m) came from commissioners (Clinical Commissioning Groups (CCGs) and NHS England). Income from CCGs and NHS England makes up 90% of the Trust's income. The majority of this income is contracted on an annual basis, but actual income is based on completing the planned level of activity and achieving key performance indicators (KPIs). An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £0.3m are required to be reported to the National Audit Office to inform the audit of the Department of Health consolidated accounts. **Accounting judgment** In 2018/19, the Trust received provider sustainability funding (PSF) from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Trust was allocated £4.11m of sustainability funding. This includes a year-end incentive payment of £1.8m. The pressure to meet targets constitutes a risk of fraud.	**Our procedures included:** • **Test of detail:** We agreed commissioner income to signed contracts and selected a sample of the largest balances to agree that they had been invoiced in line with the contract agreements and payment had been received. • **Test of detail:** We inspected invoices for material income, in the month prior to and following 31 March 2019 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; • **Test of detail:** We agreed that the levels of over and under performance reported were consistent with contract variations and challenged the Trust's assessment of the level of income where these were not in place by considering our own expectation of the income based on our knowledge of the client and experience of the industry. • **Test of detail:** We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and compared the values they are disclosing within their financial statements to the value of income captured in the financial statements. We sought explanations for any variances over £0.3m, and all balances in dispute, and challenged the Trust's assessment of the level of income they were entitled to and the receipts that could be collected. • **Test of detail:** We re-performed the Trust's calculation of performance against the financial and operational targets used in determining receipt of sustainability funding to determine the amount the Trust was qualified to receive. We agreed the amounts recorded in the accounts to our calculation. **Our findings:** • We found the resulting estimates and judgments made by the Trust in relation to NHS income to be balanced.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

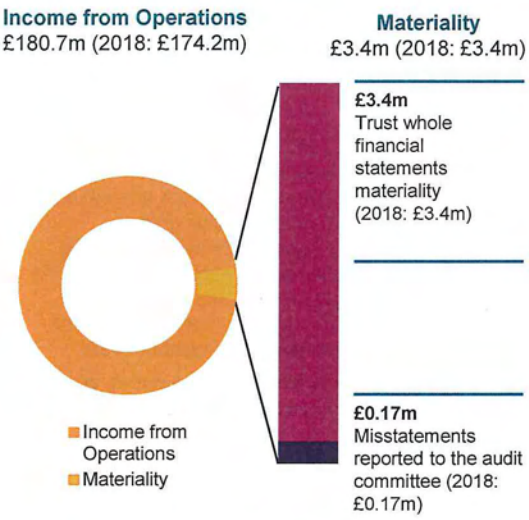
	The risk	Our response
Non-pay expenditure recognition Non pay expenditure (£44 million; 2018: £158.9m) Accruals: (£6.3 million; 2018: £3.8m) *Refer to page 81 (Annual report), page 8 (accounting policy) and page 23 (financial disclosures).*	**Effect of irregularities:** Of the Trust's reported total expenditure, £44 million (2017/18, £42.8m) related to non pay expenditure. Of this, £12.9 million related to establishment and premises costs (2017/18, £12.2m), and drug costs of £4 million (2017/18, £3.8m). In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As most public bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so we had regard to this when planning and performing our audit procedures.	**Our procedures included:** • **Control observation:** We assessed the application of appropriate segregation of duties between those responsible for monitoring budgets (e.g. General Managers) and those preparing the financial statements (Finance Team) in the design of budgetary controls; • **Control operation:** We assessed the operating effectiveness of controls which have been in operation throughout the year for the authorisation of non-pay expenditure; • **Test of detail:** We corroborated a specific item sample of non pay expenditure transactions to supporting evidence and cash; • **Test of detail:** We inspected invoices for material expenditure in the month prior to and following 31 March 2019 to determine whether expenditure was recognised in the correct accounting period, in accordance with the amounts billed by corresponding parties; • **Test of detail:** We inspected a sample of accruals, re-performing the underlying calculation and/or agreeing the accrual to supporting evidence. **Our findings:** • We found the resulting recognition of Non Pay Expenditure to be balanced.

3. Our application of materiality

Materiality for the Trust's financial statements as a whole was set at £3.4m (2018: £3.4m), determined with reference to a benchmark of Income from Operations, of which it represents 1.9% (2018: 2%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £170k (2018: £170k), in addition to other identified misstatements that warranted reporting on qualitative grounds

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's head office in Bridgwater.



4. We have nothing to report on going concern

The Accounting Officer has 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 their 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").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are 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

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6.Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 111 of the Annual report, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; 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

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

We have nothing to report on the 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:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the 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 the use of resources.

We have nothing to report in this respect.

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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the 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 2018, 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.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

We did not identify any significant risks to the Trust.

KPMG

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors 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 Somerset Partnership NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Jonathan Brown
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

23 May 2019

KPMG

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	2018/19 £000	2017/18 £000
Operating Income from patient care activities	3	**168,200**	162,846
Other Operating income	4	**12,488**	11,366
Operating expenses	5, 6	**(189,303)**	(161,955)
Operating (deficit)/surplus from continuing operations		**(8,615)**	12,257
Finance costs			
Finance income	8	**126**	43
Finance costs	9	**(44)**	(49)
Public dividend capital - dividends payable		**(3,051)**	(3,587)
Net finance costs		**(2,969)**	(3,593)
Other losses		**(76)**	(2)
(Deficit)/surplus for the year from continuing operations		**(11,660)**	8,662
Other comprehensive income			
Impairments	11	**(11,722)**	0
Revaluations	11	**0**	2,525
Total comprehensive (expense)/income for the period		**(23,382)**	11,187

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	NOTE	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	12	**3,219**	1,868
Property, plant and equipment	13	**85,995**	115,580
Total non-current assets		**89,214**	117,448
Current assets			
Inventories	14	**485**	429
Receivables	15	**12,422**	9,261
Cash and cash equivalents	21	**18,976**	14,895
Total current assets		**31,883**	24,585
Current liabilities			
Trade and other payables	16	**(16,011)**	(14,184)
Other liabilities	17	**(125)**	(298)
Borrowings	18	**(290)**	(232)
Provisions	20	**(110)**	(100)
Total current liabilities		**(16,536)**	(14,814)
Total assets less current liabilities		**104,561**	127,219
Non-current liabilities			
Borrowings	18	**(1,038)**	(1,142)
Provisions	20	**(50)**	(52)
Total non-current liabilities		**(1,088)**	(1,194)
Total assets employed		**103,473**	126,025
Financed by Taxpayers' equity:			
Taxpayers' equity			
Public dividend capital		**33,593**	32,763
Revaluation reserve		**8,101**	19,946
Income and expenditure reserve		**61,779**	73,316
Total taxpayers' equity		**103,473**	126,025

The notes on pages 5 to 41 form part of these accounts.

The financial statements on pages 1 to 41 were approved by the Board on 23 May 2019 and signed on its behalf by:

Signed: Date:

The accompanying notes form part of the financial accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	TOTAL	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' and other 's equity at 1 April 2018	**126,025**	32,763	19,946	73,316
(Deficit) for the year	**(11,660)**	0	0	(11,660)
Impairments	**(11,722)**	0	(11,722)	0
Other reserve movements (Note 1)	**0**	0	(123)	123
Public Dividend Capital received	**830**	830	0	0
Taxpayers' and other 's equity at 1 April 2019	**103,473**	**33,593**	**8,101**	**61,779**

Note 1
Re-allignment for 2017-18 impairment movement between revaluation and Income and Expenditure reserves.

	TOTAL	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' and other 's equity at 1 April 2017	**114,838**	32,763	17,421	64,654
Surplus for the year	**8,662**	0	0	8,662
Revaluation	**2,525**	0	2,525	0
Taxpayers' and other 's equity at 1 April 2018	**126,025**	**32,763**	**19,946**	**73,316**

The accompanying notes form part of the financial accounts

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	2018/19 £000	£000	2017/18 £000	£000
Cash flows from operating activities					
Operating (deficit)/surplus			**(8,615)**		12,257
Non-cash income and expense:					
Depreciation and amortisation	5	**4,201**		4,160	
Net impairments	5	**17,542**		(4,620)	
Income recognised in respect of capital donations	4	**(102)**		(102)	
(Increase) in receivables		**(3,161)**		(1,606)	
(Increase) in inventories		**(56)**		(16)	
Increase in trade and other payables		**1,709**		2,080	
(Decrease)/increase in other liabilities		**(173)**		243	
Increase/(decrease) in provisions		**8**		(18)	
Other movements in operating cash flows		**0**		20	
			19,968		141
Net cash generated from operating activities			**11,353**		12,398
Cash flows from investing activities					
Interest received	8	**126**		43	
Purchase of intangible assets		**(2,019)**		(1,244)	
Purchase of property, plant and equipment		**(2,968)**		(2,372)	
Net cash (used in) investing activities			**(4,861)**		(3,573)
Cash flows from financing activities					
Public dividend capital received		**830**		0	
Movement on loans from the Department of Health		**(200)**		(200)	
Capital element of finance lease rental payments		**(69)**		(15)	
Interest paid	9	**(25)**		(29)	
Interest element of finance leases		**(21)**		(21)	
PDC Dividend paid:					
Net dividends payable at 1 April B/F		**(5)**		**(42)**	
Dividends payable for year		**(3,051)**		**(3,587)**	
Dividends payable at 31 March C/F		**130**	**(2,926)**	**5**	(3,624)
Net cash generated (used in) financing activities			**(2,411)**		(3,889)
Increase in cash and cash equivalents			**4,081**		4,936
Cash and cash equivalents at 1 April	21		**14,895**		9,959
Cash and cash equivalents at 31 March	21		**18,976**		14,895

The accompanying notes form part of the financial statements

NOTES TO THE ACCOUNTS

1 Reporting Entity

Somerset Partnership NHS Foundation Trust ("The Trust") is a public benefit corporation authorised under the National Health Service Act 2006, on 1 May 2008. It is licensed by NHS Improvement as an NHS provider under the Health and Social Care Act 2012 (as amended).

The primary objective of the Trust is to provide community and mental health services to the population of Somerset and increasingly to a wider community.

The financial statements of the Trust are for the year ended 31 March 2019 as approved by the Trust Board.

1.1 Accounting policies and other information

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) 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.

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.

Going concern

In the preparation of the year end accounts the Board is required to undertake an assessment confirming the Trust will continue as a going concern (i.e. that it will continue in the business of healthcare provision for the foreseeable future).

The Trust has prepared its financial plans and cash flow forecasts on the assumption that funding will be received from the Department of Health and Social Care. Discussions to date indicate this funding will be forthcoming. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due due to its strong cash position. These funds will be accessed through the nationally agreed process published by NHS Improvement and the Department of Health and Social Care.

The Directors have concluded that there is a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the next 12 months.

NOTES TO THE ACCOUNTS

1.2 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.

Revenue from NHS contracts

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

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when 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; using 21.89%.

NOTES TO THE ACCOUNTS

1.2.1 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than revenue 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 Trust recognises revenue from funds from the Government's apprenticeship service when the performance obligation has been satisfied 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.

1.2.2 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.

1.3 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 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 Government Financial Reporting Manual (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 International Accounting Standards 19 (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.

NOTES TO THE ACCOUNTS

1.3 Expenditure on employee benefits (cont-d)

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.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Consolidation

The Trust exercises control of a Primary Care GP Pratice. This has not been consolidated on the grounds of materiality to the Accounts of 2018/19.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;

- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or

- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Measurement

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 subsequently measured at fair value.

NOTES TO THE ACCOUNTS

1.6 Property, plant and equipment (cont-d)

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or corporate 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.

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

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

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

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. During 2018/19, a desktop exercise to update the latest carrying values as at 31 March 2019 was undertaken by Cushman & Wakefield DTZ.

The Trust's land, buildings and dwellings were revalued by Cushman & Wakefield DTZ as at 31 March 2019. The Trust's specialised buildings and associated land have been valued using the depreciated replacement cost method, based upon provision of a modern equivalent asset (MEA). The Trust egaged an external expert to assess obsolescence rates using the MEA methodolgy. A fundamental principle of MEA valuations is that a hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for the existing operations. The valuation of the Trust's specialised land and buildings has therefore been based upon the Trust hypothetically being located on a suitable alternative site away from the town centre, where the cost of the land would be significantly lower , but where the Trust would still be able to provide the same level operational and clinical service but the location of providing the service would be delivered from the four-hub model.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 13.1.

NOTES TO THE ACCOUNTS

1.6 Property, plant and equipment (continued)

Accounting for revaluations:
The Trust accounts for revaluations of property, plant and equipment on an asset by asset basis.

Reductions in value are charged to an asset revaluation reserve for that class of asset; where no revaluation reserve exists the reduction in value is charged directly to the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

For impairments expensed directly to the Statement of Comprehensive Income, the balance on any revaluation reserve (up to the level of impairment) to which the impairment would have been charged under IAS 36 is transferred to the income and expenditure reserve.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.
Freehold land is considered to have an infinite life and is not depreciated.

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

Buildings and Dwellings	4 to 52 years (2% - 25%)
Plant and Machinery	5 to 20 years (5% - 20%)
Information Technology	5 years (20%)
Furniture and Fittings	5 to 10 years (10% - 20%)

Property, plant and equipment which has been reclassified as 'non-current assets held for resale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until brought into use.

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’.

NOTES TO THE ACCOUNTS

1.6 Property, plant and equipment (continued)

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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of "other impairments" are treated as revaluation gains.

De-recognition

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

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

• the sale must be highly probable i.e.:

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

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

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘non-current assets held for resale’ and instead is retained as an operational asset. The asset is reviewed for impairment and the asset’s economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and 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.

NOTES TO THE ACCOUNTS

1.7 Intangible assets

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 Foundation Trust, where the cost of the asset can be measured reliably and the value is £5,000 or greater.

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
• 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.

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. Revaluation 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 under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Development expenditure	3 to 5 years (20% - 33%)
Software	5 to 8 years (12% - 20%) or the terms of the licence, if shorter

NOTES TO THE ACCOUNTS

1.8 Non-current assets held for resale

Non-current assets held for resale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for resale are measured at the lower of their carrying amount and fair value less costs of sale.

Non-current assets held for resale have been determined by the Trust to be assets where there is an intention to sell confirmed by the Board for property or land, with an initial anticipation that the sale will occur within 12 months. Where the Board determines that property or land asset sales should not continue the assets will be reclassified as an operating or investment asset.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

1.9 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or NHS 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 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 expenses is also recognised at the point of recognition for the benefit.

1.10 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it’s remaining future economic benefits or service potential.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.12 Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the expected value of the collectible debt.

NOTES TO THE ACCOUNTS

1.13 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.

1.14 Financial instruments and financial liabilities

Recognition

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

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

De-recognition

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.

Classification and measurement

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

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

Financial assets and financial liabilities at amortised cost

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

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

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

NOTES TO THE ACCOUNTS

1.14 Financial Instruments (continued)

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).

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.

1.15 Leases

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 initial 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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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

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

Operating leases
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

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.

NOTES TO THE ACCOUNTS

1.16 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 19 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.

1.17 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 24 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.18 Critical judgements in applying the Trust's accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment

All land and buildings are revalued using professional valuations in accordance with IAS 16 every three and five years, with desktop exercises carried out in subsequent years. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. During 2018/19, the Trust had a desktop exercise undertaken to update the latest carrying values as at 31 March 2019 using the appropriate BCIS (Building Cost Information Service) indices. The carrying values of revalued items are reviewed at each Statement of Financial Position date to ensure that those values are not materially different to fair value.

Specialised assets are valued on the basis of depreciated replacement cost for a modern equivalent asset. The Trust engaged an external expert to assess obsolescence rates using MEA methodology and these rates were used to value the assets to reflect the fact that a modern equivalent asset need not be built in the current location (in a predominantly residential area) but could perform the same function located on the edge of town in a commercial area. To ensure a consistent basis the valuer has adopted commercial, rather than residential land values.

As part of the valuation process, the valuer also reassesses the remaining useful economic lives of the assets. This judgement affects the future levels of depreciation charges recorded in the accounts.

NOTES TO THE ACCOUNTS

1.18 Critical judgements in applying the Trust's accounting policies (cont.)

Land and property assets which the Board decide to make available for sale within 12 months will be classified as non-current assets for resale. The Board will need to agree that these assets are no longer to be resold for them to be reclassified as an operational or investment asset.

1.19 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.

1.20 Corporation Tax

The Trust is a health service body with the meaning of s986 Corporation Taxes Act 2010. Accordingly it is not liable to corporation tax. The Trust is also exempt from tax on chargeable gains under S271 (3) Taxation of Chargeable Gains Act 1992.

There is, however a power for HM Treasury to submit an order to Parliament which will dis-apply the corporation tax exemption, in relation to particular activities of an NHS Foundation Trust (s987 Corporation Taxes Act 2010). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities to be specified in the order which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum. Until such an order is approved by Parliament, the Trust has no corporation tax liability.

1.21 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.22 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 note 22 to the accounts in accordance with the requirements of HM Treasury's FReM.

NOTES TO THE ACCOUNTS

1.23 Public dividend capital

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

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 (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.

1.24 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an actuals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the losses and special payments note (note 28) is compiled directly from the losses and compensations register which reports on a cash basis with the exception of provisions for future losses.

1.25 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.

1.26 Early adoption of standards, amendments and interpretations

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

1.27 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 £7k, and trade payables correspondingly reduced.

NOTES TO THE ACCOUNTS

1.27 Initial application of IFRS 9 (cont-d)

Reassessment of allowances for credit losses under the expected loss model resulted in no movement in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classifiction of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £788k.

1.28 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 resulting in no impact to the financial statements.

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.

The revenue flows of the Trust have been assessed to identify whether obligations are satisfied over time or at a point in time. The assessment is that all revenue streams are satsified over time.

For income from patient care activities, the GAM states that a spell of healthcare is likely to be satisfied over time. Healthcare is received and consumed simultaneously by the customer as the Trust perform it. The Trust deliver a series of distinct goods or services that are substantially the same and have a similar pattern of transfer. In addition, the Trust patient care contracts are in line with the accounting period and do not exceed 12 months. Consequently, the Trust has assessed that the performance obligations are satisfied over time and the corresponding income is recognisied over the same time period.

Within other operating income, the two main income streams that could potentially be affected by IFRS 15 are Research and Development and Education and Training where there could potentially be obligations embedded within contract agreements that must be fully met before revenue recognition and hence would require a point in time assessment. The Trust has loooked at its contracts and associated income streams and assessed that recognition over time is appropriate.

The GAM specifically identified a number of significant areas that could be affected by IFRS 15 and should be considered;

Injury cost recovery: The Trust receives Compensation Recover Unit (CRU) income from insurance companies making payments for personal injury claims where treatment has been provided to claimants. This income primarily relates to Road Traffic Accidents. The GAM states NHS organisations must accrue revenue when form NHS2 has been received and confirmation has been received that injury treatment has been given; discrepencies should not be accrued. The Trust has accounted for CRU income on this basis, no impact is expected.

Provider Sustainability Fund (PSF): IFRS 15 states the Trust is required to estimate the amount of consideration to which it will be entitled to and this method must be applied consistently throughout the contract. The Trust has adopted this approach during the year to 31 March 2019 and by achieving its control total, received full PSF in year including bonus PSF.

1.29 Accounting standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following standards and interpretations to be applied in 2018/19. The application of the standards as revised would not be expected to have a material impact on the accounts for 2018/19, were they applied in that year:

IFRS 16 Leases, effective date 1 January 2019.

The Trust is currently reviewing all contracts that contain a lease to bring them on balance sheet as a "right to use" asset. It is expected IFRS 16 will have a material effect to the accounts.

NOTES TO THE ACCOUNTS

2. Segmental analysis

All income and activities are for the provision of health and health related services in the UK.

The Trust is managed by the Board of Directors, which is made up of executive and non-executive directors. The non executive directors bring expertise to the Trust and provide advice and challenge to the executive directors. The executive directors have responsibility for the day to day running of the Trust.

The Board is therefore considered to be the Chief Operating Decision Maker (CODM) of the Trust for 2018/19 and 2017/18.

Due to the nature of the block contract with Somerset Clinical Commissioning Group for services the Trust is unable to fully report the income by directorates (segments), although it does report the expenditure by service area reflecting the current operational management structure. All assets are managed as one central pool.

The monthly financial information presented to the Board includes a corporate level Statement of Comprehensive Income, a Statement of Financial Position, a Statement of Cash Flow and a number of other financial indicators including capital expenditure, performance against cost improvement plans, debt analysis and risk rating.

The segmental expenditure data is included by way of a separate note reporting achievement against planned expenditure inclusive of any directorate specific income and highlighting any variances. It is acknowledged that the analysis of figures included below is different to that used for the remainder of the financial statements.

The table below summarises details reported to the Board during 2018/19 and 2017/18.

	2018/19 £000	2017/18 £000
Total corporate income less that attributable to operational budgets	**166,223**	159,285
Expenditure less non specific income:		
Community Services	**73,943**	71,439
Children & Young People & Dental	**23,096**	23,301
Mental Health and Learning Disabilities	**34,668**	33,661
Central Operations	**3,862**	2,737
TOTAL DIRECTORATES	**135,569**	131,138
Medical	**1,691**	1,169
Pharmacy	**2,299**	2,221
Central Services	**13,638**	13,062
TOTAL OTHER SERVICES	**17,628**	16,452
Total operating expenditure net of specific income	**153,197**	147,590
Operational EBITDA before the effect on non-recurring items, as reported to the Board[1]	**13,026**	11,695
Other adjustments	**102**	102
Net profit/(loss) on disposal of assets	**(76)**	(2)
Trust EBITDA[1]	**13,052**	11,795
Depreciation and amortisation	**(4,201)**	(4,160)
Interest receivable	**126**	43
Finance charges	**(44)**	(49)
PDC dividend payable	**(3,051)**	(3,587)
Retained operational surplus	**5,882**	4,042
Retained surplus arising from operations after exceptional items	**5,882**	4,042
Revaluation exceptional items (note 1)	**(17,542)**	4,620
(Deficit)/surplus for year per Statement of Comprehensive Income	**(11,660)**	8,662

[1]Earnings before Interest, Tax, Depreciation and Amortisation

Note 1
The revaluation exceptional items arise from impairments of the valuer's assessment of the carrying values of the Trust's estate.

NOTES TO THE ACCOUNTS

3. Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2

3.1 Income from patient care activities (by nature)	2018/19 £000	2017/18 £000
Mental Health Services		
Cost and volume contract income	**4,920**	5,486
Block contract income	**60,606**	56,500
Clinical partnerships providing mandatory services (including S75 agreements)	**920**	1,287
Other clinical income from mandatory services	**0**	106
Community Services		
Community services from CCGs and NHS England	**86,960**	86,991
Income from other sources (e.g. local authorities)	**12,650**	12,476
All Services		
Agenda for Change pay award central funding	**2,144**	0
Total income from activities	**168,200**	162,846

3.2 Income from patient care activities (by source)	2018/19 £000	2017/18 £000
Income from patient care activities received from:		
Other NHS providers	**1,792**	287
NHS England	**12,747**	13,691
Clinical commissioning groups	**138,487**	134,710
Local authorities	**10,966**	11,957
Department of Health and Social Care	**2,144**	282
NHS other	**250**	41
Injury cost recovery scheme	**202**	467
Non NHS: other	**1,612**	1,411
Other NHS providers		
Total income from activities	**168,200**	162,846
Of which:		
Related to continuing operations	**168,200**	162,846

4. Other Operating income

	2018/19	2017/18
Other operating income from contracts with customers:		
Research and development (contract) (note 1)	**243**	291
Education and training (excluding notional apprenticeship levy income) (nc	**2,241**	1,797
Non-patient care services to other bodies	**540**	543
Provider sustainability / sustainability and transformation	**4,110**	2,868
Income in respect of employee benefits accounted on a gross basis	**830**	1,063
Estate recharges and property rentals	**3,736**	3,793
Pharmacy sales	**0**	9
Catering	**114**	128
Other	**572**	772
Other non-contract operating income		
Receipt of capital grants and donations	**102**	102
Total other operating income	**12,488**	11,366
Of which:		
Related to continuing operations	**12,488**	11,366

Note 1
Within other operating income, the two main income streams that could potentially be affected by IFRS 15 are Research and Development and Education and Training where there could potentially be obligations embedded within contract agreements that must be fully met before revenue recognition and hence would require a point in time assessment. The Trust has loooked at its contracts and associated income streams and assessed that recognition over time is appropriate and there is no impact to the financial statements.

NOTES TO THE ACCOUNTS

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

	2018/19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	298

4.2 Income from activities arising from commissioner requested services

Under the terms of its trust license, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the trust license and are services that commissioners believe would need to be protected in the event of trust failure. This information is provided in the table below:

	2018/19 £000	2017/18 £000
Income from services designated (or grandfathered) as commissioner requested services	167,998	161,893
Income from services not designated as commissioner requested services	202	953
Total	**168,200**	162,846

4.3 Profit and losses on disposal of property, plant and equipment

The principal element of the net loss on disposal arose from assets disposed of following the cessation of the contract to provide dental services on the Isle of Wight.

4.4 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2019 £000
within one year	0
after one year, not later than five years	0
after five years	0
Total revenue allocated to remaining performance obligations	0

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

NOTES TO THE ACCOUNTS

5. Operating expenses

	2018/19 £000	2017/18 £000
Purchase of healthcare from NHS and DHSC bodies	**2,594**	2,804
Purchase of healthcare from non-NHS and non-DHSC bodies	**4,842**	4,642
Staff and executive directors costs	**127,550**	123,601
Remuneration of non-executive directors	**145**	142
Supplies and services - clinical (excluding drug costs)	**4,477**	4,403
Supplies and services - general	**2,584**	2,670
Establishment	**4,719**	4,605
Research and development	**23**	25
Transport (including patient travel)	**616**	601
Premises	**8,169**	7,683
Movement in credit loss allowance: all other receivables and investments	**(17)**	21
Movement in credit loss allowance: contract receivables/contract assets	**(3)**	0
Drug costs (drugs inventory consumed and purchase of non-inventory drugs	**4,034**	3,813
Rentals under operating leases	**3,698**	3,827
Depreciation on property, plant and equipment	**3,534**	3,796
Amortisation on intangible assets	**668**	364
Net impairments	**17,542**	(4,620)
Audit fees payable to the external auditor		
audit services - statutory audit	**72**	72
other auditor remuneration (external auditor only)	**11**	11
Clinical negligence	**277**	214
Legal fees	**190**	121
Consultancy costs	**189**	328
Education and training	**1,056**	611
Car parking and security	**246**	138
Redundancy	**172**	173
Insurance	**110**	96
Internal audit costs (includes counter fraud)	**64**	55
Losses, ex gratia and special payments	**19**	40
Subscriptions	**449**	447
Interpreting costs	**225**	226
Other	**1,048**	1,046
	189,303	161,955
Of which:		
Related to continuing operations	**189,303**	161,955

NOTES TO THE ACCOUNTS

6. Somerset Partnership NHS Foundation Trust as a lessee

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

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	**3,698**	3,827
Total	**3,698**	3,827

	2018/19 £000	2017/18 £000
Future minimum lease payments due:		
- not later than one year;	**3,537**	3,635
- later than one year and not later than five years;	**5,499**	6,124
- later than five years.	**5,517**	5,815
Total	**14,553**	15,574

7.1 Other auditor remuneration

	2018/19 £000	2017/18 £000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	**11**	11
Total	**11**	11

7.2 Limitation on auditors' liability

The limitation on the auditor's liability for external audit work for 2018/19 is £1m (2017/18 £1m)

NOTES TO THE ACCOUNTS

8. Finance income

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

	2018/19 £000	2017/18 £000
Interest on bank accounts	**126**	43
Total	**126**	43

9. Finance expenditure

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

	2018/19 £000	2017/18 £000
Interest expense:		
Loans from the Department of Health and Social Care	**24**	28
Finance leases	**20**	21
Total	**44**	49

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

The Trust has not incurred any interest arising from claims made under this legislation or paid any compensation to cover debt recovery costs in 2018/19 or 2017/18.

11. Impairment and revaluation of assets

	2018/19 £000	2017/18 £000
Net impairments charged to operating (deficit)/surplus resulting from:		
Foreseen obsolescence	**17,542**	(4,620)
Total net impairments charged to operating (deficit)/surplus	**17,542**	(4,620)
Impairments charged to the revaluation reserve	**11,722**	0
Total net impairments	**29,264**	(4,620)
Revaluations	**0**	(2,525)
Net decrease/(increase) in valuation	**29,264**	(7,145)

The Trust's land, buildings and dwellings were revalued by Cushman & Wakefield DTZ as at 31 March 2019. The Trust's specialised buildings and associated land have been valued using the depreciated replacement cost method, based upon provision of a modern equivalent asset (MEA). A fundamental principle of MEA valuations is that a hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for the existing operations. The valuation of the Trust's specialised land and buildings has therefore been based upon the Trust hypothetically being located on a suitable alternative site away from the town centre, where the cost of the land would be significantly lower , but where the Trust would still be able to provide the same level of service but the location of providing the service would be delivered from the four-hub model.

Applying these MEA revalutions has resulted in a net overall decrease of £29,264,000 in the value of the Trust's estate (2017/18: net increase of £7,145,000). This decrease in value of the Trust's estate is recorded in property, plant and equipment. £17,452,000 has been recognised as a net impairment charged to the Statement of Comprehensive Income. (2017/18: net reversal of impairment of (£4,620,000)) and the remaining £11,722,000 has been recognised as an impairment to the revaluation reserve (2017/18: £0).

The remaining £2,525,000 during 2017/18 relates to impairment write backs credited to the Statement of Comprehensive Income.

NOTES TO THE ACCOUNTS

12. Intangible assets

12.1 Intangible assets - 2018/19

	Software Licences £000	Total £000
Gross cost at 1 April 2018 - brought forward	**3,286**	**3,286**
Additions - purchased	**2,019**	**2,019**
Gross cost at 31 March 2019	**5,305**	**5,305**
Amortisation at 1 April 2018 - brought forward	**1,418**	**1,418**
Provided during the year	**668**	**668**
Amortisation at 31 March 2019	**2,086**	**2,086**
Net book value at 31 March 2019	**3,219**	**3,219**
Net book value at 1 April 2018	**1,868**	**1,868**

12.2 Intangible assets - 2017/18

	Software Licences £000	Total £000
Gross cost at 1 April 2017	2,042	2,042
Additions - purchased	1,244	1,244
Gross cost at 31 March 2018	**3,286**	**3,286**
Amortisation at 1 April 2017	1,054	1,054
Provided during the year	364	364
Amortisation at 31 March 2018	**1,418**	**1,418**
Net book value at 31 March 2018	**1,868**	**1,868**
Net book value at 1 April 2017	**988**	**988**

NOTES TO THE ACCOUNTS

13.1 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport Equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018 - brought forward	15,166	91,713	949	7,012	24	8,262	4,198	127,324
Additions	0	1,164	0	1,056	0	1,025	43	3,288
Impairments	(11,096)	(21,429)	(42)	(3)	0	0	0	(32,570)
Reversal of impairments	297	1,562	1	0	0	0	0	1,860
Reclassifications	0	12	0	0	(12)	0	0	0
Disposals	0	0	0	(572)	(5)	(593)	(1,946)	(3,116)
Cost or valuation at 31 March 2019	**4,367**	**73,022**	**908**	**7,493**	**7**	**8,694**	**2,295**	**96,786**
Accumulated depreciation at 1 April 2018 - brought forward	0	6	0	4,434	7	4,480	2,817	11,744
Provided during the year	0	1,433	12	452	2	1,355	280	3,534
Impairments	0	(1,318)	(9)	0	0	0	0	(1,327)
Reversal of impairments	0	(118)	(2)	0	0	0	0	(120)
Reclassifications	0	4	0	0	(4)	0	0	0
Disposals	0	0	0	(519)	(2)	(593)	(1,926)	(3,040)
Accumulated depreciation at 31 March 2019	**0**	**7**	**1**	**4,367**	**3**	**5,242**	**1,171**	**10,791**
Net book value at 31 March 2019	**4,367**	**73,015**	**907**	**3,126**	**4**	**3,452**	**1,124**	**85,995**
Net book value at 1 April 2018	**15,166**	**91,707**	**949**	**2,578**	**17**	**3,782**	**1,381**	**115,580**
Net book value at 31 March 2019								
- Owned	4,367	70,088	907	2,556	4	3,423	881	82,226
- Finance leased	0	0	0	201	0	0	0	201
- Government granted	0	1,876	0	0	0	0	0	1,876
- Donated	0	1,051	0	369	0	29	243	1,692
Total at 31 March 2019	**4,367**	**73,015**	**907**	**3,126**	**4**	**3,452**	**1,124**	**85,995**

NOTES TO THE ACCOUNTS

13.2 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport Equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	15,166	85,354	945	6,619	24	7,300	4,596	120,004
Additions	0	860	0	393	0	985	226	2,464
Impairments	0	(3,818)	0	0	0	0	0	(3,818)
Reversal of impairments	0	6,792	4	0	0	0	0	6,796
Revaluations	0	2,525	0	0	0	0	0	2,525
Disposals	0	0	0	0	0	(23)	(624)	(647)
Cost or valuation at 31 March 2018	**15,166**	**91,713**	**949**	**7,012**	**24**	**8,262**	**4,198**	**127,324**
Accumulated depreciation at 1 April 2017	0	44	0	4,075	4	3,228	2,885	10,236
Provided during the year	0	1,593	12	359	3	1,273	556	3,796
Impairments	0	(239)	0	0	0	0	0	(239)
Reversal of impairments	0	(1,392)	(12)	0	0	0	0	(1,404)
Disposals	0	0	0	0	0	(21)	(624)	(645)
Accumulated depreciation at 31 March 2018	**0**	**6**	**0**	**4,434**	**7**	**4,480**	**2,817**	**11,744**
Net book value at 31 March 2018	**15,166**	**91,707**	**949**	**2,578**	**17**	**3,782**	**1,381**	**115,580**
Net book value at 1 April 2017	**15,166**	**85,310**	**945**	**2,544**	**20**	**4,072**	**1,711**	**109,768**
Net book value at 31 March 2018								
- Owned	15,166	88,639	949	2,119	17	3,750	1,111	111,751
- Finance leased	0	0	0	51	0	0	0	51
- Government granted	0	1,901	0	0	0	0	0	1,901
- Donated	0	1,168	0	408	0	32	270	1,878
Total at 31 March 2018	**15,166**	**91,707**	**949**	**2,578**	**17**	**3,782**	**1,381**	**115,580**

NOTES TO THE ACCOUNTS

13.3 Net book value of assets held under finance leases

The Trust held £222,940 (2017.18: £74,572) of assets under finance leases during the financial year. These relate to franking machines and dental equipment.

13.4 Donated assets

During 2018/19, donations of £102,000 were donated to the Trust (2017/18: £102,000). There were no restrictions on the use of donated assets.

13.5 Asset reclassification

During the year there was £12,000 of reclassifications from transport to buildings.

NOTES TO THE ACCOUNTS

14. Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	**157**	111
Consumables	**298**	292
Energy	**30**	26
Total inventories	**485**	429

Inventories recognised in expenses for the year were £2,925,000 (2017/18: £2,796,000. There were no write down of inventories (2017/18: £0).

15.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade receivables (Note 1)	**0**	4,791
Contract receivables	**9,664**	0
Allowance for impaired contract receivables/assets (Note 1)	**(146)**	0
Allowance for other impaired receivables	**(12)**	(178)
Prepayments (non-PFI)	**2,703**	2,026
Accrued income (Note 1)	**0**	788
VAT receivable	**213**	184
Other receivables (Note 1)	**0**	1,650
Total current trade and other receivables	**12,422**	9,261

Note 1

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. This replaces the previous analysis into trade/other receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

All trade and non trade receivables are current.

15.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 Apr 2018 - brought forward	**0**	**178**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	163	(163)
Reversals of allowances	(17)	(3)
Allowances as at 31 March 2019	**146**	12

NOTES TO THE ACCOUNTS

15.3 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	157
Increase in provision	21
Allowances as at 31 March 2018	178

16. Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Current		
Trade payables	**5,539**	6,595
Other taxes payable	**1,702**	1,644
Social security costs	**2,213**	2,153
Accrued interest on loans (Note 1)	**0**	7
Accruals	**6,348**	3,765
PDC dividend payable	**130**	5
Other payables	**79**	16
Total current trade and other payables	**16,011**	14,184

Note 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 18. IFRS 9 is applied without restatement therefore comparatives have not been restated.

All trade and non trade payables are current.

17. Other liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	**125**	298
Total current other liabilities	**125**	298

18. Borrowings

	31 March 2019 £000	31 March 2018 £000
Current		
Loans from the Department of Health and Social Care (Note 1)	**206**	200
Obligations under finance leases	**84**	32
Total current borrowings	**290**	232
Non-current		
Loans from the Department of Health and Social Care	**900**	1,100
Obligations under finance leases	**138**	42
Total non-current borrowings	**1,038**	1,142

Note 1

Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Accrued interest is now included in the carrying value of the loan (reported in Trade and other payables in 2017/18 - Note 16) . IFRS 9 is applied without restatement therefore comparatives have not been restated.

18.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Finance leases £000	Total £000
Carrying value at 1 April 2018	**1,300**	**74**	**1,374**
Cash movements:			
Financing cash flows - payments and receipts of principal	(200)	(69)	**(269)**
Financing cash flows - payments of interest	(25)	(21)	**(46)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	7	0	**7**
Additions	0	218	**218**
Application of effective interest rate	24	20	**44**
Carrying value at 31 March 2019	**1,106**	**222**	**1,328**

19 Finance leases

19.1 Somerset Partnership NHS Foundation Trust as a lessee

Obligations under Finance leases where Somerset Partnership NHS Foundation Trust is the lessee.

	31 March 2019 £000	31 March 2018 £000
Gross lease liabilities	**222**	**74**
Of which liabilities are due:		
- not later than one year;	**83**	32
- later than one year and not later than five years;	**139**	42
Finance charges allocated to future periods	**(20)**	(19)
Net lease liabilities	**202**	55
Of which payable:		
- not later than one year;	**72**	27
- later than one year and not later than five years;	**130**	28

NOTES TO THE ACCOUNTS

20. Provisions for liabilities and charges analysis

	Pensions relating to staff	Legal claims	Total
	£000	£000	£000
At 1 April 2018	108	44	**152**
Arising during the year	73	31	**104**
Utilised during the year	(56)	(20)	**(76)**
Reversed unused	(20)	0	**(20)**
At 31 March 2019	**105**	**55**	**160**
Expected timing of cash flows:			
- not later than one year;	55	55	**110**
- later than one year and not later than five years;	50	0	**50**
Total	**105**	**55**	**160**

Pensions

Pension provisions relate to early retirements in lieu of redundancy for periods prior to 1997/98 where the costs were "capitalised" as required by accounting standards. Some of the original provisions have been exhausted and so during the current period the Trust has made additional provisions to reflect ongoing payments. Quarterly payments are made to the NHS Pensions Agency and a significant amount of the payments are expected to be due after one year.

Legal claims

The provisions are based on the expected values and probabilities quantified by NHS Resolution. The outcome of these cases are inherently uncertain and the timing of payments is dependant on the progression of each case. The figures included in the summary are based purely on the Trust's excess reflecting the fact that the NHSR makes the majority of payments direct. See also note 25.

20.1 Clinical negligence liabilities

£1,641,000 is included in the provisions of NHS Resolution at 31 March 2019 in respect of potential clinical negligence liabilities of the Trust (31 March 2018: £315,481).

NOTES TO THE ACCOUNTS

21. 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 £000	2017/18 £000
At 1 April	**14,895**	9,959
Net change in the year	**4,081**	4,936
At 31 March	**18,976**	14,895
Broken down into:		
Cash at commercial banks and in hand	**45**	148
Cash with the Government Banking Service	**18,931**	14,747
Total cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows	**18,976**	14,895

22. Third party assets held by the Trust

The Trust held cash and cash equivalents which relates to monies held by the Trust on behalf of clients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2019 £000	31 March 2018 £000
Bank balances	**190**	273
Total third party assets	**190**	273

23.1 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	**1,401**	0
Intangible assets	**0**	0
Total	**1,401**	0

Contractual capital commitments relate to refurbishment works at Foundation House and Pyrland Ward due to take place during 2019/20 and is funded through Trust funds.

NOTES TO THE ACCOUNTS

23.2 Other financial commitments
The Trust has no financial committments during 2018/19 and 2017/18.

24. Events after the reporting year

During 2017/18 the Trust entered into an Alliance with Taunton & Somerset NHS Foundation Trust. This has been extended during 2018/19 to move towards a potential merger with Taunton & Somerset. Approval of the Strategic Case has been received from NHS Improvement and the Trust is currently developing a Full Business Case for submission to NHS Improvement in the autumn with final approval expected in early 2019/20. Full merger is expected in the spring of 2020.

25. Contingent liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	**16**	15
Net value of contingent liabilities	**16**	15

There are no amounts identified as recoverable against these liabilities.

26. Related party transactions
During the year, there were no related party transactions relating to board members or members; Director of Nursing and Patient Safety, of the key management staff or parties related to them:

The equivalent disclosures for 2017/18 were as follows:

	2017/18 £000	2017/18 £000	31/03/2018 £000	31/03/2018 £000
Taunton & Somerset NHS Foundation Trust	4,390	2,912	421	533

The Director of Nursing and Patient Safety, Sue Balcombe is a stakeholder member of the Council of Governors of Taunton and Somerset NHS Foundation Trust.

The Trust entered into an Alliance with Taunton & Somerset NHS Foundation Trust during 2017/18. As a result, a single Executive/Management Team was formed. The table of Salary and Pension entitlements of senior managers for 2018/19 includes the full entitlements paid to senior managers during the year. This is not the amount chargeable to the Trust. Recharges between the two organisations are shown separately in the table. All director disclosures are shown in the Remuneration Report.

NOTES TO THE ACCOUNTS

26. Related party transactions (continued)

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

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	2018/19	2018/19	31/03/2019	31/03/2019
	£000	£000	£000	£000
Department of Health and Social Care	0	2,144	0	0
NHS England	0	17,154	0	4,668
Health Education England	0	2167	0	131
NHS Bath and North East Somerset CCG	0	123	0	27
NHS Bristol CCG	0	142	0	21
NHS Dorset CCG	0	281	0	103
NHS Kernow CCG	1	38	0	6
NHS North, East, West Devon CCG	0	515	4	196
NHS Somerset CCG	5	136,786	94	61
NHS Wiltshire CCG	0	336	0	53
Devon Partnership NHS Trust	141	8	129	0
North Bristol NHS Trust	1	10	0	11
Royal United Hospital Bath NHS Trust	245	363	59	99
Weston Area Health NHS Trust	0	13	0	26
Dorset County Hospitals NHS Foundation Trust	590	0	93	0
Dorset Healthcare University NHS Foundation Trust	161	3	1	4
Gloucester Hospitals NHS Foundation Trust	324	0	27	0
Great Western Hospitals NHS Foundation Trust	7	0	26	0
Royal Devon & Exeter NHS Foundation Trust	5	219	0	21
Avon & Wiltshire NHS Foundation Trust	50	797	20	0
University Hospital Bristol NHS Foundation Trust	24	7	4	2
Yeovil District Hospital NHS Foundation Trust	3,160	605	508	179
Taunton and Somerset NHS Foundation Trust	5,992	2,801	1,771	1,499
NHS Resolution	371	0	0	0
NHS Property Services	1,866	0	81	0
Other NHS bodies	452	729	115	140
In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies.				
NHS Pension Scheme	12,521	0	0	0
Somerset County Council	0	11,381	0	78
Other central and local government bodies	8,888	114	3,915	236
Other related parties				
Lister House GP Surgery	0	445	0	63

NOTES TO THE ACCOUNTS

26. Related party transactions (continued)

The equivalent disclosures made for 2017/18 were as follows:

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	2017/18 £000	2017/18 £000	31/03/2018 £000	31/03/2018 £000
Department of Health and Social Care	0	282	0	0
NHS England	4	16,629	0	3,118
Health Education England	0	2,359	0	2
NHS Bath and North East Somerset CCG	0	212	0	38
NHS Bristol CCG	0	43	5	4
NHS Dorset CCG	0	206	0	28
NHS Kernow CCG	0	159	0	7
NHS North, East, West Devon CCG	0	406	0	69
NHS North Somerset CCG	0	61	0	5
NHS Somerset CCG	1,450	132,722	762	403
NHS Wiltshire CCG	0	395	0	43
Dorset County Hospitals NHS Foundation Trust	510	0	54	**0**
Dorset Healthcare University NHS Foundation Trust	149	1	1	0
Gloucester Hospitals NHS Foundation Trust	422	0	31	0
Great Western Hospitals NHS Foundation Trust	293	0	2	2
Royal Devon & Exeter NHS Foundation Trust	5	170	1	15
South Staffordshire Healthcare NHS Foundation Trust	0	124	0	37
Taunton and Somerset NHS Foundation Trust	4,390	2,912	421	533
University Hospital Bristol NHS Foundation Trust	25	7	8	2
Yeovil District Hospital NHS Foundation Trust	2,968	755	910	156
Devon Partnership NHS Trust	20	5	20	0
Isle of Wight NHS Trust	127	0	146	0
North Bristol NHS Trust	1	9	0	0
Plymouth Hospitals NHS Trust	19	0	10	0
Royal United Hospital Bath NHS Trust	232	363	26	0
Weston Area Health NHS Trust	49	0	0	13
NHS Resolution (formerly NHS Litigation Authority)	293	0	0	0
NHS Property Services	1,518	0	133	0
Other NHS bodies	419	566	63	86

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

NHS Pension Scheme	12,233	0	0	0
Somerset County Council	761	12,443	0	176
Other central and local government bodies	10,043	0	3,798	237

Other related parties

Lister House GP Surgery	3	57	0	565

NOTES TO THE ACCOUNTS

27. Financial Instruments

Financial risk management

IFRS 9, dealing with financial instruments, require disclosure of the role that financial instruments have had during the year in creating or changing the risks the Trust faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which these standards mainly apply.

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 has the power to borrow for capital expenditure subject to affordability as confirmed by NHS Improvement, the independent regulator. In 2014/15 the Trust took out a £2 million loan from the Department of Health and Social Care to fund capital expenditure at a fixed rate of 2% p.a. over 10 years.

Some of the financial instruments have a fixed interest rate which means the Trust is exposed to interest rate risk. If the interest rate moves interest paid could be higher than the market rates, and/or interest received could be lower than the market rates.

Credit risk
Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note (Note 15.1).

Cash deposited with financial institutions outside the Government Banking Service at 31 March 2019 was £30,000 (2018: £148,000). The credit risk on this is negligible.

Liquidity risk
The Trust's net operating costs are incurred under contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from retained surpluses and funds obtained from the Independent Trust Financing Facility or central funding from the Department of Health and Social Care in the form of Public Dividend Capital. The Trust has undertaken a going concern review involving a year's future cash flow assessment. Following this review, the Trust has concluded that it is not exposed to significant liquidity risks.

Investment risk
The Trust has the ability to invest surplus cash; the risks resulting from transactions of this nature are mitigated by the Trust's treasury and investment policies and protocols and by the reporting of performance against financial targets to NHS Improvement.

NOTES TO THE ACCOUNTS

27.1 Carrying values of financial assets

IFRS 9 Financial Instruments is applied restrospectively 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.

Carrying values of financial assets as at 31 March 2019 under IFRS 9	**Held at amortised cost**	**Total book value**
	£000	**£000**
Trade and other receivables excluding non financial assets	**9,506**	**9,506**
Cash and cash equivalents at bank and in hand	**18,976**	**18,976**
Total at 31 March 2019	**28,482**	**28,482**

Carrying values of financial assets as at 31 March 2018 under IAS 39	**Loans and receivables**	**Total book value**
	£000	**£000**
Trade and other receivables excluding non financial assets	7,048	7,048
Cash and cash equivalents at bank and in hand	14,895	14,895
Total at 31 March 2018	**21,943**	**21,943**

27.2 Carrying values of financial liabilities

IFRS 9 Financial Instruments is applied restrospectively 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.

Carrying values of financial liabilities as at 31 March 2019 under IFRS 9	**Held at amortised cost**	**Total book value**
	£000	**£000**
Loans from the Department of Health and Social Care	**1,106**	**1,106**
Obligations under finance leases	**222**	**222**
Trade and other payables excluding non-financial liabilities	**11,966**	**11,966**
Total at 31 March 2019	**13,294**	**13,294**

Carrying values of financial liabilities as at 31 March 2018 under IAS 39	**Other financial liabilities**	**Total book value**
	£000	**£000**
Loans from the Department of Health and Social Care	1,300	1,300
Obligations under finance leases	74	74
Trade and other payables excluding non-financial liabilities	12,536	12,536
Total at 31 March 2018	**13,910**	**13,910**

NOTES TO THE ACCOUNTS

27.3 Maturity of financial liabilities

	31 March 2019 £000	31 March 2018 £000
In one year or less	12,251	8,928
In more than one year but not more than two years	244	44
In more than two years but not more than five years	694	94
In more than five years	105	0
Total	13,294	9,066

27.4 Fair values

There is no significant difference between the book values and fair values of the Trust's financial assets and liabilities at 31 March 2019.

28. Losses and special payments

	2018/19		2017/18	
	Total number of cases	Total value of cases £000	Total number of cases	Total value of cases £000
Losses				
Losses of cash (including overpayment and theft)	**17**	**2**	21	8
Bad debts and claims abandoned	**27**	**7**	88	8
Total losses	**44**	**9**	109	16
Special payments				
Compensation payments	**4**	**10**	5	22
Ex gratia payments	**1**	**0**	2	2
Special severance payments	**1**	**1**	1	88
Total special payments	**6**	**11**	8	112
Total losses and special payments	**50**	**20**	117	128
Compensation payments received		**0**		3

NOTES TO THE ACCOUNTS

29. Employee benefits

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	**95,630**	91,945
Social security costs	**8,414**	8,164
Apprenticeship levy	**474**	461
Employer's contributions to NHS Pensions	**12,521**	12,228
Termination benefits	**172**	173
Temporary staff (including agency)	**10,983**	11,099
Total staff costs	**128,194**	124,070
Of which		
Costs capitalised as part of assets	**(300)**	(300)

29.1 Retirements due to ill-health

During 2018/19, there were 3 early retirements from the Trust agreed on the grounds of ill-health (2017/18: 5 early retirements). The estimated pension liabilities of these ill-health retirements are £113,465 (2017/18: £310,782)

The additional pension costs for individuals who retired early on ill-grounds will be borne by the NHS Business Services Authority-Pensions Division.

29.2 Directors' remuneration

The aggregrate amounts payable to directors were:

	2018/19 Total £000	2017/18 Total £000
Salary	**512**	856
Employer's National Insurance contributions	**136**	84
Employer's pension contributions	**121**	81
Total	**769**	**1,021**

Further details of director's remuneration can be found in the Remuneration Report.

Benefits are accruing under the NHS defined benefit pension scheme to 9 of the directors; (2017/18: 12). This include the Director's recharge to/from Taunton and Somerset NHS FT where the Trust entered into an Alliance with Taunton & Somerset NHS Foundation Trust during 2017/18; a single Executive/Management Team was formed. No benefits are accruing under any money purchase schemes.

There were no other advances or guarantees existing with any of the Director's as at 31 March 2019 (2017/18: 0)

KPMG

Year end report 2018/19 (Financial statements & VFM)

Somerset Partnership NHS Foundation Trust

23 May 2019

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2018/19 financial statements for Somerset Partnership NHS Foundation Trust NHS Foundation Trust. This document was discussed and approved by the Trust's Audit Committee on 23 May 2019.

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Jonathan Brown

Senior statutory auditor for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square, Bristol, BS1 4BE

23 May 2019

Our audit opinions and conclusions:	
Financial Statements: unqualified	Use of resources: clean

Introduction

To the Audit Committee of Somerset Partnership NHS Foundation Trust

We are pleased to have the opportunity to meet with you on 23 May 2019 to discuss the results of our audit of the financial statements of Somerset Partnership NHS Foundation Trust (the 'Trust'), as at and for the year ended 31 March 2019.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 22 January 2019. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is substantially complete. There have been no significant changes to our audit plan and strategy. Subject to your approval of the financial statements, we expect to be in a position to sign our audit opinion provided that the outstanding matters noted on page 7 of this report are satisfactorily resolved.

We expect to issue an unmodified Auditor's Report on the financial statements and an unqualified Value for Money Conclusion

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours faithfully,

Jonathan Brown

23 May 2019

How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. Some of the ways in which we drive audit quality are demonstrated throughout our report and include:

The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (the Code). This summarises where the responsibilities of auditors begin and end and what is expected from the Trust. External auditors do not act as a substitute for the Trust's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Contents

Important notice

This report is presented under the terms of our audit engagement letter.

— Circulation of this report is restricted.

— The content of this report is based solely on the procedures necessary for our audit.

This Report has been prepared for the Trust's Audit Committee, in order to communicate matters of interest as required by ISAs (UK and Ireland), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Somerset Partnership NHS Foundation Trust (the 'Trust') prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted by the Group Accounting Manual issued by the Department of Health and Social Care, as at and for the year ended 31 March 2019. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status of our audit at the Audit Committee meeting but would highlight the following work is still outstanding:

— Financial Statements audit: Final consistency check between the summarisation schedules and the accounts.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Trust; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

KPMG

Summary

Summary

Financial Statements Audit

We intend to issue an unqualified audit opinion on the accounts following the Audit Committee adopting them and receipt of the management representations letter.

We have completed our audit of the financial statements. We have also read the content of the Annual Report (including the Remuneration Report) and reviewed the Annual Governance Statement (AGS). Our key findings are:

- There are 2 unadjusted audit differences, explained in section 2 and appendix 2.
- We have agreed presentational changes to the accounts with Finance, mainly related to compliance with the Group Accounting Manual (GAM).
- We have reviewed the annual report and have no matters to raise with you.

Value for Money

Based on the findings of our work, we have concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Audit Certificate

We are required to certify that we have completed the audit of the Trust financial statements in accordance with the requirements of the Code. If there are any circumstances under which we cannot issue a certificate, then we must report this to those charged with governance. There are no issues that would cause us to delay the issue of our certificate of completion of the audit.

Other Matters

We intend to issue an unqualified Group Audit Assurance Certificate to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to NHS Improvement (NHSI).

We have reviewed prior year recommendations and are satisfied that the Trust has addressed the points raised in our ISA260. We have made 1 recommendation as a result of our work this year, relating to provision of ESR data. This is shown in Appendix 1.

In auditing the accounts of an NHS body auditors must consider whether, in the public interest, they should make a report on any matters coming to their notice in the course of the audit, in order for it to be considered by Trust members or bought to the attention of the public; and whether the public interest requires any such matter to be made the subject of an immediate report rather than at completion of the audit. There are no matters that we wish to report.

KPMG

Financial Statements Audit

Financial statements audit - our summary findings

Scepticism Challenge

Assessment of the control environment

Significant control deficiencies None

Other control deficiencies None

The Trust outsources an element of its control environment to the following service organisations. For each, we rely on the findings of the service auditors assessment of the local control environment as part of our audit approach.

- IBM – the Trust uses the ESR system. The service auditor issued an unqualified opinion.

Representations

You are required to provide us with representations on specific matters such as your going concern assertion. We provided a draft of this representation letter to the Finance Director on 23 May 2019. We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us.

Accounts Production

We received complete draft accounts by 24 April 2019 in accordance with NHSI's deadline. The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of ARM and GAM. We thank the finance team for their co-operation throughout the visit which allowed the audit to progress and complete within the allocated timeframe.

Risks	Risk change	Our findings
Significant Risks		Pages 9-12
1. Valuation of land and building assets	▲ Increase	We found the resulting valuation of land and buildings to be balanced.
2. Accuracy of NHS income and valuation of receivables	● Stable	We found the resulting estimates and judgments made by the Trust in relation to NHS income to be balanced.
3. Management override of controls	● Stable	We did not find any significant indication of management override of controls throughout our testing.
[4]. Expenditure recognition	★ New	We found the resulting recognition of Non Pay Expenditure to be balanced.
Other Matters		Pages 13-14
4. New Accounting standards	▲ Increase	We found the implementation of new accounting standards to be in line with the relevant standards.
5. Going Concern	● Stable	We have no matters to report over going concern.
Key accounting judgements		Page 16
A. Depreciation	Optimistic	We have assessed the application of updated depreciation policies as optimistic.

Financial statements audit - our summary findings

Scepticism Challenge

Compliance with ISA 260: We are required under ISA 260 to communicate to you any matters specifically required by other auditing standards to be communicated to those charged with governance; and any other audit matters of governance interest. As the Trust is required to comply with elements of the UK Corporate Governance Code through the Foundation Trust Code of Governance, ISA 260 also requires us to communicate to you any information that we believe is relevant to understanding our rationale and the supporting evidence for the exercise of our professional judgement. This includes our view of: Business risks relevant to the financial reporting objectives, the application of materiality and the impact of our judgements on these areas for the overall audit strategy and audit plan; significant accounting policies; management's valuations of the Trust's material asset and liabilities and the related disclosures; the quality of management's assessment of the effectiveness of the system of internal control included in the AGS; and any other matters identified during the course of the audit. We have not identified any other matters to specifically report.

Brexit disclosures: Strategic report: In the course of our audit work we assessed the quality of your disclosures in the Strategic Report in relation to Brexit in addition to assessing the quality of disclosures generally. The impact of Brexit on the NHS predominantly leads to risks around the cost of pharmaceuticals, medical devices and potential impact on the NHS workforce. We concluded that the disclosures are largely satisfactory with regard to the nature of the impact on the business model and strategy, the impact of economic/political changes on the current year and future performance of the business, the principal risks arising from Brexit and how these are monitored.

Compliance with the Audit Code: Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepared an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We have discharged these responsibilities as follows:

Type	Status	Response
Our declaration of independence	OK	No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Make a referral to your regulator	OK	If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
Issue a report in the public interest	OK	We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.
Provide a statement to the NAO on your consolidation schedule	OK	This "Whole of Government Accounts" requirement is fulfilled when we check your summarisation scheduled are consistent with your annual accounts. We have completed that work and found no matters to report.
Provide a summary of our key use of resources risks	OK	We are required to reach a conclusion on your use of resources. We have completed our planning and not identified any significant risks which are outlined on page 16 which we will comment on in our long form audit report.
Certify the audit as complete	OK	We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

Financial statements audit – significant risks

Scepticism Challenge

❶ Valuation of Land Building Assets

Related BAF risks	**Transforming & Improving Services** - Deliver levels of performance that are in line with plans and national standards

Significant audit risk

The risk

Land and buildings are initially recognised at cost. Non-specialised property assets in operational use are subsequently recognised at current value in existing use (EUV). Specialised assets, where a market value is not readily ascertainable, are subsequently recognised at the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV).

An impairment review is carried out each year to ensure that the carrying amounts of assets are not materially different from their fair/current values, with a full valuation every five years and an interim desktop valuation after three years, performed by an independent valuer. Desktop reviews were performed as at 31 March 2019 and 01 April 2018, with a full revaluation performed as at 1 April 2016.

There is significant judgment involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation of the asset. In particular the DRC basis of valuation requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site.

Our procedures included:

- **Assessing Valuer's credentials**: We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the information provided to the Trust in 2018/19, to inform its assessment of market value movements, for consistency with the requirements of the NHS Group Accounting Manual;
- **Test of detail:** We assessed the report of the external expert regarding the MEA model and its review and approval by the Board;
- **Test of detail:** Agreeing the information provided to the valuer by the Trust to underlying records of the estate held;
- **Benchmarking assumptions:** Critically assessing the calculation of market value indices movements completed by the Trust, including a re-performance of this calculation to confirm that no material movements in the value of the land and buildings assets are indicated;
- **Test of detail:** Critically assessing the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken and the adequacy of the decision outcomes as a result of the process.

Our findings

- We found the resulting valuation of land and buildings to be balanced

Financial statements audit – significant risks

Scepticism Challenge

② Accuracy of NHS income and valuation of receivables (Significant risk that professional standards require us to assess in all cases)

Related BAF risks	**Transforming & Improving Services** - Deliver levels of performance that are in line with plans and national standards

Significant audit risk

Subjective estimate

Of the Trust's reported total income, £151.3 million (2017/18, £148.4m) came from commissioners (Clinical Commissioning Groups (CCGs) and NHS England). Income from CCGs and NHS England makes up 90% of the Trust's income. The majority of this income is contracted on an annual basis, but actual income is based on completing the planned level of activity and achieving key performance indicators (KPIs).

An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £0.3m are required to be reported to the National Audit Office to inform the audit of the Department of Health consolidated accounts.

Accounting judgment

In 2018/19, the Trust received provider sustainability funding (PSF) from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Trust was allocated £4.11m of sustainability funding. This includes a year-end incentive payment of £1.8m. The pressure to meet targets constitutes a risk of fraud.

Our procedures included:

Test of detail: We agreed commissioner income to signed contracts and selected a sample of the largest balances to agree that they had been invoiced in line with the contract agreements and payment had been received.

Test of detail: We inspected invoices for material income, in the month prior to and following 31 March 2019 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties;

Test of detail: We agreed that the levels of over and under performance reported were consistent with contract variations and challenged the Trust's assessment of the level of income where these were not in place by considering our own expectation of the income based on our knowledge of the client and experience of the industry.

Test of detail: We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and compared the values they are disclosing within their financial statements to the value of income captured in the financial statements. We sought explanations for any variances over £0.3m, and all balances in dispute, and challenged the Trust's assessment of the level of income they were entitled to and the receipts that could be collected.

Test of detail: We re-performed the Trust's calculation of performance against the financial and operational targets used in determining receipt of transformation funding to determine the amount the Trust was qualified to receive. We agreed the amounts recorded in the accounts to our calculation.

Our findings:

- We found the resulting estimates and judgments made by the Trust in relation to NHS income to be balanced.

Financial statements audit - significant risks

Scepticism Challenge

❸ Management override of control (Significant risk that professional standards require us to assess in all cases)

Related BAF risks	**Transforming & Improving Services**-Deliver levels of performance that are in line with plans and national standards; Promote good practice, transform and innovate, including through digital working to improve safety, outcomes and efficiency

Significant audit risk

The risk

Professional standards communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit..

Our procedures included:

Our audit methodology incorporates the risk of management override as a default significant risk.

- In line with our methodology, tested the operating effectiveness of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the appropriateness of the accounting for significant transactions that are outside the Trust's normal course of business, or were otherwise unusual.
- Understood the judgement management reached which led to receipt of Provider Sustainability Funding (PSF)
- Considered the year end cut off processes to ensure that revenue and expenditure items had been reflected in the correct period.

Outcome from audit work

We did not find any significant indication of management override of controls throughout our testing.

Financial statements audit – significant risks

Scepticism Challenge

❹ Fraudulent expenditure recognition (Significant risk that professional standards require us to assess in all cases)

Related BAF risks	**Transforming & Improving Services**-Deliver levels of performance that are in line with plans and national standards

Significant audit risk

The risk

2018/19 Non Pay Expenditure
Of the Trust's reported total expenditures, £44 million (2017/18, £42.8m) related to non pay expenditure. Of this, £12.9 million related to establishment and premises costs (2017/18, £12.2m), and drug costs of £4 million (2017/18, £3.8m).

In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets.

As most public bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so the auditor has regard to this when planning and performing audit procedures.

Our procedures included:

- **Control observation:** We assessed the application of appropriate segregation of duties between those responsible for monitoring budgets (e.g. General Managers) and those preparing the financial statements (Finance Team) in the design of budgetary controls;
- **Control operation:** We assessed the operating effectiveness of controls which have been in operation throughout the year for the authorisation of non-pay expenditure;
- **Test of detail:** We corroborated a specific item sample of non pay expenditure transactions to supporting evidence and cash;
- **Test of detail:** We inspected invoices for material expenditure in the month prior to and following 31 March 2019 to determine whether expenditure was recognised in the correct accounting period, in accordance with the amounts billed by corresponding parties;
- **Test of detail:** We inspected a sample of accruals, re-performing the underlying calculation and/or agreeing the accrual to supporting evidence.

Our findings:

- We found the resulting recognition of Non Pay Expenditure to be balanced.

Financial statements audit - Other area of focus

Scepticism Challenge

❺ New accounting standards

Related BAF risks	**Transforming & Improving Services**-Deliver levels of performance that are in line with plans and national standards

Other area of focus

The GAM requires you to apply two new accounting standards in 2018/19:

• IFRS 9 Financial Instruments.

• IFRS 15 Revenue from Contracts with Customers.

While the GAM has provided some interpretation of how these will apply to the NHS further guidance is expected. This will require the Trust to complete additional work in advance of the year end accounting preparation to ensure that balances are correctly recorded.

IFRS 16 Accounting for Leases, is likely to apply from 1 April 2019 so work needs to commence in this reporting cycle to assess its impact.

Our procedures included:

IFRS 9 – Financial Instruments

The GAM has scoped out the impact of this on balances between NHS bodies. The main impact is the need to consider the level of provision held against debts from non-NHS bodies, such as those from local government, research contracts and other income sources. We have assessed the Trust's impact assessment for completeness and accuracy and recalculated the effect, where relevant. We have inspected the Trust's disclosures.

IFRS 15 Revenue from Contracts with Customers

The DHSC, NHSI and NHSE have worked on a review to assess the impact for bodies who have signed the standard NHS contract. We have considered the impact of IFRS15 to the Trust in line with our inherent knowledge of active contracts and current revenue streams. Where contracts were not in line with the standard NHS contract terms, we have reviewed these in further detail in line with the standard. We have inspected the Trust's disclosures.

IFRS 16 Accounting for Leases

HM Treasury has considered how this standard should be applied to the public sector. The Trust has commenced its impact assessment and has disclosed progress of this in the financial statements, of which no quantitative impact has been provided. Actions required are potentially time consuming with the need to ensure that all leases have been identified and reviewed, including those which are not governed by a contract. We have assessed management's progress.

Outcome from audit work

Our findings indicate that the impacts of new accounting standards have been applied in a balanced manner.

Financial statements audit - Other area of focus

Scepticism Challenge

⑥ Going concern

Related BAF risks	**Transforming & Improving Services-** Deliver levels of performance that are in line with plans and national standards **Safe & High Quality Care-** Deliver and maintain the highest quality care standards, 7 days per week

Other area of focus

The risk

–The GAM directs that your financial statements will be prepared on a going concern basis unless services are being transferred outside of the public sector or being discontinued.

– Risks to your financial position are expressed through disclosure in the financial statements (which need to be complete and balanced) and consideration in our use of resources responsibilities.

– Key analysis of your future financial performance is contained in your submissions to NHSI which forecast both current and future years expected financial performance.

Our procedures included:

–We confirmed whether your accounting policies complied with the suggested template content from NHSI, and so reflected the correct basis of the application of going concern.

–We considered whether the Directors have appropriately identified any uncertainties in their future financial forecasts, and where material, that these were appropriately reflected within the financial statements.

–We considered whether our opinion needed to be amended to draw attention to any aspects of uncertainty in your future financial forecasts.

–We linked the work we performed on this element of our financial statements audit with the work we completed on use of resources where we challenged and reviewed in more detail the assumptions and forecasts you made about your future financial performance.

Outcome from audit work

No significant issues found as a result of our testing. The going concern basis used is deemed appropriate.

Financial statements audit - mandated risks

Scepticism Challenge

Risk	Why	Finding from the audit
Fraud risk from revenue recognition	Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.	While you are not listed and your overall audit is considered low risk you do have varied revenue streams we have therefore included this risk within our work outlined on page 10.
Fraudulent expenditure recognition	Practice Note 10 suggests that auditors in the public sector should consider whether there is a fraud risk arising from the recognition of expenditure.	We have highlighted within our audit risk assessment our focus on your key items of expenditure (payroll and non-payroll costs), see page 12. We will report on our work completed on these as part of our final report to the Audit Committee.
Fraud risk from management override of controls	Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. For every external audit, the auditors are required to include a risk that presumes management have overridden controls. We have included this risk within our work, outlined on page 11.	Our procedures, including testing of journal entries, accounting estimates and significant transaction outside the normal course of business, no instances of fraud were identified.

Reconfirming materiality: We can confirm that we have completed all our audit work to the materiality that we proposed at the planning stage of the audit, which was a total performance materiality of £2.55m with an audit differences posting threshold of £0.17m.

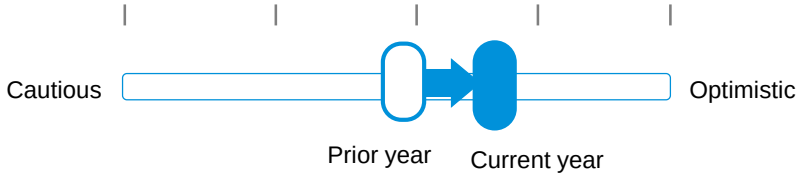
Financial statements audit - judgements

Scepticism Challenge

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Cautious means a smaller asset or bigger liability; optimistic is the reverse. We have only considered material judgements for the purpose of our reporting here.



Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
	Cautious Neutral Optimistic			Needs improvement Neutral Best practice	
Valuation of land and buildings		**86**	**(29.6)**		The MEA valuation has been performed in line with valuer guidance. The increased optimism relates to the non-application of the revised policy of depreciation by the external valuer which is highlighted within our schedule of uncorrected misstatements on page 23.
Provisions		**0.16**	**0.01**		The balance was immaterial for our audit purposes. We consider the related disclosures to be appropriate.
Accruals		**6.2**	**2.5**		The accruals balance is made up of a variety of immaterial accrual balances such as divisional and agency accruals. We performed testing over the breakdown of accruals and based on the testing performed, we did identify any significant variances and thus considered the relates disclosure to be adequate and appropriate in the annual accounts.

Financial statements audit - other matters

Scepticism Challenge

Annual report

We have read the contents of the Annual Report (including the Accountability Report, Performance Report and AGS) and audited the relevant parts of the Remuneration Report. We have checked compliance with the NHS Foundation Trust Annual Reporting Manual (ARM) issued by NHSI. Based on the work performed:

- We have not identified any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider that the annual report and accounts taken as a whole are fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.
- The part of the Remuneration Report that is required to be audited were all found to be materially accurate;
- The AGS is consistent with the financial statements and complies with relevant guidance subject to updates as outlined within section three other than the fact that the trust has not 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, this is highlighted on page 23.
- The report of the Audit Committee included in the Annual Report is currently being reviewed by management to ensure that it appropriately addresses matters communicated by us to the Audit Committee, and meets guidance as set out in the ARM.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our fee for the audit was £69,500 plus VAT (£69,000 in 2017/18). This fee was in line with that highlighted within our audit plan agreed by the Audit Committee in January 2019. Our fee for the external assurance on the quality report was £5,000 plus VAT (£5,000 in 2017/18). We have not completed any non-audit work at the Trust during the year.

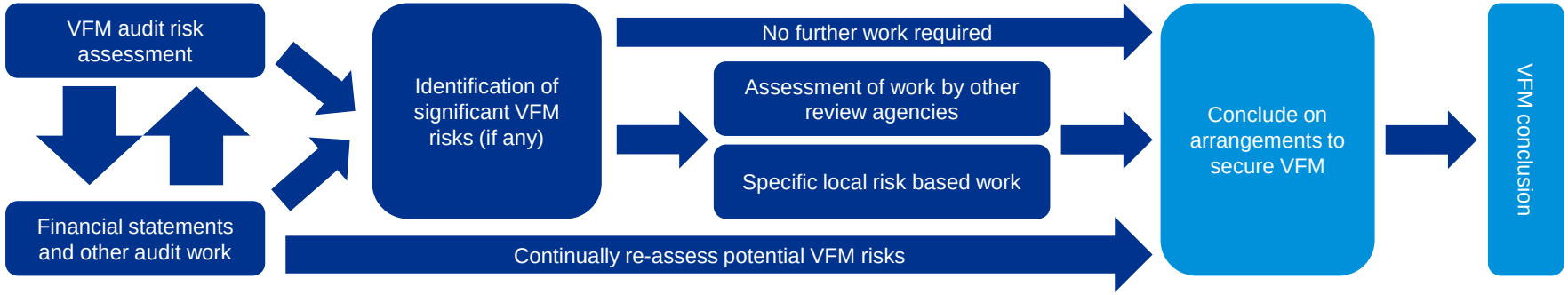
KPMG

Value for Money

Value for Money

Scepticism Challenge

For 2018/19 our value for money (VFM) work follows the NAO's guidance. It is risk based and targets audit effort on the areas of greatest audit risk. Our methodology is summarised below. We did not identify any significant VFM risks and provide a summary below of the routine work required to issue our VFM conclusion, which is that we are satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019, based upon the criteria of informed decision making, sustainable resource deployment and working with partners and third parties.



Risk	Why	Finding from the audit
We reviewed the 2018/19 AGS and took into consideration the work of internal audit. We confirm that the AGS reflects our understanding of the Trust's operations and risk management arrangements.	We considered the outcomes of relevant regulatory reviews (NHS Improvement, CQC, etc.) in reaching our conclusion. The NHS Improvement financial sustainability risk rating & governance rating achieved as at 31 March 2019 was a grading of 1, in line with our conclusion. The latest CQC review was undertaken in October 2018, the findings were published in January 2019. The Trust was rated 'Good' in 4 out of 5 key areas, with sufficient action plans in place for the remaining area which was highlighted as 'requiring improvement'.	As part of our risk assessment we reviewed various matters, including: • Internal audit findings: the final internal audit report highlighted various risk areas. We reviewed the action plans in place as a result of the review findings. The result of this review supported our VFM conclusion. • The work of inspectorates and review agencies: the CQC report from January 2019 highlighted limited areas which required improvement. We reviewed progress against action plans, noting that appropriate measures had been put in place to improve key service areas mentioned in the Report • Relevant findings from the financial statements audit work, including understanding the entity and work on key systems and controls: the Trust has a robust system of control, with a strong emphasis on value for money, evidenced by the receipt of Provider Sustainability Funding in the year of £4.11m. • Current operational performance and commissioner relationships: both deemed to be at an acceptable level, supporting our VFM conclusion.

Appendix

Contents

Appendix 1

Recommendations raised and followed up

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations					
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
1	3	Provision of ESR data Requested ESR data for the full 12 months of the year were not provided in a timely manner to be able to facilitate KPMG Data & Analytics testing for the year as planned. Due to the size of these reports, these should be run in advance.	Accepted, this will be provided in advance in the subsequent audit cycle.

Appendix 1

Recommendations raised and followed up

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
1	1	0

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (May 2019)
Financial Statements				
1	2	Journals Authorisation It should be noted that all journals should be reviewed and authorised as per the Trust's policy. Two sample items from a sample of 50 were found to be lacking authorisation.	Accepted- management have rectified the inherent issue.	Management have actioned this recommendation.

Appendix 2

Audit Differences

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, details of all adjustments greater than £0.17m are shown below:

Unadjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Depreciation Cr Property Plant & Equipment	0.65	0.65	Cushman and Wakefield updated their policy on depreciation as at 1 April 2018 to depreciate elements of each building/location under the Trust's remit separately, resulting in a higher depreciation rate. The Trust has not corrected for this difference.
2	AGS disclosure missing	N/A	N/A	The trust has not 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.

Under UK auditing standards (ISA UK&I 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. No adjusted differences were noted.

Appendix 2

Audit Differences

We are required to report any inconsistencies greater than £300,000 between the signed audited accounts and the consolidation data and details of any unadjusted errors or uncertainties in the data provided for intra-group and intra-government balances and transactions regardless of whether a Trust is a sampled or non-sampled component. We have provided details of the inconsistencies that we are reporting to the NAO as follows:

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
Q87- Hampshire, Isle of Wight and Thames Valley Local Office	Debtor	489	1,282	793	Miscoding by NHS England, error is with counterparty and is to be amended in the third submission.
Q85- South West South Local Office	Debtor	1,471	630	-841	Miscoding by NHS England, error is with counterparty and is to be amended in the third submission.
Q87- Hampshire, Isle of Wight and Thames Valley Local Office	Income	489	821	332	Relates to the same transactions as above with Q87, the error for this lies with Q87 and not with the Trust and is due to be amended in the third submission.

Appendix 3

Audit Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of Somerset Partnership NHS Foundation Trust ('the Trust')

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the Trust and its affiliates for professional services provided by us during the reporting period. We have detailed the fees charged by us to the company and its related entities for significant professional services provided by us during the reporting period below, as well as the amounts of any future services which have been contracted or where a written proposal has been submitted. Total fees charged by us for the period ended 31 March 2019 can be analysed as follows:

Appendix 3

Audit Independence

Component of audit (all fees exclude VAT)		
	2018/19	**2017/18**
Audit services – statutory audit		
Financial Statements Audit	£60,500	£69,000
MEA valuation work	£6,000	£0
Impact of new accounting standards	£2,000	£0
Increased procedures required by NAO-WGA	£1,000	£0
Total	**£69,500**	**£69,000**

The ratio of non-audit fees to audit fees for the year was 0:1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out in the following table.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the [partner/ director] and audit staff is not impaired.

This report is intended solely for the information of the Audit Committee of the Trust and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Appendix 4

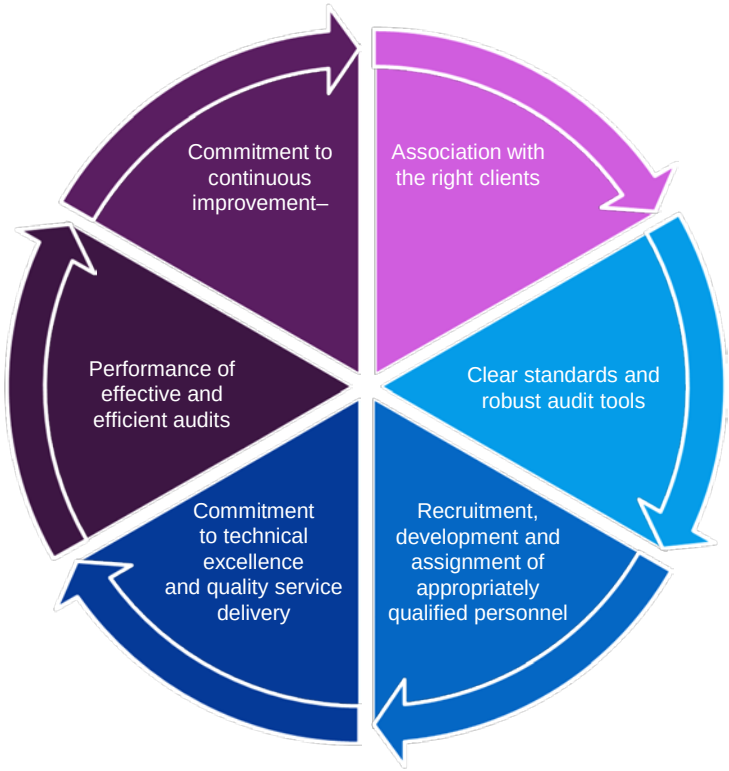
KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework

- Comprehensive effective monitoring processes
- Proactive identification of emerging risks and opportunities to improve quality and provide insights
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Relationships built on mutual respect
- Insightful, open and honest two way communications

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- Independence policies

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

kpmg.com/socialmedia

kpmg.com/app