Cornwall Partnership
NHS Foundation Trust

Annual Report and Accounts 2019/20

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01 Chair's introduction

Welcome to Cornwall Partnership NHS Foundation Trust's Annual Report for 2019/20.

Thinking back to the start of the financial year, I would never have anticipated that my introduction to the annual report would be reflecting on a year in which our Trust and the entire NHS faced the most significant health pandemic in our lifetime; one which is likely to continue to impact each and every one of us throughout 2020/21.

In introducing this report, it is important to mention some of the milestones we passed in 2019 and which now feel a lifetime away.

In September, we opened the doors to Sowenna, Cornwall and the Isles of Scilly's first specialist adolescent mental health unit. Sowenna provides inpatient and outpatient care to young people between the ages of 13 and 18 and has meant that many young people have been treated close to family and friends. The community's interest and generosity enabled us to provide an outstanding facility which makes a real difference to the lives of young people every day.

In November, the Care Quality Commission (CQC) published the outcome of a focussed inspection of our community child and adolescent mental health services (CAMHS) in mid, north and east Cornwall. Inspectors reported significant improvements from their previous inspection in April 2019.

November was also the month we held our annual CARE Awards. Over 140 nominations were received across nine categories, and we were delighted to celebrate the achievements and innovations of 28 finalists during the Awards ceremony.

As in previous years, we have experienced high demand for our services, especially during the winter and more recently in response to COVID-19. We have continued to perform well against the majority of quality and operational standards. We also met our financial targets, while ending the year with a surplus of £2.423m, £2.290m of this represents additional funding received because we achieved our control total.

It wasn't until January 2020 that the first cases of COVID-19 were announced on the other side of the world. The response of our colleagues and volunteers has been tremendous. I have been humbled by the way they have responded to the pandemic, going above and beyond to care for patients and their families in the most challenging

of circumstances. We were also delighted to welcome back a number of staff, who returned to the Trust to support the NHS's response.

On behalf of the Board of Directors and Council of Governors, I would like to take this opportunity to thank everyone across the Trust for everything they have done, but especially over the last few months.

The response and support we have received from the community has been heart-warming – from small acts of kindness, charitable donations to support staff, through to the weekly 8.00pm clap for key workers, who extend far beyond our own colleagues.

All health and social care partners in Cornwall and the Isles of Scilly have been working together to support each other and to ensure people receive the right care and support, in the right place at the right time. Some of the service and transformational change which has been achieved in such a short space of time has been truly remarkable. As we move into May, we are starting to think about how we reset services as lockdown eases, and what our new NHS will look like.

I would like to thank two of our Governors who represented our West Constituency whose terms of office ended during 2019/20. Joy Gunter who has been a Governor since June 2014 and an active volunteer for the Trust, and Graham Enoch, who was elected in June 2014. I wish them both well and thank them for their tireless input and support as Governors over a number of years.

Finally, I would like to thank Dr Steve Watkins for the expertise he has brought to the Trust; first as a Governor and more recently as Non-Executive Director. Steve retired from the Board at the end of February 2020, but will continue to support the Trust as a mental health act manager. Steve will be replaced on the Board of Directors by Julie Stone.

Dr Barbara Vann, Chair

Highlights of the year

APRIL

Celebrating the 70th birthday of the League of Friends

Afternoon tea parties were held up and down the county to thank the Leagues for their essential fundraising and support. The first League of Friends conference took place on 24 March 1949 and was attended by 175 Leagues.

MAY

Nurse leads major new frailty study

One of our Nurse Consultants has devised a major new study to change the way elderly people with frailty are cared for in the community. The HAPPI (Holistic Assessment and care Planning in Partnership Intervention) will develop, implement and test a nurse-led intervention to improve healthy living in frail older people.

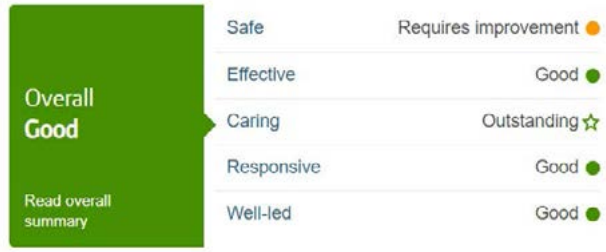
JUNE

Virtual reality part of the therapies offered in Sowenna

Three therapeutic environments are being created for staff to use with young people to reduce anxiety and stress. The use of the innovative technology has been made possible from charitable donations to the Trust. As virtual reality (VR) is a new therapeutic tool, its use will be supported by a research study to evaluate its benefits.

Cornwall School Games #SkipForSowenna

Cornwall School Games named Sowenna as their charity of the year, signing up to support #SkipForSowenna. A massive sponsored, skip took place at the Cornwall School Games on 28 June 2019 with over 4,000 people skipping all at the same time!



JULY

CQC inspection report changes our rating to Good

The Care Quality Commission published its most recent inspection report which saw an improvement in the Trust's overall rating to Good. However, inspectors highlighted concerns with regard to CAMHS in the mid and east of the county, issuing the Trust with a warning notice.

700+ mental health patients benefit thanks to clinical research

More people with mental health conditions are benefiting from access to new treatments as the number of clinical research participants increased by 12 percent compared to 2017/18. We recruited over 750 participants to research studies and were the third most improved mental health trust in the country for increasing our research output.

Highlights of the year

AUGUST

Men urged – Don't flush your life away

The third phase of our mental health campaign – Don't flush your life away - launched this month. The initiative is part of an ongoing effort to raise awareness of men's mental health in Cornwall, which has a higher than national average rate of suicide, with the most at-risk group being middle-aged men. The campaign aims to grab the attention of men, while in the wash-room of their local pub.

SEPTEMBER

Sowenna opens

Our £9.3m flagship child and adolescent mental health unit - Sowenna - opened its doors for the first time. Sowenna, which means success and welfare in Cornish, provides 14 inpatient beds for young people aged 13 - 18 years. The facilities include an educational wing, parental accommodation plus a covered outdoor multi-purpose area for gym, dance, educational, cinema and theatre based activities.

SUDEP & SEIZURE Safety Checklist

OCTOBER

Epilepsy app launched in Australia

Epilepsy Action Australia welcomed the launch of the SUDEP and Seizure Safety Checklist. The app is the first free clinical checklist tool available in Australia to help people with epilepsy and their clinicians discuss and monitor risk factors. The app was developed in Cornwall by SUDEP Action and the Trust.

Care Quality Commission

NOVEMBER

CQC welcomes improvements

In November, the CQC published an updated report after a focussed inspection of child and adolescent mental health services (CAMHS) in the mid and east of the county. Inspectors were happy that the Trust had met all the required standards and praised the systems put in place by the Trust to deliver sustainable improvements to access and waiting times.

Highlights of the year

DECEMBER

Board meeting held at state-of-the-art GP practice

The Trust's December Board of Directors' meeting was held in the St Clare Medical Centre, Penzance. The £6m practice has been built on land bought by ten partners, from three local GP practices. The facility opened in August and offers range of primary care services, rooms for visiting clinicians, operating theatres and meeting rooms available for public use. A presentation was received from Dr Boulter on the new facilities and ways of working which the build had enabled.

JANUARY

Fast-track plans to keep people out of hospital

We were announced as one of seven areas across the country to accelerate improvements to help mainly older people stay well at home and avoid long stays in hospital. This will take forward plans outlined in the NHS Long Term Plan to enable community teams to respond to people's needs and prevent admissions. The new approach will see urgent support being provided in two hours, or two days for reablement support.

FEBRUARY

Refurbished day centre opens in Falmouth

With the League of Friends of the Falmouth Hospital we celebrated the opening of the newly refurbished day unit at Falmouth Hospital. A total of £12,000 was raised by the League of Friends to modernise the existing space enabling it to look after four people who do not need to stay in hospital overnight.

MARCH

Stratton Community Treatment Centre reopens

We fulfilled our promise to reopen the pioneering overnight service at Stratton's Community Treatment Centre thanks to the efforts of dedicated colleagues and community support. In January, we relocated the service in order to respond to the unprecedented demand for health services.

02

Performance overview

A brief introduction to the Trust, its purpose, the key risks to the achievement of our objectives and how it has performed during the year.

Statement from the Chief Executive

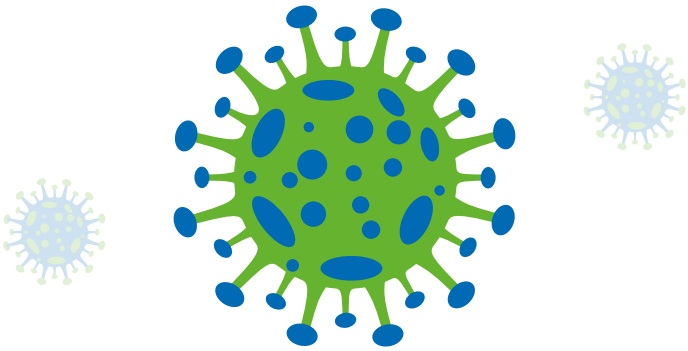
The 2019/20 financial year has without doubt presented the most challenges and levels of demand that I have seen throughout my 34 year NHS career.

Notwithstanding that, it has also been a year where we have seen how the NHS – its people – have responded and risen to the demands placed upon them as never before.

It does not feel enough to say a simple thank you, for all the work, time, commitment and effort which went into ensuring we could and did respond to the demands placed upon us, while never losing sight of our patients and their families. Throughout our response to the COVID-19 pandemic colleagues, staff and volunteers have worked incredibly hard to keep services running and people safe; so thank you for all you have done – you are remarkable.

As a system, partners have worked closely together to support one another, providing mutual aid, sharing resources and expertise in order to ensure we jointly supported people's health and care needs.

COVID-19 has changed the way we operate, moving us very quickly to new ways of working. The introduction of MS Teams and the clinical video appointment system Attend Anywhere, when we are unable to meet in person, has accelerated our use of digital solutions and is without doubt supporting our environmental agenda, as well as delivering financial benefits. It will be important for us to review how these solutions have impacted on our patients. We know the use of video appointments has been welcomed by our younger patients but it will be important for us to check if this is the same for all age groups.



COVID-19 also drove forward the establishment, with our health and care partners, of community co-ordination centres (CCC). Aligned to our three integrated care areas, the CCCs use a single referral form which allows people to tell their story once and for the right services to be made available to support them, in the right place, at the right time. We also established a bed bureau to manage bed-based care. I hope to see both these ways of working continue as we assess what the new NHS will look like.

We should not, however, forget the rest of the 2019/20 financial year. The performance report provides an overview of our challenges and successes.

In April 2019 we were inspected by the Care Quality Commission (CQC). Inspectors published their report in July of the same year and we were pleased to see our overall rating improved from Requires Improvement to Good and most importantly our rating for caring remained as Outstanding. They did, however, identify a number of concerns within our child and adolescent mental health services (CAMHS) in north and east, and mid Cornwall, issuing a warning notice. We acted very quickly to address the concerns, and on re-inspection later in the year Inspectors confirmed they were happy we had made the required improvements.

The opening of Sowenna, in September 2019, was a definite red-letter day in the Trust's history. Although, opening later than planned the 14-bed facility means we have the full range of child and adolescent mental health services available in county. It was a rewarding to be able to share the facility with several hundred local people, including fundraisers and supporters, over four open days before we welcomed our first young people. Donations from the Invictus Trust enabled us to deliver a vibrant café area which allows visits to take place in a non-clinical, informal, friendly environment. Since its opening, Sowenna has had a positive impact on the lives of many young people, not only because for the majority it will mean they will benefit from treatment in Cornwall where they can maintain links with family and friends.

We plan to introduce virtual reality as part of the therapies available in Sowenna and to assess its impact through a research study. Published in July 2019, the 2018/19 National Institute of Health Research activity league table showed we were the third most improved mental health trust in the country for increasing our research output. We will continue to develop our research portfolio to improve patient care and experience.

The epilepsy app and seizure checklist which we developed in partnership with SUDEP Action was made available in Australia and it is amazing to see a local innovation benefit people across the world. Additionally, one of our nurse consultants launched a study to improve the way we look after older frail people in the community. It will be interesting to see how this study helps to inform how we take forward the Embrace pilot.

We have continued to promote mental health and wellbeing, as key partners in the new mental health strategy for Cornwall and Isles of Scilly. Part of this work includes our efforts to reduce the stigma associated with mental health. We hosted a partnership event on Lemon Quay as part of World Mental Health Day in October 2019, as well as launching a further phase of our Don't Flush Your Life Away campaign during the year.

As in previous years, the Trust has continued to experience high demand for its services, operating above its contracted levels of activity in the majority of clinical areas. During the winter, demand levels were unusually high. As a result, we moved resources across the system to ensure they were located to deliver the maximum benefit.

We performed well against the majority of our quality and operational standards throughout the year. We have made a sustained reduction in the amount of out-of-area placements for complex mental health patients, with just one patient cared for outside Cornwall at 31 March 2020.

Financially it has been a challenging year but we have continued to deliver against the majority of our goals in this area. We maintained our use of resource rating at one, the lowest risk, and a demonstration of how effectively we use our finances, staff, facilities and resources to deliver sustainable care.

We ended the year with a surplus of £2.423m, after taking into account £3,389k of impairments, achieving a slightly improved position against our control total. This allowed us to receive additional provider sustainability funding of £2.290m which is included in our surplus.

However, we did not fully meet our cost improvement plans achieving 79 percent of our target. Delivery was largely reliant on non-recurring efficiencies and we will build on the work undertaken in 2018/19 to further strengthen our planning and governance processes to support delivery in this important area.

As we move into 2020/21, we will consider and reflect on our response to COVID-19 and how we should use our achievements to reset the NHS.

I believe the transformation we delivered in March and April 2020 has tackled some of the long-standing issues in our health community; establishing systems and processes which will deliver sustained improvements. It is important that we do not lose these as we move forward.

We have not experienced the number of COVID-19 cases we anticipated; however as we ease lockdown and shielding arrangements I am sure there will be further outbreaks. Nevertheless, I am confident we can, with our colleagues and partners, respond to whatever comes next.

Phillip Confue, Chief Executive
25 June 2020

The purpose and activities of the Trust

Cornwall Partnership NHS Foundation Trust provides NHS community, mental health, dementia and learning disability services to over half a million people who reside in Cornwall and the Isles of Scilly.

The Trust's services are centred on its 13 community hospitals or the provision of support in people's own homes. Over 3,800 people are employed by the Trust. During the summer, demand for the Trust's services increased with the influx of approximately 300,000 visitors.

The Trust is a provider of NHS services and is bound by the principles and values of the National Health Service (NHS) constitution. All of the Trust's services are provided under licence from NHS Improvement (Monitor), which is the independent regulator of health services in England. Our licence has a number of conditions and our compliance against these is assessed using a variety of methods. NHS Improvement works closely with the independent regulator of health and social care in England, the Care Quality Commission (CQC). Registration with the CQC is one of the conditions of our licence. All of our sites are registered without condition.

The Trust holds a separate registration with OFSTED (Office for Standards in Education, Children's Services and Skills).

NHS Kernow Clinical Commissioning Group holds the main contract for the Trust's services. Additional, smaller contracts are held with NHS England and Improvement, Cornwall Council and the Northern, Eastern and Western Devon Clinical Commissioning Group.

Throughout 2019/20 the Trust has been an active partner of the Cornwall and Isles of Scilly Health and Care Partnership – our local sustainability and transformation partnership (STP). A third of people who live in Cornwall are supported by acute hospitals in Devon, making us smaller members of Devon's STP. STPs bring health and care leaders together to plan for the long-term needs of local communities.

As a foundation trust, we have a strong record of successful service and financial delivery, underpinned by a growing reputation in the field of research and innovation.

A brief history of the Foundation Trust

On 1 April 2002, Cornwall Partnership NHS Trust was formed as the principal provider of mental health and learning disability services in Cornwall and the Isles of Scilly.

In March 2010, the Trust was successful in achieving foundation trust status, operating in accordance with Section 35 of the National Health Services Act 2006. The following year, on 1 April 2011, the Trust added community health services for children and young people in Cornwall and the Isles of Scilly to its portfolio, effectively doubling its size.

Five years later, on 1 April 2016, the Trust again doubled its size with the award of a two-year contract to provide adult community services. The Royal Cornwall Hospitals NHS Trust and Kernow Community Interest Company worked closely with the Trust on its application to ensure the integration of services for the benefit of people in Cornwall and the Isles of Scilly. A 12-month extension was awarded until 31 March 2019.

In 2019/20 NHS Kernow established a single contract encompassing mental health, learning disability, children's, and adult community services. Formal sign-off of the Trust's contract for 2020/21 has been postponed until October 2020 as a result of the COVID-19 pandemic.

On 1 April 2019, the public health nursing contract and approximately 200 colleagues transferred to Cornwall Council.

The following year on 1 April 2020, the contract, and over 140 colleagues who deliver improved access to psychological therapy (IAPT) services were welcomed to the Trust with the novation of the contract from Outlook SW to the Trust. The Trust will hold this contract until 31 March 2022.

Our strategic plan

The Trust's strategic vision is delivering high quality care.

On 1 April 2019, the Trust's Board of Directors adopted the strategic objectives of the Cornwall and Isles of Scilly Health and Care Partnership. The decision was made during the Trust's annual review of its strategic objectives.

Cornwall and the Isles of Scilly Health and Care Partnership

The system-wide objectives are:

1. Improve health and wellbeing and reduce inequalities by working in partnership and creating opportunities for our citizens.
2. Provide safe, high quality, timely and compassionate care and support, in local communities wherever possible, and informed by experience of people who use services.
3. Make Cornwall and the Isles of Scilly a great place to work in health and social care.
4. Working efficiently so health and care funding give maximum benefits.
5. Create the underpinning infrastructure and capabilities that are critical to delivering high quality care and support.

As members of the partnership, we have been involved in the development of a long term-plan in response to the local health and wellbeing strategy and NHS Long Term Plan.

As partners, in the same health and care economy, we face the same operational and strategic challenges. The Trust considers these in the development of its strategic plans.

The Trust's delivery of its strategic plan is monitored by the Board of Directors and is underpinned by supporting strategies. All the Trust's strategies are available on our website: www.cornwallft.nhs.uk.

The delivery of the Trust's strategies is monitored by two sub-committees of the Board of Directors: the Quality and Governance Committee and the Performance, Finance, and Investments Committee.

We involve people in the development and delivery of our long-term priorities and the delivery of improved health outcomes. Each year, our Governors, ask our Foundation Trust members about the quality of our clinical services. The Council of Governors review the feedback and it is used to inform our future plans.

Our plan in action

With our health and care partners, we are changing the way we plan and deliver services. We are working with local authorities, the community and the voluntary sector to create a better health and care service which provides people with the care, help and advice they need, when and where they want it.

The Trust, like its partners, has a clear focus on supporting people to stay as healthy as possible – so they start well, live well and age well. We asked our colleagues, stakeholders and, most importantly, the people who live in Cornwall and the Isles of Scilly about their health and care. This provided us with clear information on what matters to them, for example housing, access to services, activities and advice on how to live more healthily eg, by stopping smoking and having a healthy diet. It also helped us to identify the issues which are driving and increasing demand for services, and the challenges we face to respond to this demand. We have used this feedback to shape our Trust and system plans for the future.

Significant transformational change has been delivered in between March and May 2020 in response to COVID-19.

Our population

Approximately, 530,000 people live in Cornwall and the Isles of Scilly. Of these:

- 85,000 require only ad hoc care and support and 280,000 are at risk of future ill health and would benefit from targeted prevention advice
- 135,000 manage a long-term condition(s) with occasional support
- 20,000 require coordinated health or social care, and 4,000 have complex conditions and need more managed care and support
- 4,000 are at the end of their lives and need 24-hour support

What are our challenges?

While Cornwall and the Isles of Scilly are undoubtedly beautiful places to live, managing the health and care needs of a rising population, many with unhealthy lifestyles; tackling the effects of poverty, deprivation and isolation on physical and mental health and wellbeing, and addressing the additional pressures caused by our popularity as a tourist destination present significant challenges for our health and care system.

Specific challenges

A growing population: 62,000 more in the next 20 years.

Baby boomer effect: By 2027, 50 percent more people aged 75-84 and 27 percent more people aged 85+.

Increase in preventable illnesses: More people have preventable illnesses and are having more years of ill health, often with multiple illnesses.

Health inequalities: 71,000 people at greater risk of long-term illnesses.

Workforce shortages: High number of vacancies and a high proportion of our workforce approaching retirement.

Limited resources to meet growing demand: We need to make every pound stretch further.

Geography and settlement pattern: A peninsula and 60 percent of people in settlements of under 3,000 affects how and where services can be provided.

Poor performance of our current system: Improving productivity and reducing variation.

What we need to do

As a health system, we have agreed to focus our energies on some key areas to maximise our impact. These include stopping smoking in pregnancy, detecting key conditions as soon as possible and doing more to help people at risk of falling.

An increased focus on prevention and detection will help us reduce health inequalities, drive the demand for services and implement a model of care which is fit for the 21st century. Children should have the best start in life, while older people should be able to age well, stay healthy and remain in their own homes.

We will continue to take forward plans, like the development and opening of Sowenna, which improve the care we offer. The Embrace care programme is changing the way we support people at risk of hospital admission or who have been admitted to hospital – helping them to live independently for longer.

We will deliver more care in the communities where people live. Our response to COVID-19 has driven this forward apace with the establishment of community co-ordination centres (CCC) aligned to our three integrated care areas and a single bed bureau to manage all bed-based care. The CCCs have brought together health, care and voluntary partners who have local knowledge and who can best support their communities.

Recognising the impact housing, debt and social isolation have on our health, we will create opportunities to tackle these issues with our wider partners. Pentreath Limited have employment specialists embedded within the Trust's mental health teams. The support is open to anyone on the mental health teams' caseload and aims to help them gain paid employment.

We will continue to work with partners in Plymouth and Devon to ensure the needs of people who live on the border are supported and services are planned jointly. In Stratton we are using the hospital resources, in partnership with the local Trust's, to support the health and wellbeing of people in Devon through the provision of community hospital care.

We want to use more technology and be at the forefront of innovations. Our response to COVID-19 has fast-tracked the use of video appointments in the Trust. In addition, we are developing virtual reality environments to Sowenna where they will be part of a research study to assess the benefits.

We are part of a wider leadership team which shares big decisions about how we use our funds and staff to respond and improve people's health. We are increasingly using staff flexibly across organisations to provide skills and capacity where they are most needed. This has been evidenced in our response to COVID-19.

Key, opportunities, issues and risks that could affect delivery of the Trust's objectives

The Trust has in place mechanisms to ensure it is able to effectively manage risk in accordance with its operational policies and Risk Management Strategy. The Annual Governance Statement in Section 3: Accountability Report provides further information on the Trust's approach to risk management.

The Trust uses best practice to ensure that risk is managed at a level which enables it to maximise opportunities and demonstrate full consideration of any implications to the delivery and achievement of outcomes, strategic aims and objectives. This includes risks which could affect the Trust's future success and sustainability.

The Board Assurance Framework is a document used by the Board of Directors to manage risks to the achievement of the Trust's strategic objectives. Strategic objective risks are defined within the Risk Management Strategy as principal risks. Details of the Trust's principal risks are listed under the heading Major Risks in Section 3: Accountability Report. The Board of Directors approves the addition of or removal of principal risks as recommended by Executives or the Board's Quality and Governance Committee. The Trust's Board papers are available on our website: www.cornwallft.nhs.uk.

Going concern disclosure

The Trust's accounts have been prepared on a 'going concern' basis. This means the Trust expects to operate into the future and that the statement of financial position (assets and liabilities) reflects the ongoing nature of our activities. The Board of Directors has considered and declared that: "after making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts".

02 Performance analysis

Our plan in action

Review of non-financial performance

NHS Kernow holds the main contract for the Trust's services. Other services are provided for NHS England, Cornwall Council and NHS Devon.

Services are commissioned on a block contract basis, with indicative activity levels, associated performance standards and financial values agreed for the year. Monthly performance reports are provided to commissioners.

The main contract with NHS Kernow required the Trust to deliver activity that met the mental health, learning disability, adult community and children's mental health needs for the population of Cornwall and the Isles of Scilly. We continually analyse levels of demand and efficiency on the range of services provided.

As in previous years, the Trust has continued to experience high demand for its services, operating above its contracted levels of activity in the majority of clinical areas.

The critical performance standards included in contracts are, in large, part drawn from those set out in the NHS Oversight Framework. Under the NHS Oversight Framework performance is assessed across the five themes of quality of care, finance and use of resources, operational performance, strategic change and leadership and improvement capability. On the basis of that assessment, Trusts are segmented to determine the levels of autonomy and/or support that NHS Improvement, as the regulator of NHS Provider organisations, considers appropriate for each organisation. Published on 4 February 2020, the latest provider segmentation report issued by NHS Improvement shows the Trust in segment one, affording us maximum autonomy with no support needs identified.

Performance against standards is reviewed regularly and verified by each clinical service before being reported to the Trust's Board of Directors. The Trust's Board papers can be found on its website: www.cornwallft.nhs.uk.

We have consistently reported within target for the new Single Oversight Framework.

The Trust has reported good levels of performance against the majority of quality and operational standards throughout the year:

- the accident and emergency (A&E) maximum waiting time of four hours from arrival to admission/transfer/discharge (relating to our minor injuries units (MIUs)) has been achieved throughout
- the percentage of patients waiting 18 weeks from point of referral to treatment has been above the targeted 92 percent each month
- there has been a small level of variability in performance against the six-week diagnostic standard but, following an improvement cycle, the target has been achieved for all patients in the last quarter
- the Trust has achieved the standard whereby people experiencing a first episode of psychosis begin treatment with a National Institute for Health and Care Excellence (NICE) approved care package within two weeks of referral
- with outreach teams working to support local provision, there has been a sustained reduction in the amount of out-of-area placements for complex mental health patients throughout the year, with just one patient cared for away from the county at 31 March 2020
- data quality maturity index (DQMI) – mental health services data set (MHSDS) dataset score has improved steadily throughout the year
- the proportion of patients on the care programme approach (CPA) followed up within 72 hours of discharge has routinely exceeded the 50 percent minimum standard and, since October, has been close to or in excess of the 80 percent stretch standard for the year

The Trust continues to target improvement in some areas:

- extending the coverage of the Friends and Family Test; whilst achieved for community services, improving the response rate in mental health services remains a challenge
- the standard to ensure that patients with psychosis receive routine cardio-metabolic assessment and treatment has been an improvement target during 2019/20. Performance, provisional results of the 2019/20 National Clinical Audit of Psychosis (NCAP) suggest an improvement from 47 percent to 79 percent in the year

Clinicians, managers and senior managers have direct access to online reports, which are updated daily and identify key performance indicators (KPIs) including those reported to our Board of Directors. The key performance indicators are measurable values that help demonstrate how effectively we are achieving our objectives. The online reports assist in case management and identify activity/target projections. Trust performance is scrutinised and supported through a range of daily, weekly and monthly meetings, with the necessary information available for discussion.

The Trust produces monthly data-books consisting of all national and commissioner targets and local key performance indicators. Guidance on the performance required to achieve all national targets has been reviewed and standard operating procedures produced to ensure consistency and standardised reporting. Where a breach is forecast as likely this is escalated to senior managers and reported.

This year we have seen significant development in the Trust's child and adolescent mental health services (CAMHS). We are delighted to have opened Sowenna, a 14-bed child and specialist tier four unit adjacent to Bodmin Hospital. The unit has close links with other specialist mental health and physical health services and has dramatically reduced the numbers of patients having to move away from Cornwall for their care. Following our Care Quality Commission (CQC) inspection, improving the waiting times to first assessment for children referred to the community CAMHS has been a priority. A combination of increased capacity, largely through the introduction of Clinical Assistant Psychologists and improved waiting list management systems, has improved waiting times markedly, an improvement recognised by the CQC in its most recent inspection visit.

The Board of Directors ensures relevant metrics, measures, milestones and accountabilities are developed and agreed in order to understand and assess progress and the delivery of performance.

Financial and non-financial performance is reviewed at each of the Trust's Board of Directors' meetings, the Performance, Finance and Investments (PFI) Committee, Quality and Governance (Q&G) Committee and with Associate Directors at the Performance, Information and Management Meetings (PIMMs).

Each of these meetings also receives information from the Patient Experience Team on the number of enquiries and complaints received plus feedback from any patient surveys. This type of feedback enables the Board of Directors to receive assurance that the quality of services is not being compromised. Information is also presented on the number of incidents in order to triangulate the information and provide assurance on the quality of the Trust's services.

Summary of financial performance

The Trust continued to deliver a sound financial performance in the 2019/20 financial year.

Key performance measures

- Achieved a marginally improved position against our control total. The control total is an annual financial target that must be achieved to unlock access to national funding and other financial benefits. Trusts can accept or reject their control totals. Our control total was to achieve a surplus of £5,261k (a surplus of £2,695k in 2018/19). Taking into account the technical adjustments applied by NHSI to provider positions the Trust improved on its control total by £51k.
- Based on the position as at 31 March 2020 our use of resources (UoR) risk rating was one (lowest risk). Our UoR risk rating was also one at 31 March 2019. NHS Improvement's use of resources rating is designed to improve understanding of how effective and efficiently Trusts use their resources including finance, workforce, estates and facilities, technology and procurement in order to provide high quality, efficient and sustainable care to patients.
- Our overall performance at year-end was a surplus of £2.423m (surplus of £5.895m in 2018/19). This surplus was after taking into account £3.389k of impairments on property, plant and equipment. Impairments are a class of cost which is excluded by NHSI when they assess Trust's performance against their control total target.
- Our cash balance was £39.8m (£36.7m in 2018/19).

The Trust achieved 79 percent (£6.935m) of its £8.831m cost improvement programme (CIP) but this was substantially reliant on non-recurrent efficiencies. CIPs are schemes designed to increase efficiency and/or reduce expenditure and can be recurrent (year-on-year) or non-recurrent (one-off). CIPs should not have a detrimental impact on patients.

The Trust achieved a financial result better than the control total set by NHS Improvement; this entitled the Trust to receive additional provider sustainability funding (PSF) of £2.290m. This additional income is included in our surplus of £2.423m.

The Trust's financial performance means it is in a strong position to achieve its corporate objectives and deliver its commitment to work in partnership with system partners.

Financial regulatory requirements

The key performance measures detailed in the table below provide an indication of the level of risk associated with the Trust's financial position. The Trust aims to fulfil a general requirement to operate effectively, efficiently and economically. The use of resource (UoR) is rated on a scale from one to four, where one equals the lowest risk to the financial sustainability of key NHS services, and where four is considered the highest risk.

The risk rating system is measured against our plan on a monthly and annual basis and addresses the following criteria:

- capital servicing capacity – the degree to which the Trust's available income is able to cover its financing obligations
- liquidity – does the Trust have enough resources to carry on its day-to-day business?
- income and expenditure (I&E) margin variance – the variance between the Trust's planned I&E margin and its actual performance in year
- variance from control total – the variance between the Trust's control total and its actual performance in year
- agency – the variance between the Trust's agency ceiling and its actual performance in year

The Trust's UoR performance for 2019/20 is detailed in the use of resource rating - year end performance table:

Ratio	Plan rating 2019/20	Actual rating 2019/20	Actual rating 2018/19
Capital service cover rating	1	1	1
Liquidity rating	1	1	1
I&E margin rating	1	1	1
Variance from control total rating	1	1	1
Agency rating	2	3	2
Use of resource rating	1	1	1

Sources of income

In 2019/20, the Trust received the majority of its income, £186.7m (£171.7m in 2018/19), for the delivery of clinical activities. Details relating to the Trust's clinical income are set out in the following table:

Income from clinical activities (by nature)	2019/20 £000	2018/19 £000
Cost and volume contract income	0	341
Block contract income	31,491	27,402
Clinical partnerships	48,312	42,026
Other clinical income from mandatory services	5,302	2,511
Community income from CCGs and NHS England	83,533	73,293
Community income from other commissioners	9,640	19,763
Private patient income	0	0
Agenda for change pay award central funding	0	2,277
Additional pension contribution central funding	5,828	0
Other clinical income	2,577	4,123
Totals	**186,683**	**171,736**

Income from clinical activities (by source)	2019/20 £000	2018/19 £000
NHS England	12,791	2,723
CCGs	158,967	144,749
NHS foundation trusts	77	10
NHS trusts	9,373	9,568
Local authorities	4,267	11,289
Department of Health and Social Care (DHSC)	0	2,277
NHS other	0	168
NHS injury scheme	447	283
Non NHS: other	761	669
Totals	**186,683**	**171,736**

In addition, in 2019/20 the Trust received £14.7 million from a variety of other sources (£14.2 million in 2018/19) for the delivery of non-patient care such as education support and the provision of services to other NHS bodies as detailed:

Other operating income	2019/20 £000	2018/19 £000
Research and development	337	408
Education and training	2,818	2,486
Non-patient care services to other bodies	8,003	7,523
Provider sustainability fund income	2,290	3,166
Other income	1,030	342
Received from NHS charities	132	160
Contributions to expenditure from other bodies	106	147
Rental revenue from operating leases	7	7
Totals	**14,723**	**14,239**

The Trust has reviewed its sources of income and has not identified any material income which is not related to the purposes of the health service in England. Therefore, the Directors confirm that the income from the provision of goods and services for the National Health Service (NHS) is greater than income from the provision of services to non-NHS areas.

Analysis of expenditure

The Trust's total operating expenses for 2019/20 amounted to £195.9 million (177.4 million in 2018/19), of which £139.7 million (71.3 percent) related to the payment of salaries to staff. In 2018/19, £130.5 million (73.5 percent) related to the payment of staff salaries.

A breakdown of operating expenditure for 2019/20 and 2018/19 is detailed in the table:

Operating expenditure	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC group bodies	3,600	0
Purchase of social care (under s.75 arrangements)	3,732	3,674
Employee expenses	139,722	130,485
Supplies and services - clinical	6,052	6,314
Supplies and services - general	6,552	5,888
Drug costs	1,795	1,694
Establishment	2,007	2,048
Premises	8,204	8,409
Transport and travel	3,114	3,277
Depreciation, amortisation and impairments	5,441	2,760
Bad debt provision	1,484	-1,152
Change in provisions discount rate	337	-85
Audit fees and other auditor remuneration	60	58
Internal audit	124	122
Clinical negligence premiums payable to the NHSLA	558	797
Legal and consultancy	2,663	632
Insurance	89	125
Education and training	1,329	1,009
Operating lease expenditure	5,751	7,256
Car parking and security	175	93
Other services	3,205	4,008
Totals	**195,994**	**177,412**

The Trust delivered a range of efficiency schemes in 2019/20 to the value of £6.935m. Efficiency schemes delivered represented 79 percent of the planned value providing key support to the delivery of the Trust's financial position.

Financial impact of COVID-19 in 2019/20

During February and March 2020 the Trust incurred £521k of costs relating to COVID-19 across a range of NHSI allowable cost categories. In accordance with the national process for the close-down of the 2019/20 accounts, the Trust submitted a claim to NHS Improvement for reimbursement of these costs and has received confirmation that funding will be received in 2020/21 to cover these. This income has been accrued in the 2019/20 accounts in accordance with the national guidance.

Capital investment

The Trust continues to focus on the development, enhancement and refurbishment of its building assets to ensure its estate is not only fit for purpose for now, but also designed to meet healthcare needs in the future. The Trust also continues to prioritise information management and technology (IM&T) investments to enable staff to work more effectively and efficiently. IM&T expenditure in 2019/20 included infrastructure costs relating to the implementation of the new voice and data network for the NHS in Cornwall, replacing the previous system that had reached its end of life.

In 2019/20 construction completed on Sowenna, the Trust's new child and adolescent mental health services (CAMHS) inpatient (Tier 4) unit. Sowenna opened in autumn 2019.

Capital expenditure for the year 2019/20 totalled £7.2m (£10.3m in 2018/19), with the main areas of expenditure being attributed to the following projects:

Capital investments	2019/20 £000	2018/19 £000
Statutory compliance and backlog maintenance	93	47
Equipment	428	217
Service line improvements and estates strategy	797	1,107
Infrastructure and applications (IM&T)	2,204	3,715
CAMHS Tier 4 unit	3,676	5,216
Totals	**7,188**	**10,302**

Cash and liquidity

The Trust's cash balance (excluding consolidated Charitable Funds) increased by £3.1m to £39.8m from the beginning to the end of the financial year. The increase in cash during the year mainly relates to the receipt of 2019/20 provider sustainability funding (PSF) incentive funding from NHS Improvement. The Trust's cash reserves will enable us to continue to invest in infrastructure to support service change and improvements and the progression of our Estate's Strategy.

The Trust's use of resources liquidity rating is at level one, the best rating possible.

Charitable funds

The following financial tables relate to the Foundation Trust only. The Trust is also the corporate trustee to Cornwall Partnership Foundation Trust Charitable Fund (charity registration number 1058366). Within the Trust's annual accounts the accounts of the Cornwall Partnership Foundation Trust Charitable Fund are consolidated. The Charitable Fund publishes its own annual report and accounts within timescales laid down by the Charity Commission.

Information about the activities of the Charitable Fund and copies of previous annual reports can be accessed via our website: www.cornwallft.nhs.uk.

The table below summarises the financial results of the Charitable Fund that have been consolidated within the Trust's consolidated accounts:

Charitable funds income and expenditure	2019/20 £000	2018/19 £000
Operating income	687	221
Operating expenditure	(247)	(232)
Investment income	4	8
Net surplus/(deficit)	**444**	**(3)**

Grants received from donating organisations

During 2019/20 the following grants were received from Leagues of Friends:

League of Friends Charity	Amount (£)
Bodmin Hospital League of Friends	12,793
Guild of Friends Camborne-Redruth Community Hospital	17,072
League of Friends of St Barnabas Hospital Saltash	4,177
League of Friends of Stratton Hospital	23,879
Liskeard Community Hospital League of Friends	15,485
St Mary's League of Hospital and Community Friends	2,023
The League of Friends of Launceston Hospital and Community	17,694
The League of Friends of the Falmouth Hospitals	4,846
The League of Friends of the Helston Community Hospital	3,481
The League of Friends of the Newquay and District Hospital	4,951
Totals	**106,401**

All these donating organisations are League of Friend charities. Cornwall Partnership NHS Foundation Trust is indebted to these charities who work tirelessly at fundraising so they can provide grants and help support the delivery of care for both our adult and mental health inpatient services and our community teams.

The grants included medical equipment which in 2019/20 funded an ECG recorder, centrifuge, infusion pump, infusion chairs, otoscope and ophthalmoscope diagnostic kits, and dopplex machines and probes for measuring blood flow. The donating organisations have also supported the replacement of furniture in our hospitals including patient seating in the wards and outpatient areas. Some of the chairs provided for the wards are specialist electric riser/recliner chairs for our more elderly and disabled patients. The Guild of Friends of Camborne-Redruth Community Hospital purchased 20 bedside cabinets for their Community Hospital at a cost of just over £15k. Three of our Community Hospitals were also able to benefit from specialist patients transfer equipment at a cost of £7.5k each to assist staff in recovering patients from the floor after a fall. This innovative piece of equipment inflates to lift patients up in a supine position so they can be transferred back to their bed or receive further treatment. Funding was also provided for mobile hoists and slings across the community hospitals.

The League of Friends charities also support the provision of services for the patients and have granted funding for specialist computer equipment and software to help patients with dementia, plus a table tennis table, fitness coaching sessions, dance workshops and a wall mural. A treadmill and Reebok aerobic steps were also able to be purchased to support our community hospital physiotherapy services.

In addition to the above the Patient's Trolley Shop at Helston Community Hospital provided grants totalling £1,614 for patient seating and tables.

Economic climate

In common with the rest of the NHS and the public sector, the Trust continues to operate in a tough financial climate. This means we will need to continue to deliver challenging levels of productivity and efficiency.

Financial outlook

The NHS has received increased levels of funding with associated requirements to operate more efficiently. We have worked as part of our local health system to produce shared plans to address the predicted increase in demand and cost pressures if services remain unchanged.

An interim plan was submitted on 5 March 2020 with a final plan to be submitted at the end of April 2020 in accordance with the national timetable. However, with the outbreak of COVID-19 the national planning process was suspended. The following commentary reflects the interim plan submitted on 5 March 2020 but it should be noted that a revised plan will be necessary when the planning process resumes later in the year.

The Trust's interim plan for 2020/21 would deliver a deficit of £0.9m in accordance with the required financial trajectory issued by NHS Improvement. In common with previous years the Trust is not forecasting that it will be able to remain within its agency cap of £2.213m.

Our Annual Plan for 2020/21 sets out an £10.7 million challenging cost improvement plan (5.1 percent of operating expenditure). In percentage terms the cost improvement plan is marginally higher than prior years (2019/20: 4.7 percent, 2018/19: 4.7 percent). The cost improvement plan includes efficiencies relating to mental health services, community services and efficiencies arising from systems and process redesign.

The Trust's comprehensive, integrated strategic planning process supports the development and monitoring of its cost improvement programmes. This process is internally branded as bridging the gap and commences with the engagement of all staff to generate ideas which are then refined into specific programmes.

All individual plans have a quality impact assessment undertaken by the Medical Director and Director of Nursing and Allied Health Professionals. The programmes are approved by the Board of Directors as part of the Trust's annual planning process.

Headline figures from the financial plans for 2020/21 are as follows:

	2021/21 plan £m
Operating income	198.7
Operating expenditure	(195.8)
Operating surplus	2.9
Non-operating expenditure	(3.8)
Net I&E surplus/(deficit)	(0.9)
Year end cash position	**28.5**

Cash flow summary plans for 2020/21 are as follows:

	2021/21 plan £m
Operating cash flows before movements in working capital	11.5
Movements in working capital	0.3
Cash flow from operations	11.8
Investing activities	(5.9)
Financing activities	(10.1)
Net cash outflow	**(4.2)**

Overseas operations

The Trust has no overseas operations.

Future developments

The way in which our services develop during the course of the 2020/21 year will be determined through a wholly unique process. Firstly, we will look to embed a range of transformational developments that have occurred because of, or during, our response to the COVID-19 pandemic. Many of these developments will have been in our plan, but the implementation of them has been brought forward. Secondly, we will continue to meet our commitments under the NHS Long Term Plan, our local health and care system plans, and other key strategies. In many cases these will be the same thing, albeit with a slightly different scope and timeframe.

Our planned developments, for 2020/21, have been summarised, below, by service area:

Integrated care areas

Our health and care system established three integrated care areas during 2019/20, and we will work to further strengthen this multi-skilled, partnership approach during 2020/21.

Work we've undertaken

- Sustaining new systems for managing people and resources across the partner agencies in our health and care system. This includes operating a single electronic referral system for adults with health and care needs. Three community co-ordination centres, one in each integrated care area, have been established to manage these referrals at a primary care network level ensuring the right support and care is provided by the local teams in each area. Multi-agency teams have also been established to co-ordinate requests for bed-based care. This has led to a much greater focus on getting people home rather than utilising step down bed facilities which previously led to poorer outcomes for older people. These new approaches have led to greater use of resources in the right place at a time of increasing demand for support in community settings.
- Utilising shared roles across partners to develop clinical and career pathways to improve the care we give and our employment and retention of new roles. For example, the implementation of the first contact physiotherapist pathway and role; we have been trialling this method of working in small-scale pilots since 2017.
- Our health and care system has been chosen as an early implementer of the Ageing Well programme. This involves us developing a rapid community response to care for people in a community setting who might otherwise have been admitted to, or been at risk of being admitted to, hospital.
- Four of our hospitals in the community now have community assessment and treatment units (CATU) which mean that older people can be assessed and treated in a centre of excellence for older people and only be admitted if absolutely necessary for inpatient rehabilitation.

Mental health

Each health and care system is required to invest minimum levels of funding into the development of mental health services, predominantly determined by a detailed implementation plan that supports the achievement of the goals of the NHS Long Term Plan. This is called the Mental Health Investment Standard (MHIS).

During 2020/21 we will continue to develop our services through the application of the MHIS; this includes:

- expanding our crisis response capacity within our children and adolescent mental health services
- implementing an all-age 24/7 response line for people requiring mental health support.
- introducing a, new, autism-intensive support service
- expanding our improving access to psychological therapies (IAPT) service to enable us to offer talking therapies to a greater number of patients
- developing alternative approaches to caring for people with mental ill health, particularly those in crisis
- training a local cohort of our psychological workforce in response to increasing demand for services and a national workforce shortage

Technology will underpin how all of our services develop during 2020/21. During the year we will see the introduction of artificial intelligence to assist with diagnosing mental health patients, we'll see outpatient appointments delivered electronically, we'll free up clinical time from administration due to the introduction of a digital dictation solution, and we'll introduce online platforms that complement existing care pathways.

Social, community, anti-bribery and human rights issues

As an NHS trust and public body, it is unlawful for us to act in a way which is incompatible with the European Convention on Human Rights, unless required by primary legislation. We are committed to delivering our obligations in respect of the human rights of our staff and patients. This obligation is closely aligned to our organisational values and those of the wider NHS as described in the NHS Constitution.

The Trust has a zero tolerance to bribery and corruption and is committed to providing services in an honest and ethical way. Our Code of Conduct Policy outlines the systems and processes in place to prevent bribery.

Policies are in place to ensure full and fair consideration is given to all job applications, including those from people with a disability. Support and adaptions are made to support colleagues to continue their employment with the Trust and to undertake training. Information on the training, career development and promotion of disabled employees is set out in Section 3: Accountability Report – Staff Report.

Throughout 2019/20 the Trust has continued with its programme of staff engagement and wellbeing activities. This ensures staff are kept up to date and regularly receive information on matters of interest to them including the financial and economic factors affecting the Trust and its performance. More details on our activities in this area are set out in Section 3: Accountability Report – Staff Report.

Inclusion, diversity and equality

We aim to put inclusion, equality and diversity at the heart of the services we provide to our patients. Additionally we seek to ensure that as an employer we create the right conditions for our staff to flourish by being a truly inclusive employer.

With an approved Inclusion and Diversity Strategy in place, we have been moving forward on our key priority areas and the delivery of our four objectives as follows:

Our approach is focussed on patient and staff involvement and in developing partnerships across the community. By striving to achieve our equality objectives we aim to significantly improve patient and staff experience.

1. Reduce health inequalities for protected groups by improving access and removing barriers to all our services.
2. Improve reported patient experience for protected groups.
3. Improve reported staff experience for protected groups.
4. Eliminate direct and indirect discrimination, harassment, bullying and victimisation.

The Trust's Inclusion and Diversity Steering Group leads the work to improve patient and staff experience and Trust performance within the Equality Delivery System (EDS2). The steering group is chaired by a Non-Executive Director, and is undergoing a review of its membership and key objectives, with a view to broadening the reach of action. The Trust's Board of Directors receives bi-annual updates and assurance on our progress towards meeting the objectives.

Our work throughout 2019/20 has been focussed on the embedding of our Inclusion and Diversity Strategy into the organisation. We have concentrated on building a network of staff who will champion each of the nine protected characteristics, and will continue to progress with this throughout 2020/21. We have also continued to ensure access to our services by further understanding the inequality and barriers some people and groups may face so actions can be put in place to overcome these. A review of our talent management processes has taken place, and has included a focus on the current opportunities and acknowledgement of our inclusion, diversity and equality framework in relation to talent management.

Looking ahead to 2020/21 we will continue to raise awareness of inclusion and diversity across all staff groups by further embedding our Inclusion and Diversity Strategy, alongside reviewing and updating the strategy with the help of our champions and the Steering Group. We will continue to build on our existing network of staff champions. We will also be further developing the Talent Management framework and will maintain Inclusion, Diversity and Equality at the heart of this.

Full details of our staff and patient diversity are published on our website: www.cornwallft.nhs.uk.

Stakeholder relations

During 2019/20 we continued to work closely with our partners across health and social care. Together, our efforts have been focussed on improving the way people move through the health and care system and in particular how long people wait for care packages.

We have worked collaboratively to produce a response to the NHS Long Term Plan, clearly setting out how we will respond to the ambitions set out and also the health and care needs of our communities. While we are a large partner within Cornwall and the Isles of Scilly, we have also worked closely with colleagues in Plymouth and Devon to ensure their plans reflect the needs of people who live along our shared border.

Young people were instrumental in the design of Sowenna, through the young people's group. We built in a number of suggestions from young people including the use of dimmer switches to minimise the disruption of night-time checks and the installation of chalkboards outside the bedrooms and in the outdoor spaces so young people can express themselves. It was really heart-warming to see the face of the young person who suggested the use of chalkboards when they saw the boards in-situ.

Similarly our stakeholder group worked tirelessly with us to ensure Sowenna became the unit we believed our young people deserved. We received a huge amount of interest and support in Sowenna and we would not have been able to deliver everything we hoped for without the generosity of the community. We were pleased to be able to show a handful of them – 600 – around before we welcomed our first patients.

We partnered with NHS Kernow, Cornwall Council, the Council of the Isles of Scilly and our HealthWatch partners to develop and engage people on the development of a new mental health strategy. This document sets out our response to NHS England's Forward View for Mental Health.

As part of our engagement on mental health services, we held a community event with voluntary partners to mark World Mental Health Day. Over 100 people joined us on Truro's Lemon Quay. In addition to stalls and interactive events the event provided a moving tribute to the lives lost to suicide each year.

Seventy pairs of shoes, in all shapes and sizes, marked the lives lost to suicide each year. Each pair was given an identity of husband, wife, mother, father, son, daughter, colleague, stranger and more to represent the diversity of the issue.

With colleagues at NHS Kernow, we have continued to engage with the communities of Fowey, Saltash and St Ives about the future of the towns' community hospitals. The role of the community hospitals is being considered as part of the wider health and care needs in each community.

During the year, the engagement activities were suspended on two separate occasions – for the general election and most recently in response to COVID-19. As soon as we are able, we will restart this work and re-engage with stakeholders on the next steps and associated time frames.

In addition to their annual survey our Governors have continued to engage with members and the public about our services and future plans. Feedback from the annual survey is shared with the Trust's Board of Directors and is used to inform the development of the Trust's operational plans.

Modern Slavery Act

The Trust is a socially responsible organisation and complies with the Modern Slavery Act 2015.

We have a zero tolerance of modern slavery and human trafficking in any part of our business or supply chains. We confirm that the Trust:

- recruitment and payroll processes comply with national NHS employment checks and Asylum and Immigration Act (1996 and 2016) requirements which encompass the employee's UK address, right to work in the UK and obtaining suitable references
- has in place systems to encourage the reporting of concerns and protect whistle-blowers through its Speak Out Safely policy
- reviews all safeguarding referrals made through the Trust's incident reporting system and reports these through our Quality and Governance e Committee quarterly
- has a Safeguarding Adult Policy which is available on our website: www.cornwallft.nhs.uk

Modern slavery or human trafficking concerns relating to children or adults would be addressed through the appropriate safeguarding processes in conjunction with our partner agencies. This would link into the National Referral Mechanism. This is designed to assist in the formal identification of and co-ordinate the referral of victims to appropriate support services.

In addition to the above actions, the Trust also aims to build long-standing relationships with its suppliers, setting out clear expectations of business behaviour. When utilising national or international supply chains, the Trust expects these suppliers to have their own policies and procedures in place and if they believe there is a risk, to have assessed this and taken steps to manage that risk.

To ensure staff are aware of modern slavery and human trafficking, Our Adult Safeguarding training informs our staff of the Modern slavery issues. The Trust works in partnership on this agenda and, as such, is represented on the Cornwall Safeguarding Adult Board, Cornwall and Isles of Scilly Children's Partnership Trust and Safer Cornwall's Serious Organised Crime Partnership (which includes the Modern Slavery Operational Group).

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our organisation's Modern Slavery and Human Trafficking statement for the 2019/20 financial year.

Environmental sustainability

All NHS organisations are committed to reducing their environmental impacts. The 2019 NHS Long Term Plan includes a commitment to:

- achieving the carbon targets set out in the Climate Change Act (2008)
- improving air quality by cutting business mileage by 20 percent by 2023/24
- ensuring that at least 90 percent of the NHS fleet uses low-emissions engines (including 25 percent ultra-low emissions) by 2028
- phasing out primary heating from coal and oil fuel on NHS estates
- adherence to best practice efficiency standards and adoption of new innovations to reduce waste, water and carbon, in addition to reducing single-use plastics

In June 2019 the Government committed to reducing carbon emissions to zero by 2050. Policies and strategies are being developed nationally and locally to achieve this target.

Dr Tamsyn Anderson, our Interim Medical Director, is a member of the South West Clinical Senate Council. Recommendations from the Senate are being used to inform a review of the Trust's Environmental Sustainability Strategy.

The Trust ratified a Carbon Management and Reduction Strategy (CMRS) in 2008, ahead of the first NHS England Carbon Reduction Strategy which was published in 2009. The Trust's CMRS set a target to reduce carbon emissions from energy used in buildings by 15 percent by 2015 (using a 2006/07 financial year baseline). By the end of March 2015 the Trust achieved a 62 percent reduction in carbon emissions derived from energy used in buildings where we had direct control over energy expenditure.

In October 2016 the Trust's Board of Directors approved an Environmentally Sustainable Development Management Plan (ESDMP). This included a commitment to reduce carbon emissions by 28 percent by 2020 (using a 2013/14 baseline). This target was adopted in response to the NHS England Sustainable Development Strategy for the Health, Public Health and Social Care System 2014 - 2020 Strategy.

Performance figures for the 2019/20 financial year will be available as part of the Estates Return Information Reporting (ERIC) process which is scheduled to be completed by the end of August 2020. Performance figures and commentaries for 2017/18 compared to 2018/19 are presented, along with an overview of key projects commenced or completed in 2019/20.

Summary of environmental performance

The Trust's ESDMP outlines plans to achieve reductions in carbon emissions with respect to priority action areas listed in the national NHS Sustainable Development Strategy (2014), and other priority areas identified by the Trust.

Overall performance

Despite a 4.5 percent increase in patient activity in 2018/19 compared to 2017/18 the Trust achieved significant carbon reductions across the majority of reporting areas in 2018/19 compared to 2017/18, as follows.

New build project

Sowenna, a child and adolescent mental health unit, opened in September 2019. As a new build, it was designed to achieve the Building Research Environmental Assessment Method (BREEAM) new construction 'Excellent' standard. Many low carbon measures have been incorporated into the design of the building to keep carbon emissions to a minimum during the lifetime of the building.

These include the planting of native trees, installation of a 37 kWp of solar PV (Photovoltaic) system that generates clean and renewable electricity, use of thermally efficient construction materials, installation of automatic meter readers (AMRs) on the building's energy and water supplies, and use of a building management system (BMS) to ensure optimum efficiency of building services on site (eg heating, cooling and ventilation systems).

Energy and water

The Trust achieved a 14 percent reduction in carbon emissions derived from energy and water used in buildings in 2018/19 compared to 2017/18.

Energy and water carbon emissions	2017/18 £000	2018/19 £000
tCO_2e	4,283	3,679
% change year on year		-14%

Currently 59 percent of the energy and water supplies billed direct to the Trust have automatic meter readers (AMRs). Installation of AMRs has helped to mitigate the effects of water leaks and excessive energy consumption as the Trust is able to detect faults and take remedial action quickly when issues are identified. For example, a major water leak was identified on the St Austell Community Hospital in December 2019: use of the data logger helped to ensure the water leak was fixed as quickly as possible and a leak allowance applied for, to recoup excess charges arising from the leak).

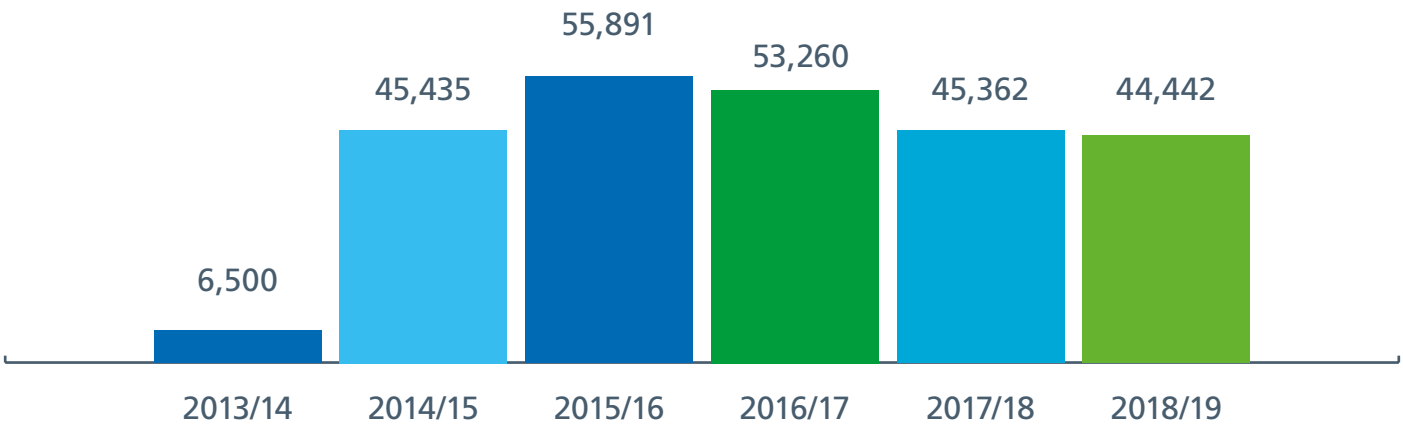
A new utilities bureau service (UBS) contract (which checks energy and water bills and addresses issues) was awarded to a new external provider in June 2019. This is achieving an enhanced, more cost effective service compared to the old contract.

The Trust continues to regularly review its estate and vacate poor performing buildings wherever possible. Refurbishment projects were completed in 2019/20 on a number of buildings the Trust envisages retaining for the medium/long term; where possible energy efficient technologies, such as LED lighting, are installed where it is practicable and cost effective.

Renewable energy

On site electricity generation provides the Trust with energy supply continuity, cost resilience, and clean energy. In 2018/19 44,442 kWh of electricity used by the Trust was generated by our own renewable energy systems (at Banham House, Bodmin and Trevillis House, Liskeard).

Renewable energy (kWh) generated:



Sowenna (a child and adolescent mental health unit), in Bodmin, opened in September 2019 and has a 37 kWp solar PV system installed on site. This has increased the Trust's installed capacity of solar PV from 50 kWp to 87 kWp. This is likely to double the Trust's renewable electricity generation. This will be assessed in August 2020 when the Sowenna PV system will have been operational for a year.

Waste

Overall, carbon emissions from waste disposal decreased in 2018/19 compared to 2017/18, as shown in the table. A significant reduction in waste to landfill has been achieved due to domestic waste from the Trust being processed by the Cornwall Energy Recovery Centre (CERC) at St. Dennis. The CERC facility provides an alternative to sending waste to landfill, when running at capacity the CERC facility can produce 46,000 MWh of electricity for homes in Cornwall. When the CERC is undergoing a shut-down for maintenance works, waste, if necessary is diverted to another regional energy waste facility but this is managed where possible to avoid road miles.

Waste		2017/18	2018/19
Recycling	Tonnes	175.00	150.00
	tCO_2e	3.81	3.3
Other recovery	Tonnes	22.00	61.22
	tCO_2e	0.48	1.35
High temperature disposal	Tonnes	246.00	299.78
	tCO_2e	54.12	60
Landfill	Tonnes	80.00	41.13
	tCO_2e	27.56	13.98
Total waste (tonnes)		**523.00**	**552.13**
% recycled or re-used		33%	27%
Total waste tCO_2e		**85.97**	**78.63**
tCO_2e % change year on year			8%

Recycling rates dropped by six percent in 2018/19 compared to 2017/18 which could be attributed to less waste being generated or less recycling activity for certain waste streams. For example, cardboard has been segregated from cans and plastics to reduce contamination in some areas to improve waste quality. Additionally, there is limited capital available for recycling bins in some areas which may also be a factor in the change in recycling rates year-on-year.

Some key projects delivered in 2019/20 that it is hoped will result in a decrease in waste generation and increase in recycling rates in 2019/20 compared to 2018/19:

- the Trust has signed a plastic reduction pledge
- reusable crockery, cutlery and beakers are used by hotel services where possible
- dedicated waste compounds continue to be constructed on relevant sites
- increased use of electronic systems, eg by procurement and finance, for patient records, and further centralisation of printers
- the Waste Policy has been updated

A food waste project, which diverts food waste from landfill to a local energy from waste plant, has been running for a number of years. The project has been expanded to cover four hospital sites. This has resulted in more waste being diverted from landfill, as shown in the other recovery section of the waste table.

Travel and transport

Obtaining business travel carbon footprint data was identified as a priority action in the Trust's ESDMP.

As shown in the table, the Trust collates business travel footprint data and reports on this annually. The Trust achieved a 47 percent reduction in carbon emissions from business travel (grey fleet and pool cars) in 2018/19 compared to 2017/18. This is largely due to 72 of the 92 bookable pool cars being either electric (EV) or hybrids, and non-hybrid cars being replaced with hybrid cars. This project is being completed on a rolling programme and is expected to result in the Trust operating one of the lowest carbon emissions mixed vehicle fleets for a public sector organisation in the country.

Category	Unit of measurement	2017/18	2018/19
Business travel and fleet	Miles	6,822,525	7,126,657
	tCO_2e	2,431	1,300
Total waste tCO_2e			**-47%**

Business travel is likely to decrease further in 2020/21 due to the COVID-19 pandemic and increased use of video conferencing facilities by clinical staff (eg for patient assessments) and non-clinical staff (eg for meetings).

In recognition of the Trust being a national leader in EV and hybrid vehicle adoption, in August 2019 the Trust was invited by our energy supplier to take part in the EDF Energy Electric Adventures film series. This involved EDF interviewing our Chief Executive and staff about the benefits of EV and hybrid vehicle use at Trevillis House (where EVs, EV charging points, and a solar PV system powering EVs are located).

About half (23,000 kWh) of the electricity generated by our solar PV systems in Liskeard and Bodmin is used to charge EVs on site. The remainder of the electricity generated is used for our site needs, or exported to the national grid to provide clean renewable energy for local homes and businesses.

The Trust's first 15 EVs were replaced with 15 more efficient EVs in October 2019. The Trust is working with partners to agree a scheme which will broaden the network of EV charge points across Cornwall by enabling different organisations to use each other's EV charging points.

The Trust's travel policy encourages the use of its pool fleet, public transport and car sharing as part of our initiatives to reduce carbon emissions. A cycle to work salary sacrifice scheme is available to staff, green travel plans have been implemented for a number of our key sites and there are plans to implement more green plans in 2020/21 and beyond. In October 2019 a staff green lease car scheme was launched to encourage more environmentally sustainable car choices by staff.

Commissioning and procurement

Commissioning and procurement presents a risk to the achievement of the Trust's 28 percent carbon reduction target. This is due to the multiple products and processes a large healthcare organisation uses, and the challenges involved in baselining commissioning and procurement carbon emissions. It is anticipated that very few, if any, NHS organisations will be able to comprehensively calculate their commissioning and procurement carbon footprint.

However, a lot of work is being undertaken by the Trust to reduce carbon emissions across this area.

The Trust's ESDMP contains the following priority:

- review high expenditure goods and services (eg medical equipment, pharmaceuticals and medical gases) used and put systems in place to reduce environmental impacts

As shown in the table, this data is now collated regularly by the Trust.

	2017/18 £	2018/19 £	% change year on year
Pharmaceuticals	1,476,000	1,693,721	+14%
Medical and surgical equipment	1,475,378	1,327,682	-11%
Medical gases	66,351	62,824	-5%

The Trust's medical and surgical equipment and medical gases spend reduced by 11 percent and 5 percent respectively in 2018/19 compared to 2017/18. Pharmaceutical costs increased by 14 percent in 2018/19 compared to 2017/18, largely due to decreased lengths of stays by patients. This benefits the NHS and patients as a whole but means that discharge medication tends to be ordered through the FP10 process rather than being ordered and delivered by service level agreement (SLA) providers.

In 2019 all high-risk medication storage areas were surveyed. The Trust is currently implementing mitigation measures (eg moving medication storage areas to cooler parts of a building, purchasing new storage units, or installing air conditioning) where an over-heating issue has been identified.

In 2019 an automated Wi-Fi based temperature monitoring system was presented to the Medicines Optimisation Safety Committee. Use of the proposed Wi-Fi temperature monitoring system would enable clinical leads to respond more quickly if temperatures in medication storage areas go out of range, reducing medication wastage, if action is taken quickly after an alert is received.

The majority of goods procured by the Trust are provided by the NHS Supply Chain. The NHS Supply Chain have comprehensive environmental sustainability standards in place for its suppliers, and Trust sites receive a weekly consolidated delivery of medical consumable products which keeps carbon emissions from deliveries to a minimum.

For goods and services not provided by the NHS Supply Chain, the Trust includes within its contract specifications that suppliers must adhere to environmental obligations and regulations, and some Trust committees now insist environmental assessments are included in all new business cases. Tendering and contracting activity undertaken by the Procurement/ Supplies Department is managed via an electronic system (no documents are printed or posted). All purchase orders issued by the Trust's finance and procurement system are sent to suppliers electronically.

Patient activity

Monitoring patient activity data (eg amount of procedures or interventions) can help healthcare organisations assess how fluctuations in patient activity affect environmental performance. Over the past year, the Trust has worked with various leads to obtain patient activity data, as shown in the table.

Category	Area	2017/18	2018/19
Patient contacts	ACS inpatient*	710,795	723,303
	ACS MIU	109,604	116,604
	MH (KITS)	127,783	99,807
	MH (open)	157,511	212,921
Total		**1,105,693**	**1,154,635**
% change year on year			+4.5%

*excluding Expert Patient Programme and Onward Care

Staff engagement

For a minimal cost outlay, improvements to healthcare provision, finances, and environmental performance can be achieved by raising staff awareness about resource efficiency and environmental sustainability.

In 2019 the Trust updated the staff annual mandatory waste training e-learning module to include wider resource efficiency / carbon reduction information. In 2020/21 the Trust plans to start work on an intranet-based staff carbon reduction ideas / help forum which will help staff to share ideas and ask for advice on resource efficiency / carbon reduction. The Trust regularly promotes environmental awareness campaigns (eg the annual NHS Sustainability Day) through mechanisms such as the staff intranet and the weekly internal online bulletin: Cascade.

Governance

Additional Executive and Non-Executive Director environmental champions were recruited in 2019/20 to help further embed environmental sustainability practices into the Trust's operational activity. The Trust's Executive Director and operational environmental sustainability leads receive monthly environmental sustainability update reports. An environmental sustainability progress report is presented to the Board of Directors on an annual basis.

Partnership working

The Trust's clinical and non-clinical environmental sustainability leads work collaboratively with leads in other local healthcare organisations, and through forums such as the South-West Clinical Senate, the Health Estates and Facilities Management Association, and National Performance Advisory Group.

Policy and strategy

Environmental sustainability is considered as part of the Trust's risk management planning. The Trust has started work on a climate change risks and opportunities assessment, and refresh of its Environmentally Sustainable Development Management Plan (ESDMP). It is planned that both documents will be presented to the Board of Directors meeting for ratification in October. However, this timetable will depend on the impact of the COVID-19 pandemic.

Awards and recognition

In 2019, the Trust was assessed as having excellent sustainability reporting by the NHS Sustainability Unit for the third year running.

NHS Sustainable Development Unit (NHS SDU) sustainability reporting framework

The Trust submits a detailed environmental sustainability report to the NHS SDU as part of the mandatory sustainability reporting framework process (the 2019/20 report will be available in late 2020, after ERIC data has been submitted and ratified).

03 Accountability report

Directors' report

Names of Trust Directors in 2019/20

During the year ended 31 March 2020, the Directors of Cornwall Partnership NHS Foundation Trust were as listed below:

Non-Executive Directors

- Jane Abraham
- Adrian Davis
- David Harland
- Nick Lewis
- Tracie North
- Margaret Schwarz (Vice Chair)
- Barbara Vann (Chair)
- Stephen Watkins (Senior Independent Director) (until end February 2020)

Associate Non-Executive Directors

- Mark Duddridge (appointed April 2019)
- Robert Sneyd (until 2 September 2019)

Register of interests – Directors and Governors

A register of interests for the Trust's Council of Governors and Board of Directors is available on our website: www.cornwallft.nhs.uk.

Executive Directors

- Tamsyn Anderson, Interim Joint Medical Director
- Paul Cooper, Director of Performance (appointed September 2019)
- Phillip Confue, Chief Executive
- Julie Dawson, Managing Director
- Adrian Flynn, Interim Joint Medical Director (appointed December 2019)
- Chris Gendall, Chief Operating Officer (appointed August 2019)
- Kim O'Keeffe, Interim Director of Nursing and Allied Health Professionals (appointed December 2019)
- Sharon Linter, Director of Nursing and Allied Health Professionals (until end November 2019)
- Sally May, Director of Finance
- Adrienne Murphy, Director of Human Resources and Organisational Development
- Ellen Wilkinson, Medical Director (until end November 2019)

Regulators: Care Quality Commission (CQC) and OFSTED (Office for Standards in Education, Children's Services and Skills)

The Trust has an unconditional registration with the Care Quality Commission (CQC). All three of our children's short-break respite houses are registered with OFSTED. All three short-break houses were inspected in 2019/20. Their ratings are: Layland and Gwyn Dowr: Good; Roston: Requires Improvement to be Good.

During April 2019, the CQC carried out an inspection of the Trust's services. The inspection report was published in July 2019 and saw an improvement in the Trust's overall rating to Good. However, inspectors highlighted concerns with regard to CAMHS in the mid and east of the county, issuing the Trust with a warning notice. In October 2019, these services were subject to a focussed inspection which showed the Trust had met all the requirements set out by inspectors in April 2019. Inspectors praised the systems put in place by the Trust to deliver sustainable improvements to access and waiting times.

As part of CQC regulatory monitoring, a number of mental health inpatient units have undergone unannounced Mental Health Act Reviews, including Sowenna (for children and young people). These reviews resulted in a number of suggested actions which need to be taken to ensure compliance with the Mental Health Code of Practice and work is currently underway to complete these.

As an NHS provider Trust, we operate under a licence from Monitor (NHS Improvement), the regulator for health services in England. Our licence has a number of conditions and our compliance against these is assessed using a variety of methods.

NHS Improvement's Well Led Framework

The Annual Governance Statement details information relating to NHS Improvement's Well Led Framework and the Trust's compliance with Condition 4 of the Trust's licence with Monitor (NHS Improvement).

Quality disclosures including CQC assessments/reviews, local and national key healthcare target performance, research and development activities, and information on complaints handling are set out in our Quality Report which will be available later in the year via our website: www.cornwallft.nhs.uk.

To the best of the Directors' knowledge there are no material inconsistencies between:

- the Annual Governance Statement
- the Corporate Governance Statement, the Quality Report, and the Annual Report
- reports arising from the CQC's planned and responsive reviews of the Trust and action plans developed by the Trust.

Patient care

The ability to give staff, patients and members of the local community a greater say in how their NHS is run is the tenet of an NHS foundation trust. The involvement of people in the services which support them in times of need will help us to deliver long-term improvements to patient care and better health for our local community. We involve stakeholders in planning our services and value their input. Investments in new services during the year are detailed in Section 2: Performance Report.

New or revised services

Although there were delays to the timetable, we were delighted to open the doors to Sowenna, our child and adolescent mental health unit, in September 2019.

Sowenna provides 14 inpatient beds for young people aged 13 - 18 years. The facilities, which cost £9.3m to build, include an educational wing, parental accommodation plus a covered outdoor multi-purpose area which can be used for gym, dance, lesson, cinema and theatre activities.

The availability of Sowenna will prevent most young people from having to be moved hundreds of miles away from family and friends, for care and treatment. The provision of additional beds in Cornwall, deliver on NHS England and Improvement's commitment to reduce out-of-area placements by increasing bed numbers nationally by 10 percent.

During 2020/21 we will introduce virtual reality onto Sowenna as part of a suite of therapeutic interventions available to young people. Funded through charitable donations, a set of sensory environments are being developed with young people, to reduce anxiety and stress. The innovation is be supported by a research study to assess the benefits.

In January 2020, we were announced as one of seven areas national to accelerate improvements to help people stay well at home and avoid long stays in hospital. The announcement will take forward plans outlined in the NHS Long Term Plan to enable community teams to respond to people's needs and prevent admissions. The new approach will see urgent support being provided in two hours, or two days for reablement support. During 2020 we will put in place the infrastructure to deliver this county-wide from 1 April 2021.

At the end of the year, services undertook rapid transformation in response to the announcement of the COVID-19 pandemic. We very quickly established three community co-ordination centres (CCC). The three centres are aligned to our integrated care areas and use a single electronic referral form, simplifying the referral process and allowing people to tell their stories just once. The multi-disciplinary CCC colleagues manage referrals ensuring the right health and care support is provided by local teams and services.

A multi-agency team has also been established to co-ordinate bed-based care. This has led to a much greater focus on getting people straight home without the use of step-down bed facilities. These new approaches have led to resources being used in the right place, as health services were responding to COVID-19.

Four community assessment and treatment units (CATU) have been established within the community hospitals in Bodmin, Camborne/Redruth and St Austell community hospitals with the fourth at West Cornwall Hospital. The CATUs are providing assessment and treatment for older people, ensuring they are only admitted to hospital for inpatient rehabilitation if absolutely necessary.

Within our mental health services, the availability of a 24/7 response line was accelerated in response to COVID-19. The telephone response line is open to anyone, of any age, who is concerned about their own, or someone else's mental health. The availability of a single point of access is expected to be delivered by March 2021 as part of the Long Term Plan for mental health.

Our new clinical associate psychology (CAP) workforce started work in 2019 and is already having a positive experience of young people through their work with schools.

The contract to provide IAPT (improving access to psychological therapies) transferred from Outlook SW to the Trust on 1 April 2020. The contract will continue to be delivered under the name of Outlook SW and will be held until 31 March 2022. Approximately 16,000 referrals are received from people over the age of 16 each year. Additional, smaller NHS contracts for the Suicide Liaison Service, adult Asperger's Assessment Service and a wellbeing groups to women suffering from post-natal depression.

In response to COVID-19 the Trust fast-tracked the availability of online appointments using Attend Anywhere. We will continue to explore how we can maximise technology to release staff time, improve patient care and support our environmental objectives. Across all services, changes were made to the way we operate to allow us to respond to the demands of the pandemic. We will evaluate these, with our commissioner, NHS Kernow Clinical Commissioning Group, to assess the potential advantages and disadvantages for patients and staff to inform whether these should remain in place long-term.

Stakeholder relations

Information relating to stakeholder relations is detailed in Section 2: Performance Report.

Research and development

The Trust is committed to supporting research and during 2019/20 collaborated with several university departments, the pharmaceutical industry and charities. Further information relating to research and development during the financial year will be set out in our Quality Report which will be available later in the year via our website: www.cornwallft.nhs.uk.

Compliance with the cost allocation and charging requirements

There have been no circumstances during the financial year in which the cost allocation and charging requirements set out in HM Treasury and the Office of Public Sector Information Guidance would apply. This is because the Trust's contractual arrangements with its commissioners do not fall under the payment by results regime.

Political donations

The Trust did not make any political donations in 2019/20.

Better Payment Practice Code

Best practice between organisations and their suppliers is set out in the CBI Prompt Payment Code. As a voluntary signatory of the Code, the Trust has made a public commitment to pay its suppliers on time and in line with the terms and conditions of their agreement. The Trust continues to review its payment processes and performance to ensure it complies with the aspirations of the Code and continually seeks to improve performance in this area. The Trust is required to pay 95 percent of all trade creditor invoices within

30 days of receipt of a valid invoice (unless the terms have been specifically agreed with the supplier). The target is for both value and volume of invoices.

Details of our performance against the Better Payment Practice Code can be found in Section 4: Finance Report and Accounts (note 13.2 to the Accounts). As part of its commitment to the Code, the Trust provides timely and clear information to suppliers when issues arise. The Trust also encourages its suppliers to sign up to the Code. We paid 91 percent of non-NHS invoices within this period (94 percent in terms of value) and 89 percent of NHS invoices within this period (87 percent in terms of value).

Income disclosures

The Trust reviewed its sources of income and has not identified any material income which is not related to the purposes of the health service in England. Therefore, our Directors confirm that the income from the provision of goods and services for the National Health Service is greater than income from the provision of services to non-NHS areas.

Disclosure to auditor

As far as the Board of Directors is aware, there is no relevant audit information of which the auditor is unaware. The Directors have made enquiries of their fellow Directors and of the Trust's auditor's for that purpose, exercised reasonable care, skill and diligence in executing these duties and taken all reasonable steps to make themselves aware of all relevant audit information and to be assured that the Trust's auditor is aware of that information.

Accounts and financial risk

The Trust's accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

Section 4: Finance Report and Accounts, note 30 to the accounts, provides statements relating to financial risk management.

Future plans

Section 2: Performance Report under the heading How the Trust operates – future developments' sets out the Trust's plans for the future.

Phillip Confue
Chief Executive

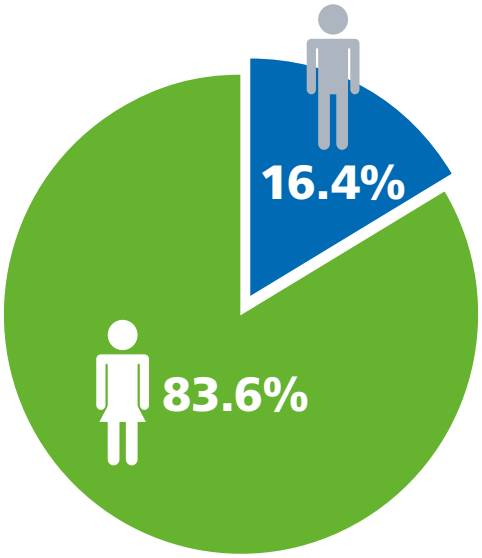
25 June 2020

Staff report

The Trust is one of the largest employers in Cornwall and the Isles of Scilly. The average number of employees (whole-time equivalent (wte)) was 3,301. This compares with 3,320 average number of wte employees in 2018/19.

The diversity of our Board and colleagues

	2020		2019	
	Female	Male	Female	Male
Board	55.6%	44.4%	62.5%	37.5%
Staff	83.6%	16.4%	83.1%	16.9%



The overall demographics of the Trust's employees is 16.4 percent men and 83.6 per cent women as at 31 March 2020. At the same date, our Board of Directors comprised ten women and eight men with two additional board appointments being made in 2019/20.

The Trust offers a range of flexible working options and at the end of the financial year (31 March 2020) 46.8 percent of staff work part-time. This compares to 48.5 percent as at 31 March 2019.

Sickness absence

The Trust is a proactive employer which embraces opportunities to improve the overall health and wellbeing of staff and to supportively manage sickness absence. Information on sickness absence data for the Trust is available online: digital.nhs.uk/data-and-information/publications/statistics/nhs-sickness-absence-rates.

Sickness absence information is included as part of the human resources dashboard presented to Board of Directors' meetings. Copies of the Trust's Board papers are available on our website: www.cornwallft.nhs.uk.

Occupational health performance

Occupational health services are provided to the Trust through a service level agreement with the Royal Cornwall Hospitals NHS Trust (RCHT).

The occupational health service plays a vital role in supporting the Trust to promote and protect the mental and physical wellbeing of staff. The service offers independent advice to both managers and employees on health, the working environment and any health risks associated with the workplace including any occupational implications. Confidential counselling, rehabilitation following an absence or injury, infection control, immunisation, health screening and ergonomic assessments are also provided.

A total of 863 referrals were made to the Occupational Health Service in 2019/20 which is a significant increase in 2018/19 when 543 referrals were made.

Psychological issues, mental health, stress and anxiety represent the main reason for referral (42 percent; compared to 64 percent in 2018/19), followed by other medical conditions (requiring an occupational health practitioner or specialist nurse appointment) at 37 percent. Musculoskeletal and ergonomic issues represent 16 percent of the referrals to occupational and skin health surveillance, five percent. This is consistent with local and national trends.

A wide range of health surveillance activities were undertaken including skin and dermatitis assessments, interventions and assessments relating to the management of needle-stick and body fluid exposure incidents.

Occupational Health carried out 830 vaccinations in the 2019/20 financial year on behalf of the Trust.

Staff policies

The Trust aims to employ people who represent the local population and who, uphold our values.

The Trust, as part of the NHS, is committed to having in place a fair and equitable policy framework which includes recruitment and selection, training and education, staff health and wellbeing, sickness absence and performance management agreed procedures, which aim to protect people from direct and indirect discrimination on the basis of the nine protected characteristics.

Performance in this area is monitored routinely through the Trust's human resources and recruitment processes. An overview is provided by the Trust's Inclusion and Diversity Steering Group which is chaired by a Non-Executive Director.

Recruitment

Recruitment is undertaken using systems and processes to protect people from discrimination. Candidates who meet the essential requirements of a job description and person specification, who declare themselves as having a disability, are guaranteed an interview.

Policies are in place to ensure support is available to colleagues who become disabled while employed by the Trust. This includes making reasonable adjustments, or seeking alternative suitable roles to enable employment to be retained.

Career progression

An annual appraisal and personal development process encourages staff development and career progression. Colleagues are encouraged to build new skills and competencies as part of our talent management processes. We are committed to creating opportunities to enable colleagues to maximise and fulfil their potential.

To ensure there are no barriers to learning and development, the Trust makes reasonable adjustments as required, for example the availability of training materials in alternative formats, or through the provision of additional support to people with dyslexia.

Health and safety of staff

Organisations with effective systems for managing workplace risks perform better.

Our duty is set out in the Health and Safety at Work Act 1974 and other health and safety legislation. This legislation requires the Trust to ensure, so far as is reasonably practicable, the health, safety, welfare and security of its employees and others who may be affected by its activities. The Trust has a health and safety team which provides specialist advice.

Board level leadership for health and safety sits with the Managing Director/Deputy Chief Executive. This includes ensuring the Trust is compliant with health and safety legislation, regulation and codes of practice. Ultimate responsibility for health and safety sits with the Chief Executive.

The Trust has a strategy which sets out its plans to support the health and safety of staff.

Our key priorities for 2019/20

- To continue to review health and safety policies and all other associated policies in line with the newly integrated Trust/ legislative changes.
- To review and align the health and safety intranet page.
- To continue to embed the Health and Safety Committee, locality groups and operational Institution of Occupational Safety and Health (IOSH) Group as per the reviewed terms of reference.
- To maintain current progress with the health, safety and security audit schedule to ensure actions are being addressed.
- To maintain current progress with the IOSH managing safely course and establish an operational IOSH group.
- To progress attendance at the IOSH directing safety course for identified directors.
- To continually review the training needs analysis for health and safety related courses – ensuring that systems are developed which are capable of identifying 'the right people in the right role' for the range of health and safety training.
- To implement the Control of Substances Hazardous to Health (COSHH) Management system – working alongside the Royal Cornwall Hospitals NHS Trust (RCHT).
- To continue to monitor Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports and ensure robust investigations are conducted as appropriate.

We achieved all but one of our objectives in 2019/20. We did not implement the COSHH Management System as planned and await guidance from our colleagues at RCHT with regard to the replacement of the system. As we are keen to work more closely with our colleagues at the acute trust, it would be sensible for us to utilise the same system.

The COVID-19 pandemic brought additional challenges for the team in ensuring colleagues were kept up-to-date with guidance from the Health and Safety Executive (HSE). The team continues to support the health and safety of all staff by supporting them to appropriately manage risks. This includes the provision of risk assessment templates and check lists in response to COVID-19 and their general health and safety.

The Health and Safety Committee will monitor progress against the objectives in the Health and Safety Strategy and key priorities for 2019/2020.

Staff engagement, consultation and wellbeing

Ensuring a high level of staff engagement for all staff across the Trust is a key priority.

The 2019 National Staff Survey provides the Trust with both the staff engagement and morale indicator. The 2019 response rating of 36 percent is slightly below average when compared to other mental health and community trusts nationally.

The Trust has in place a range of interventions to support good staff communication, a positive staff experience and improved staff engagement.

During 2019/20 the Trust developed a Have Your Say Staff Engagement Programme, which includes a number of opportunities and routes for staff to engage with both Staff Engagement Team and also with Senior leaders in the organisation; examples include dedicated Have Your Say sessions with teams, a planned rolling programme of roadshow visits to all of our sites, Kitchen Table discussions with community hospital staff, the chance to talk to our Chief Executive and have a healthy lunch at Phil's Lunches, and a Back to the Floor programme where our executive team worked alongside frontline staff to experience their working day.

We have also continued to offer the confidential staff health assessments, which have been well attended.

In 2018/19, the Trust last year increased resource in the health and wellbeing team to enable it to develop and deliver a range of programmes and activities supporting better staff health and wellbeing at work. As a result, a range of resources for staff is now available to access through on the health and wellbeing pages on our staff intranet.

As part of a programme of events to support good physical and mental wellbeing of staff, the Trust has developed a range of initiatives which include a network of staff health and wellbeing champions, staff mental health first aid training, a stay hydrated at work campaign, encouragement to increase physical exercise in the workplace and healthy eating. To assist the delivery of this initiative, the Trust utilises the NHS Health and Wellbeing Framework and is an active member of the Cornwall and Isles of Scilly healthy workplace award.

Reflecting the Trust's commitment to partnership working, the Joint Partnership Committee is held monthly and provides an opportunity for trade union representatives, senior managers and human resources representatives to meet as part of the Trust's consultation and negotiation framework with regard to matters relating to the employment and working lives of staff.

Throughout 2019/20 the Trust undertook a sustained range of activities to consult and engage with staff and their representatives on matters of concern to them. This included the Trust's performance, finances and future service plans. Specific activities included engagement and briefing days which were open to all staff, and the opportunity to meet one-to-one with the Chief Executive alongside specific service briefings and meetings. As part of the Trust's emergency response to COVID-19, the Trust utilised Microsoft Teams Live to provide briefing and Q&A sessions with the Chief Executive on the pandemic. Over 300 staff attended each briefing. These activities will continue into 2020/21 to ensure the staff voice is heard.

In November 2019, the Trust held its fourth staff CARE Awards with nominations surpassing those received during the past three years. The event was hosted by the Trust's Chief Executive and Chair. The awards will continue to be an annual event, helping to reinforce and embed the Trust's values across the organisation.

The Trust received confirmation in March 2020, at the annual Healthy Workplace Awards ceremony, that it had retained its Silver Level Award. The awards recognise the efforts of organisations to support the health and wellbeing of their staff, for example healthy eating, stress and resilience, back care, health and safety at work, and being smoke-free. Cornwall Council's Health Workplace Team awards bronze, silver and gold level awards, based on the achievements of the organisation throughout the year.

Counter fraud

The Director of Finance, the Trust's Audit Committee and NHS Counter Fraud Authority oversee the Trust's Counter Fraud and Corruption Policy. This links closely to the Trust's Speak Up Safely (Whistleblowing) Policy.

Regular information is circulated to staff on counter fraud initiatives and, in partnership with the Trust's Head of Security, a series of roadshows were held across the Trust as part of Fraud Awareness week.

2019 National Staff Survey findings

The NHS staff survey is conducted annually. From 2019 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of ten for certain questions with the indicator score being the average of those.

The Trust had 1,322 staff take part in the 2019 survey. This is a response rate of 36 percent which is slightly below average for combined mental health/learning disability and community trusts in England. It compares with a 33 percent Trust response rate in 2018.

The survey asks questions in relation to eleven themes: equality, diversity and inclusion; health and wellbeing; immediate managers; morale; quality of appraisals; quality of care; safe environment – bullying and harassment; safe environment – violence, safety culture; staff engagement; and team working.

Scores for each indicator together with that of the survey benchmarking group Combined Mental Health / Learning Disability and Community Trusts are presented as set out on page 53.

	2019		2018		2017		2016	
	Trust	Benchmarking group average	Trust	Benchmarking group average	Trust	Benchmarking group average	Trust	Benchmarking group average
Equality, diversity and inclusion	9.4	9.1	9.3	9.2	9.4	9.2	9.4	9.2
Health and wellbeing	6.1	6.1	5.9	6.1	6.0	6.1	6.0	6.9
Immediate managers	7.4	7.2	7.2	7.2	7.2	7.1	7.3	7.1
Morale	6.4	6.3	6.3	6.3	N/A	N/A	N/A	N/A
Quality of appraisals	5.3	5.7	5.2	9.5	5.3	5.4	5.3	5.4
Quality of care	7.3	7.4	7.3	7.4	7.4	7.4	7.3	7.5
Safe environment - bullying and harassment	8.2	8.2	8.2	8.2	8.3	8.3	8.1	8.2
Safe environment - violence	9.5	9.5	9.6	9.5	9.5	9.5	9.6	9.4
Safety culture	6.7	6.8	6.5	6.8	3.7	6.7	6.6	6.7
Staff engagement	7.1	7.1	7.0	7.0	7.0	7.0	7.0	7.0
Team working	7.0	6.9	6.9	6.9	7.0	6.9	6.9	6.9

The survey provides an overall indicator of staff engagement and the Trust is rated as average when compared to other similar mental health and community Trusts. In comparison to other Trusts our results indicate the morale of our staff is slightly above average.

The 2019 national Staff Survey results show that we are above average for staff experience relating to:

- equality, diversity and inclusion
- immediate managers
- morale
- team working

The Trust compares as average for themes including:

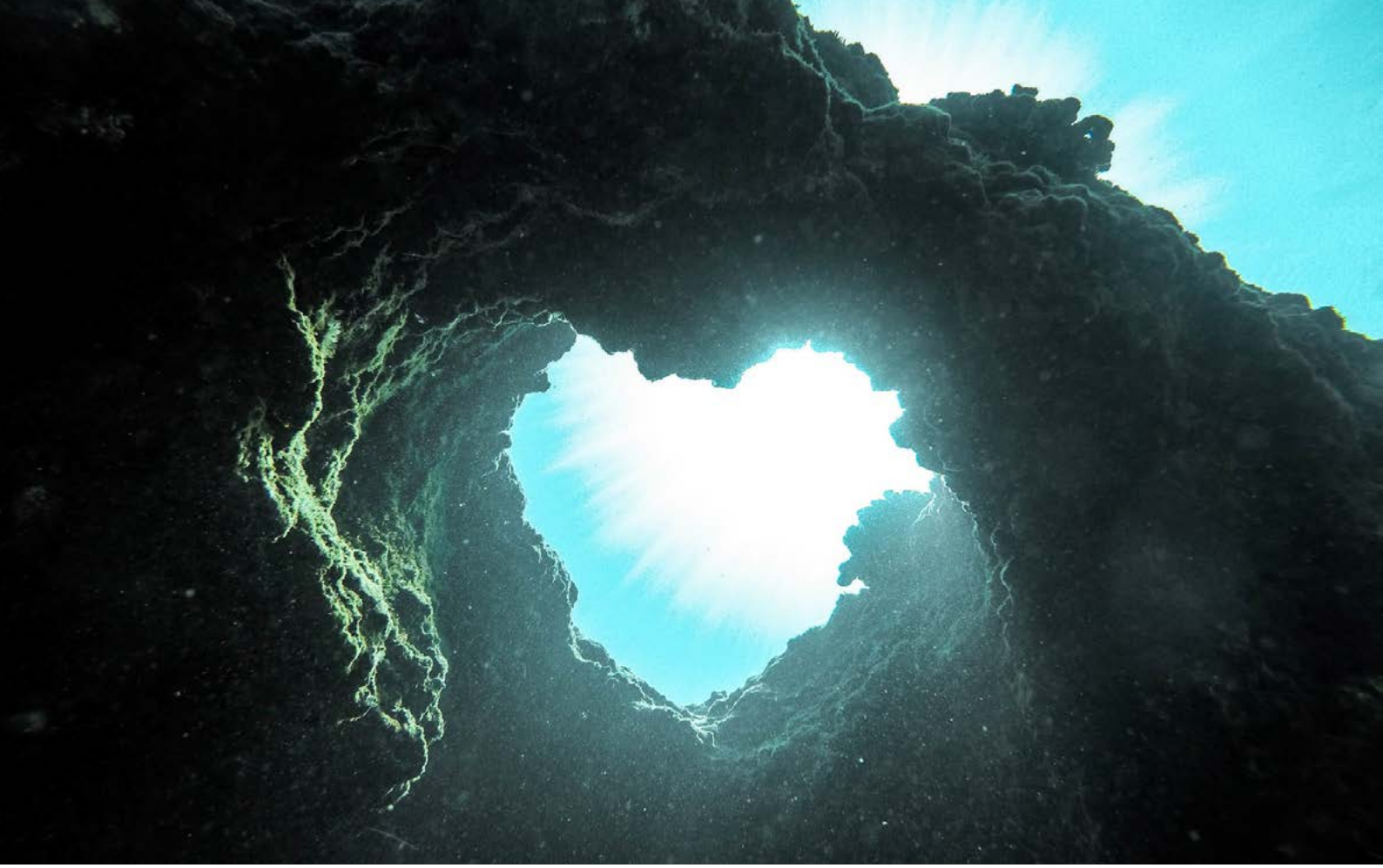
- health and wellbeing
- safe environment – bullying and harassment
- safe environment – violence
- staff engagement

The survey also highlights areas where we could do more to improve staff experience. In 2019, these include:

- the quality of appraisals
- quality of care
- safety culture

The above three areas are the core focus of the Trust's action plan, which has been developed in partnership with staff. As part of its plans, the Trust is working with staff to redevelop the appraisal process. This is taking place with other trusts in the region and will include a peer review to assess the quality of appraisals.

The action plan also includes actions to further improve on our health and wellbeing offer as part of our commitment to achieving the gold Healthy Workplace Award; to tackle the area of bullying and harassment, and violence at work, we will continue to implement our compassionate leadership programme.



We will also:

- run a further programme of Have Your Say engagement days
- facilitate team development workshops to support new ways of working
- develop and introduce new reward and recognition initiatives
- develop opportunities for flexible working through masterclasses, and the Just Culture programme
- increase senior management visibility and communication

Performance against the action plan is monitored through our staff engagement forums and the joint partnership forum with a bi-annual report to the Trust Quality and Governance Committee.

Staff costs

Employee costs	2019/20 Total	2019/20 Permanently employed	2019/20 Other	2018/19 Total	2018/19 Permanently employed	2018/19 Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	107,589	101,112	6,477	105,329	99,787	5,542
Social security costs	9,280	8,944	336	9,050	8,723	327
Apprenticeship levy	513	513	0	503	503	0
Employer contributions to NHS Pension scheme	13,376	13,012	364	13,075	12,786	289
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	5,828	5,669	159	0	0	0
Pension cost - other defined contribution schemes	86	86	0	51	51	0
Other post-employment benefits	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Temporary staff - external bank	0	0	0	0	0	0
Temporary staff - agency/ contract staff	3,263	0	3,263	2,565	0	2,565
NHS Charitable funds staff	0	0	0	0	0	0
Total gross staff costs	139,935	129,336	10,599	130,573	121,850	8,723
Less income in respect of staff costs where netted off against expenditure	0	0	0	0	0	0
Total staff costs	139,935	129,336	10,599	130,573	121,850	8,723
of which costs capitalised as part of assets	(357)	(357)	0	(237)	(237)	0
Total staff costs excluding capitalised costs	**139,578**	**128,979**	**10,599**	**130,336**	**121,613**	**8,723**

Average number of employees (WTE)	2019/20 Total	2019/20 Permanently employed	2019/20 Other	2018/19 Total	2018/19 Permanently employed	2018/19 Other
	Number	Number	Number	Number	Number	Number
Medical and dental	84	77	7	86	78	8
Ambulance staff	0	0	0	0	0	0
Administration and estates	782	757	25	794	771	23
Healthcare assistants and other support staff	827	758	69	801	749	52
Nursing, midwifery and health visiting staff	1,122	1,056	66	1,202	1,140	62
Nursing, midwifery and health visiting learners	0	0	0	1	1	0
Scientific, therapeutic and technical staff	430	428	2	385	382	3
Healthcare science staff	0	0	0	0	0	0
Social care staff	56	25	31	51	20	31
Other	0	0	0	0	0	0
Total	**3,301**	**3,101**	**200**	**3,320**	**3,141**	**179**

	2019/20 Total	2019/20 Permanently employed	2019/20 Other	2018/19 Total	2018/19 Permanently employed	2018/19 Other
	Number	Number	Number	Number	Number	Number
Number of employees (WTE) engaged on capital projects	9	9	0	6	6	0

The notes above cover the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any staff costs or WTEs. Average WTE employees are calculated from an average of the month-end WTE value for each of the twelve months of the year.

Staff exit packages

Staff exit packages are summarised:

Exit package cost band	Compulsory redundancies Number	Other departures agreed Number	Exit packages by cost band Number
<£10,000	0	1	1
£10,000 - £25,000	0	0	0
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
> £200,001	0	0	0
Total number of exit packages - 2019/20 Group	**0**	**1**	**1**
<£10,000	0	0	0
£10,000 - £25,000	0	0	0
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
> £200,001	0	0	0
Total number of exit packages - 2018/19 Group	**0**	**0**	**0**

	Compulsory redundancies £000	Other departures agreed £000	Exit packages by cost band £000
Total cost - 2019/20 Group	0	9	9
Total cost - 2018/19 Group	0	0	0

Exit packages: non-compulsory departure payments

Analysis of other departures	2019/20 Payments agreed Number	Total value of agreements Number	2018/19 Payments agreed Number	Total value of agreements Number
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	0	0
Exit payments following Employment Tribunals or court orders	1	9	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	**1**	**9**	**0**	**0**
of which non-contractual payments made to individuals where the payment value was more than 12 months' of their annual salary	**0**	**0**	**0**	**0**

Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pension scheme. Ill health retirement costs are met by the NHS pension scheme and are not included in this table. This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

The notes above cover the Group accounts and the FT only accounts. The Charitable Funds consolidated into the Group accounts do not include any staff costs.

Expenditure on consultancy

The Trust's expenditure on consultancy in 2019/20 is set out in Section 4: Finance Report and Accounts (Operating Expenses by type, note 3.1 to the Accounts). Where the Trust has incurred consultancy costs relating to the Sustainability and Transformation Plan, our system partners will have been recharged their agreed shares and this is shown as income.

Off-payroll information

The Trust only uses off-payroll arrangements in exceptional circumstances. The Trust does not use off-payroll arrangements for members of the Board of Directors and/or senior officials with significant financial responsibility. In exceptional circumstances where off-payroll arrangements are used the Trust follows its own policy, Standing Financial Instructions and all relevant HM Treasury guidance.

As at 31 March 2020 the Trust did not have any off-payroll engagements. There have been no new off-payroll engagements for more than £245 per day entered into during the year ended 31 March 2020.

There have been no off-payroll engagements in respect of Board members or senior officials with significant financial responsibility in the year ended 31 March 2020. The number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year is 21. These individuals are set out in the Remuneration Report.

Number of existing arrangements as of 31 March 2020 **of which number that have existed:**	**0**
For less than one year at the time of reporting	0
Between one and two years at the time of reporting	0
Between two and three years at the time of reporting	0
Between three and four years at the time of reporting	0
For four or more years at the time of reporting	0

Pension information

- Accounting policies for pensions and other retirement benefits: The Trust's accounting policies in respect of pensions and other retirement benefits are set out in Section 4: Finance Report and Accounts (note 1.7 to the Accounts).
- Additional pension liabilities: Details of the number and average additional pension liabilities paid to individuals who retired early on ill-health grounds during the year are disclosed in Section 4: Finance Report and Accounts (note 4.4 to the Accounts).

Trade Union (Facility Time)

As part of its commitment to ensuring the views of staff are represented, the Trust has a number of union representatives. These are either full-time roles or are undertaken in addition to the individual's full-time (equivalent) role in the organisation. Full details are as follows:

Description	Total
Number of employees who were union officials	11
Full-time equivalent number	1.43
% of time spent on facility time	0
0%	0
1-50%	10
51-99%	0
100%	1
Total cost of facility time (£)	46,910
Total pay bill (£)	123,667,000
% of pay bill spent on facility time	0.04%
Paid Trade Union activities	100%

Remuneration report

The Trust defines the Board of Directors as its senior managers. In 2019/20 the Board of Directors was responsible for directing and controlling the major activities of the Trust.

Annual statement on remuneration

Remuneration and Terms of Service Committee

Membership of the Remuneration and Terms of Service Committee consists of the Trust's Chair and Non-Executive Directors. During 2019/20 the Committee met on five occasions, in May 2019, July 2019, November 2019, and twice in February 2020.

At each meeting the Committee considers the structure, size and composition of the Executive Team.

The Committee reviews Executive Directors' appraisals on an annual basis and receives mid-year appraisal updates. The Committee's Terms of Reference include a requirement for an in-depth Executive Director remuneration review every two years or following any significant change/exceptional circumstance within the organisation. The in-depth review includes a benchmarking exercise.

In 2018/19 the Committee commissioned an external benchmarking exercise as part of its in-depth review of Executives' salaries. In September 2018 the Committee agreed to award Executive Directors the benchmarked median level effective 1 April 2018. At the meeting the Committee also agreed a 1.8% uplift for the year 2019/20. The biennial review ensures the Trust satisfies itself that remuneration is reasonable. Remuneration set above £150,000 is reviewed by NHS Improvement as per national guidance.

At its meeting in July 2019 the Chief Executive presented a proposal for a restructured Executive Team. The restructuring was prompted following the confirmation of retirements from the Medical Director who retired at the end of November 2019 and the Director of Nursing and Allied Health Professionals who retired at the end of the financial year. The Committee approved the proposal that included the introduction of an Interim Director of Nursing and Allied Health Professionals working across the Trust and the Royal Cornwall Hospitals NHS Trust on a 50/50 split basis. The Committee also agreed for the Trust's Medical Director role to be filled on a 50/50 basis for an initial period of one year, by two individuals with expertise and representative of mental health services and adult community services. At this meeting, the Committee confirmed the continuation of the joint Director of Finance role with the Royal Cornwall Hospitals NHS Trust. The introduction of joint Executive roles across the two organisations form part of the longer-term ambition for the two organisations to formally integrate.

In November 2019 the Committee approved a Pension Restructuring Policy aligned with the Royal Cornwall Hospitals NHS Trust. Meetings held in February 2020 focussed on reviewing remuneration for the new Executive roles.

Jane Abraham, Non-Executive Director
Chair of the Remuneration and Terms of Service Committee

Nominations Committee

Membership of the Nominations Committee consists of Governors, the Chair and Vice Chair (for matters concerning the Chair). During 2019/20 the Committee met on two occasions, in June 2019 and December 2019.

At each meeting the Committee considers the structure, size and composition of the Non-Executive Director Team.

The Committee reviews Non-Executive Director appraisals on an annual basis and undertakes a biennial review of Non-Executive Director remuneration. This was last undertaken during the year 2018/19 and is due to be reviewed in the year 2020/21. The Committee reviewed Non-Executive Director appraisals at its meeting held in June 2019.

The Vice Chair, chairing the June 2019 meeting, proposed that the Committee consider extending the Chair's current term of office from a three-year term to a four-year term with an option for one further year. The Vice Chair provided the rationale for this proposal being the future plan to have one Chair across the Trust and the Royal Cornwall Hospitals NHS Trust as part of integration plans. The Vice Chair reiterated that the recruitment of a new Chair for potentially a short period only and for a new Chair to be appointed during formal integration processes would not be beneficial to the organisation. It was agreed at the Council of Governors meeting held in June 2019 to extend the Chair's term of office, commencing 1 August 2018, to a four-year term, with an option for one further year.

During 2019/20 the Committee reviewed NHSE/I Guidance detailing the future alignment of Chairs and Non-Executive Directors' remuneration across NHS Trusts and NHS Foundation Trusts. The guidance included the option for additional remuneration to be allocated to specific Non-Executive Director posts, such as Senior Independent Directors and Committee Chairs.

Following discussion the Committee agreed to recommend to the Council of Governors that the aggregate additional remuneration be shared equally across Non-Executive Directors, recognising that all Non-Executive Directors' input is equal regardless of specific roles. The Council of Governors approved the recommendation at its meeting in December 2019 and agreed for additional remuneration to be effective from 1 April 2020.

The Committee approves the Non-Executive Director appointment process including interview panel membership. The Committee recommends Non-Executive Director appointments to the Council of Governors. During 2019/20 the Trust appointed one new Non-Executive Director, Julie Stone, whose three-year term commenced on 1 April 2020.

On behalf of the Council of Governors the Committee considers the renewal of Non-Executive Director tenures. In 2019/20 the Committee agreed to recommend to the Council of Governors that Jane Abraham, Tracie North and Nick Lewis be offered second three-year tenures as Non-Executive Directors. The Council of Governors approved the second three-year tenures at its meeting held in December 2019.

Barbara Vann, Chair
Chair of the Nominations Committee

Senior managers' remuneration policy

The principles which support the remuneration of the directors are set out in the Trust's Remuneration Policy. The policy includes guidance to support the processes for determining the award of pay and includes assessment of individual's personal objectives.

Components of remuneration packages 2019/20

Executive Directors	Position	Components of remuneration package
Tamsyn Anderson	Interim Joint Medical Director	Salary and pension
Phillip Confue	Chief Executive Officer	Salary, responsibility allowance and performance related bonus
Paul Cooper	Director of Performance	Salary and pension
Julie Dawson	Managing Director	Salary and pension
Adrian Flynn	Interim Joint Medical Director	Salary
Chris Gendall	Chief Operating Officer	Salary and pension
Sharon Linter	Director of Nursing and AHPs	Salary and pension
Sally May	Director of Finance	Salary and pension
Adrienne Murphy	Director of HR and Organisational Development	Salary and pension
Kim O'Keeffe	Interim Director of Nursing and AHP	Salary and pension
Ellen Wilkinson	Medical Director	Salary and pension

Non-Executive directors	Position	Components of remuneration package
Jane Abraham	Non-Executive Director	Remuneration
Adrian Davis	Non-Executive Director	Remuneration
David Harland	Non-Executive Director	Remuneration
Nick Lewis	Non-Executive Director	Remuneration
Tracie North	Non-Executive Director	Remuneration
Margaret Schwarz	Non-Executive Director	Remuneration
Barbara Vann	Chair	Remuneration
Stephen Watkins	Non-Executive Director	Remuneration

Associate non-executive directors	Position	Components of remuneration package
Mark Duddridge	Associate Non-Executive Director	Remuneration
Robert Sneyd	Associate Non-Executive Director	Remuneration

In setting its remuneration policy the Trust considers its position relative to other NHS Foundation Trusts and comparable national organisations and pay and conditions elsewhere in the organisation. The Remuneration and Terms of Service Committee receives a biennial remuneration benchmarking report to support its decision making as part of reviewing Executive Directors' remuneration. All Trust policies are subject to a maximum six-week consultation with key stakeholders which includes our staff. The Trust may also seek national advice and guidance to ensure its decisions are equitable with other private and public sector employers.

Inclusion and Diversity

The Inclusion and Diversity Strategy approved by the Board sets out the organisation's commitment to the elimination of discrimination, reducing health inequalities and promoting equality of opportunity. The commitments ensure that the Trust focuses across all activities on being an organisation of choice, an employer of choice, a healthcare provider of choice and a partner of choice. All Trust strategies and policies align with the Inclusion and Diversity Strategy. The Trust's Board of Directors receives bi-annual updates and assurance on progress towards meeting the objectives set within the Inclusion and Diversity Strategy.

The Chairs of the Board's Remuneration and Terms of Service Committee and Governors' Nominations Committee agreed in January 2020 to amend a standing agenda item on both Committees' agendas to include 'diversity'. The item 'Review of structure, size, diversity and composition of the Board' is included as an item for discussion at every meeting of the two committees. Board recruitment processes include an equal opportunities monitoring report for consideration by interview panel members. The Chair of the Board's Remuneration and Terms of Service Committee chairs the organisation's Inclusion and Diversity Group.

Future policy table

Support for the short and long-term strategic objectives of the organisation	Executive Directors	Non-Executive Directors
Salary and fees	Ensure the recruitment/ retention of directors of sufficient calibre to deliver objectives	Ensure the appointment of high calibre non-executive directors to deliver objectives
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Recognition of achievements over and above set objectives	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	In recognition of scope of strategic responsibilities	N/A
Pension related benefits	Ensure the recruitment/ retention of directors of sufficient calibre to deliver objectives	N/A

How the component operates	Executive Directors	Non-Executive Directors
Salary and fees	Paid monthly	Paid monthly
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Paid monthly	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	Paid monthly	N/A
Pension related benefits	Contributions paid by both employee and employer, except for any employee who has opted out of the scheme	N/A

Maximum payment	Executive Directors	Non-Executive Directors
Salary and fees	Determined by the Trust's Remuneration and Terms of Service Committee	Set on an annual basis and recommended for approval to the Council of Governors by the Governor's Nominations Committee
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Determined by the Trust's Remuneration and Terms of Service Committee	N/A
Long-term related bonus	N/A	N/A

Maximum payment	Executive Directors	Non-Executive Directors
Responsibility allowance	Determined by the Trust's Remuneration and Terms of Service Committee	N/A
Pension related benefits	Contributions are made in accordance with the NHS Pension Scheme	N/A

Framework used to assess performance	Executive Directors	Non-Executive Directors
Salary and fees	Trust appraisal system	Trust appraisal system
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Trust appraisal system	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	Trust appraisal system	N/A
Pension related benefits	N/A	N/A

Performance measures	Executive Directors	Non-Executive Directors
Salary and fees	Based on individual objectives agreed with line manager and overseen by the Remuneration and Terms of Service Committee	N/A
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Based on individual objectives agreed with line manager and overseen by the Remuneration and Terms of Service Committee	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	Based on individual objectives agreed with line manager and overseen by the Remuneration and Terms of Service Committee	N/A
Pension related benefits	N/A	N/A

Performance period	Executive Directors	Non-Executive Directors
Salary and fees	Concurrent with the financial year	N/A
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Concurrent with the financial year	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	Concurrent with the financial year	N/A
Pension related benefits	N/A	N/A

Amount paid for minimum level of performance and any further levels of performance	Executive Directors	Non-Executive Directors
Salary and fees	N/A	N/A
Taxable benefits	None disclosed	None disclosed
Annual performance related bonus	Based on individual objectives agreed with line manager and overseen by the Remuneration and Terms of Service Committee	N/A
Long-term related bonus	N/A	N/A
Responsibility allowance	Based on individual objectives agreed with line manager and overseen by the Remuneration and Terms of Service Committee	N/A
Pension related benefits	N/A	N/A

Executive Director notes:

1. All Executive Directors may incur non-taxable expenses in association with activities that they undertake that support the objectives of the Trust. Information relating to expenses is set out later in this section.
2. All sums associated with any components paid in error may be recovered.
3. The Remuneration and Terms of Service Committee undertakes a benchmarking review of Executive Directors' Remuneration on a biennial basis.
4. All Executive Directors may join the pension scheme.
5. The Chief Executive's package for 2019/20 includes a responsibility allowance and bonus.
6. The Remuneration and Terms of Service Committee seeks opinions from NHS Improvement for Executive Directors paid more than £150,000.

Non-Executive director notes:

1. All Non-Executive Directors may incur non-taxable expenses in association with activities that they undertake that support the objectives of the Trust. Information relating to expenses is set out later in this section.
2. All sums associated with any components paid in error may be recovered.
3. Non-Executive Directors may not join the pension scheme.
4. The Governors' Nominations Committee undertakes a benchmarking review of Non-Executive Directors' Remuneration on a biennial basis.

Annual report on remuneration

Information not subject to audit

Service contracts: Executive Directors

With the exception of interim secondment arrangements, the Chief Executive and Executive Directors hold open-ended contracts. To reflect recruitment and retention issues notice periods range from four to 12 months. The Trust does not have a policy to pay compensation for the early termination of senior managers' contracts. In the eventuality of a compensation requirement the Trust would adopt national statutory guidance.

Service appointments: Non-Executive directors

Non-Executive Directors' terms of office are for three years. Details of the terms of office for the Trust's Non-Executive Directors at 31 March 2020 are as follows:

Name	Position	End of term
Jane Abraham	Non-Executive Director	31 May 2023 (2nd term)
Adrian Davis	Non-Executive Director	30 April 2022 (2nd term)
David Harland	Non-Executive Director	30 April 2022 (2nd term)
Nick Lewis	Non-Executive Director	30 September 2023 (2nd term)
Tracie North	Non-Executive Director	30 June 2023 (2nd term)
Margaret Schwarz	Vice Chair	30 April 2022 (2nd term)
Barbara Vann	Chair	31 July 2022 (2nd term)

Non-Executive Directors may be given a second term of office, proposed by the Chair and approved by the Council of Governors. The Non-Executive Directors' appointment letters include clauses relating to the termination of appointments. These clauses include performance, a fit and proper persons test and matters which could impact on the reputation of the Trust.

Service appointments: Associate Non-Executive Directors

Associate Non-Executive Directors' terms of office are agreed annually by the Council of Governors and Board of Directors. Tenures are based on the needs of the organisation.

Details of the terms of office for Associate Non-Executive Directors during 2019/20 were as follows:

Name	Position	Start date and current planned/actual end date
Mark Duddridge	Associate Non-Executive Director	1 April 2019 – 31 March 2021
Robert Sneyd	Associate Non-Executive Director	1 September 2018 – 2 September 2019

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is a Committee of the Board of Directors. The Trust's Constitution defines membership of the committee as all non-executive directors.

During 2019/20 members of the Remuneration and Terms of Service Committee were: Barbara Vann (Chair) and Non-Executive Directors, Jane Abraham (Chair of the Committee), Adrian Davis, David Harland, Nick Lewis, Tracie North, Margaret Schwarz, and Stephen Watkins.

The Remuneration and Terms of Service Committee manages the appointment of the Trust's Executive Directors. This includes agreeing remuneration, allowances, pensions and terms of service.

The Chief Executive is appraised annually by the Chair and the Chief Executive appraises Executive Directors each year. Executive Directors' appraisals are reported to the Non-Executive Directors as part of remuneration reviews. Appraisals and progress against personal and corporate objectives are assessed to ensure performance conditions are met.

In 2019/20 the Remuneration and Terms of Service Committee met on five occasions as set out in the table below:

Name	Position	Actual/possible
Jane Abraham	Non-Executive Director	4 / 5
Adrian Davis	Non-Executive Director	5 / 5
David Harland	Non-Executive Director	1 / 5
Nick Lewis	Non-Executive Director	5 / 5
Tracie North	Non-Executive Director	5 / 5
Margaret Schwarz	Vice Chair	3 / 5
Barbara Vann	Chair	3 / 5
Stephen Watkins	Senior Independent Director	4 / 5

The Committee received advice from the Director of HR and Organisational Development during the year.

Gender pay gap reporting

Information and an analysis of gender pay gap data is available for previous years on the Cabinet Office website: gender-pay-gap.service.gov.uk. Gender pay gap reporting has been suspended by the Government Equalities Office and the Equality and Human Rights Commission for 2019/20.

Expenses

The remuneration of the Board of Directors is provided later in this Section under 'Salary entitlements of senior managers'.

Details of the expenses paid to members of the Board of Directors in 2019/20 and 2018/19 were as follows:

Board of Directors: name and title	2019/20 £	2018/19 £
Jane Abraham, Non-Executive Director	731	738
Tamsyn Anderson, Interim Joint Medical Director	1,753	1,339
Phillip Confue, Chief Executive	3,091	2,900
Paul Cooper, Director of Performance*	479	N/A
Adrian Davis, Non-Executive Director	1,283	2,053
Julie Dawson, Chief Operating Officer/Deputy Chief Executive	865	875
Adrian Flynn, Interim Joint Medical Director **	1,973	N/A
Chris Gendall, Chief Operating Officer ***	379	N/A
David Harland, Non-Executive Director	0	103
Nick Lewis, Non-Executive Director	1,411	2,799
Sharon Linter, Director of Nursing and AHP	1,715	3,024
Sally May, Director of Finance, Performance and Information	533	1,846
Adrienne Murphy, Interim Director of HR and OD	975	1,007
Tracie North, Non-Executive Director	2,045	2,385
Kim O'Keeffe, Interim Director of Nursing and AHPs ****	125	N/A
Margaret Schwarz, Vice Chair	0	831
Robert Sneyd, Associate Non-Executive Director	166	1,203
Barbara Vann, Chair	5,075	5,131
Stephen Watkins, Non-Executive Director	428	1,103
Ellen Wilkinson, Medical Director *****	2,744	3,933
Total	**25,771**	**31,270**

* in post from 1 September 2019
** in post from 1 December 2019
*** in post from 1 August 2019
**** recharged from the Royal Cornwall Hospitals NHS Trust
***** left post on 30 November 2019

The Council of Governors comprises nineteen Governors including eleven Public Governors, four Staff Governors and four Governors from Appointed Organisations. As at 31 March 2020 eighteen Governor seats were filled. The Trust pays travel expenses to its Governors. The total amount paid to Governors in relation to travel expenses in 2019/20 was £4,086 and expenses were paid to 12 Governors (2018/19 £2,759). Details of the individuals who held a seat as a Governor in 2019/20 are detailed later in this Section under the heading: Council of Governors.

Salary entitlements of senior managers

Information subject to audit

2019/20	Salary and fees	Taxable benefits	Annual performance related bonuses (6)	Long-term performance related bonuses	Pension related benefits (Note 4)	Totals
Name and title	Bands of £5,000 £000	Total to nearest £100 £000	Bands of £5,000 £000	Bands of £5,000 £000	Bands of £2,500 £000	Bands of £5,000 £000
Phillip Confue Chief Executive (1)	190-195	-	5-10	-	0	195-200
Sally May Director of Finance (2)	70-75	-	-	-	10-12.5	80-85
Julie Dawson Managing Director	130-135	-	-	-	47.5-50	180-185
Dr Ellen Wilkinson Medical Director until 30.11.19 (3)	110-115	-	-	-	0	110-115
Sharon Linter Director of Nursing and AHPs until 30.11.19	120-125	-	-	-	7.5-10	130-135
Adrienne Murphy Director of HR and Organisational Development	115-120	-	-	-	45-47.5	160-165
Dr Tamsyn Anderson Director of Primary Care until 30.11.19, Interim Joint Medical Director from 1.12.19	135-140	-	-	-	25-27.5	160-165
Dr Adrian Flynn Interim Joint Medical Director from 1.12.19 (3)	55-60	-	-	-	0	55-60
Kim O'Keefe Director of Nursing and AHPs from 1.12.19, recharged from Royal Cornwall Hospitals Trust(7)	20-25	-	-	-	10-12.5	30-35
Paul Cooper Director of Performance from 1.9.19	75-80	-	-	-	0	75-80
Chris Gendall Chief Operating Officer from 1.8.19	80-85	-	-	-	65-67.5	145-150

2019/20	Salary and fees	Taxable benefits	Annual performance related bonuses (6)	Long-term performance related bonuses	Pension related benefits (Note 4)	Totals
Name and title	Bands of £5,000 £000	Total to nearest £100 £000	Bands of £5,000 £000	Bands of £5,000 £000	Bands of £2,500 £000	Bands of £5,000 £000
Dr Barbara Vann Chairman (5)	40-45	-	-	-	-	40-45
Dr Stephen Watkins Non-Executive Director until 28.2.20 (5)	10-15	-	-	-	-	10-15
Adrian Davis Non-Executive Director (5)	10-15	-	-	-	-	10-15
Margaret Schwarz Non-Executive Director (5)	10-15	-	-	-	-	10-15
David Harland Non-Executive Director (5)	10-15	-	-	-	-	10-15
Professor Rob Sneyd - Associate Non-Executive Director until 31.8.19 (5)	0-5	-	-	-	-	0-5
Jane Abraham Non-Executive Director (5)	10-15	-	-	-	-	10-15
Nick Lewis Non-Executive Director (5)	10-15	-	-	-	-	10-15
Tracie North Non-Executive Director (5)	10-15	-	-	-	-	10-15
Mark Duddridge - Associate Non-Executive Director from 1.4.19 (5)	5-10	-	-	-	-	5-10

2018/19	Salary and fees	Taxable benefits	Annual performance related bonuses (6)	Long-term performance related bonuses	Pension related benefits (Note 4)	Totals
	Bands of £5,000	Total to nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Name and title	£000	£000	£000	£000	£000	£000
Phillip Confue Chief Executive (1)	185-190	-	5-10	-	0	190-195
Sally May Director of Finance (2)	70-75	-	-	-	2.5-5	70-75
Julie Dawson Managing Director	125-130	-	-	-	210-212.5	340-345
Dr Ellen Wilkinson Medical Director until 30.11.19 (3)	160-165	-	-	-	145-147.4	305-310
Sharon Linter Director of Nursing and AHPs until 30.11.19	120-125	-	-	-	220-222.5	340-345
Adrienne Murphy Director of HR and Organisational Development	110-115	-	-	-	150-152.5	265-270
Dr Tamsyn Anderson Director of Primary Care until 30.11.19, Interim Joint Medical Director from 1.12.19	120-125	-	-	-	82.5-85	205-210
Dr Barbara Vann Chairman (5)	40-45	-	-	-	-	40-45
Dr Stephen Watkins Non-Executive Director until 28.2.20 (5)	10-15	-	-	-	-	10-15
Adrian Davis Non-Executive Director (5)	10-15	-	-	-	-	10-15
Margaret Schwarz Non-Executive Director (5)	10-15	-	-	-	-	10-15
David Harland Non-Executive Director (5)	10-15	-	-	-	-	10-15
Professor Rob Sneyd - Associate Non-Executive Director until 31.8.19 (5)	5-10	-	-	-	-	5-10
Jane Abraham Non-Executive Director (5)	10-15	-	-	-	-	10-15

2018/19	Salary and fees	Taxable benefits	Annual performance related bonuses (6)	Long-term performance related bonuses	Pension related benefits (Note 4)	Totals
	Bands of £5,000	Total to nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Name and title	£000	£000	£000	£000	£000	£000
Nick Lewis Non-Executive Director (5)	10-15	-	-	-	-	10-15
Tracie North Non-Executive Director (5)	10-15	-	-	-	-	10-15

Notes:

1. This director no longer contributes to the NHS Pension Scheme.
2. This director is Joint Director of Finance, for this Trust and Royal Cornwall Hospitals NHS Trust and the costs are split 50/50 between the two Trusts. A contract amendment for this director has been actioned in 20/21 which will be backdated to 1 April 2019. This contract amendment will be paid in 20/21. When the backdated element is paid the total remuneration for this post for 19/20 will be in the band £155,000 to £160,000.
3. The remuneration of the Medical Director includes remuneration for clinical as well as executive duties.
4. Pension related benefits is defined by s229 of the Finance Act 2004 but is modified for the purpose of this calculation by paragraph 10(1)e of schedule 8 of SI 2008/410 (as replaced by SI 2013/1981). The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights. The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.
5. There are no pension related benefits disclosed for non-executive and associate non-executive directors as these posts are not pensionable.
6. As per Trust policy.
7. This director is Joint Director of Nursing and AHPs for this Trust and Royal Cornwall Hospitals NHS Trust and the costs are split 50/50 between the two Trusts. The total remuneration of this post since 1.12.19 is in the band £45,000 to £50,000.

Pension entitlements of Senior Managers

Name and title	Real increase in pension at pension age Bands of £2,500 £000	Real increase in pension lump sum at pension age Bands of £2,500 £000	Total accrued pension at pension age at 31 March 2020 Bands of £5,000 £000	Lump sum at pension age related to accrued pension at 31 March 2020 Bands of £5,000 £000	Cash equivalent transfer value at 31 March 2020 £000	Cash equivalent transfer value at 31 March 2019 £000	Real increase in cash Equivalent Transfer Value £000	Employer's Contribution to Stakeholder Pension £000
Phillip Confue Chief Executive	0-(2.5)	0-(2.5)	40-45	120-125	934	891	21	0
Sally May Director of Finance	0-2.5	(2.5)-(5)	55-60	130-135	1,079	1,016	17	0
Julie Dawson Managing Director	2.5-5	7.5-10	60-65	190-195	1,369	1,246	74	0
Dr Ellen Wilkinson Medical Director until 30.11.19	(5)-(7.5)	(5)-(7.5)	60-65	195-200	0	1,431	0	0
Sharon Linter Director of Nursing and AHPs until 30.11.19	0-2.5	2.5-5	60-65	180-185	1,413	1,319	45	0
Adrienne Murphy Director of HR and Organisational Development	2.5-5	0-2.5	40-45	100-105	848	765	48	0
Dr Tamsyn Anderson Director of Primary Care until 30.11.19, Interim Joint Medical Director from 1.12.19	0-2.5	0-2.5	20-25	30-35	329	285	17	0
Dr Adrian Flynn Interim Joint Medical Director from 1.12.19	0	0	0	0	0	0	0	0
Kim O'Keefe Director of Nursing and AHPs from 1.12.19 recharged from Royal Cornwall Hospitals Trust	0-2.5	2.5-5	35-40	110-115	909	783	15	0

Name and title	Real increase in pension at pension age Bands of £2,500 £000	Real increase in pension lump sum at pension age Bands of £2,500 £000	Total accrued pension at pension age at 31 March 2020 Bands of £5,000 £000	Lump sum at pension age related to accrued pension at 31 March 2020 Bands of £5,000 £000	Cash equivalent transfer value at 31 March 2020 £000	Cash equivalent transfer value at 31 March 2019 £000	Real increase in cash Equivalent Transfer Value £000	Employer's Contribution to Stakeholder Pension £000
Paul Cooper Director of Performance from 1.9.19	0-2.5	(2.5)-(5)	45-50	105-110	930	902	0	0
Chris Gendall Chief Operating Officer from 1.8.19	0-2.5	2.5-5	10-15	20-25	176	115	27	0

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

Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, the NHSPS has revised its method to calculate CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology.

Non-Executive Directors

There are no entries for Non-Executive or Associate Non-Executive Directors in the above table as the remuneration they receive is not pensionable.

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 takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period.

Fair pay disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median (mid-point of all staff salaries) annualised remuneration of the organisation's workforce.

The mid-point of the banded remuneration of the highest-paid director in Cornwall Partnership NHS Foundation Trust in the financial year 2019/20 is £197,500 (2018/19, £192,500). This is 6.98 times (2018/19, 6.82) the median remuneration of the workforce, which is £28,287 (2018/19, £28,231).

In 2019-20 (2018/19, 0) there are no employees who received remuneration in excess of the mid-point band of the highest paid director. The annualised remuneration for all staff (excluding the highest paid Director) ranged from £13,000 to £187,409 (2018/19, £13,000 to £177,141).

Total remuneration includes salary, overtime and clinical excellence awards. It does not include termination benefits, employer National Insurance or Pension Contributions and the cash equivalent transfer value of pensions.

Phillip Confue
Chief Executive

25 June 2020

Governance report

NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance was first published in 2006 and was most recently updated in 2014 by NHS Improvement. Its purpose is to assist NHS Foundation Trust Boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code of Governance is issued as best practice advice, and imposes some disclosure requirements on Foundation Trusts including statutory obligations, disclosure of certain information within Foundation Trusts' annual reports, and information which is required to be made publicly available. In addition to detailing our organisational structure, this section of the Trust's Annual Report includes all relevant disclosures as required by the Code of Governance. Further details relating to the Trust's governance arrangements are detailed later in this section under the heading Annual Governance Statement.

Cornwall Partnership NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis, including membership of Board Committees, their terms of reference and Board performance assessments. 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.

Cornwall Partnership NHS Foundation Trust is committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver high quality care.

Council of Governors

Duties of the Council of Governors

It is the duty of the Council of Governors to represent the interests of the Trust's members and the public. In addition, it is the duty of the Council of Governors to hold the Non-Executives individually and collectively to account for the performance of the Board of Directors.

The day-to-day management of the Trust is the responsibility of the Board of Directors.

As part of its statutory role, the Council of Governors is required to:

- appoint or remove the Chair and other non-executive directors and approve the appointment, by non-executive directors of the Chief Executive
- set the remuneration and other terms and conditions of office of the non-executive directors
- appoint or remove the Trust's financial auditor
- represent the interests of members and the public
- hold the non-executive directors individually and collectively to account for the performance of the Board of Directors

The Trust's process for addressing disagreements between the Council of Governors and the Board of Directors is set out in the Council of Governors' 'Engagement Policy – Concerns'.

Composition of the Council of Governors

The Trust's Council of Governors consists of elected Public Governors, elected Staff Governors, and Appointed Governors from stakeholder organisations.

Public Governors are elected by the Trust's public membership which is organised into three public constituencies as follows:

- East Service Area Constituency - electoral ward areas comprising an area covered by Cornwall Council
- West Service Area Constituency – electoral ward areas comprising an area covered by Cornwall Council and electoral areas comprising the areas covered by the parishes of the Council of the Isles of Scilly
- other constituency – all other electoral ward areas in England and Wales

Staff Governors are elected by the Trust's Staff Constituency representing all categories of staff. Appointed Governors are representatives from stakeholder organisations.

As at 31 March 2020, the Composition of the Council of Governors was as follows:

Public constituencies	
East Service Area Constituency	5 Elected Governors
West Service Area Constituency	5 Elected Governors
Other (England and Wales) constituency	1 Elected Governor
Staff Constituency	
Staff Constituency	4 Elected Governors
Appointed Governor organisations	
Cornwall Council	1 Governor
Council of the Isles of Scilly	1 Governor
Truro and Penwith College	1 Governor
Volunteer Cornwall	1 Governor

Our Governors

Public and Staff Governors' initial terms of office commenced on the day that the Trust was licensed as a Foundation Trust – 1 March 2010.

The Trust's first Governors were allocated a term of office of one, two or three years. Governors elected since the initial election have been offered a three-year term of office. If a Governor resigns, the Council of Governors has the option to offer the vacant seat to the next highest polling candidate in the most recent constituency election for a period until the next election.

Our Lead Governor is Stephanie Pomeroy, Staff Governor.

The following table details public and staff Governors as at 31 March 2020:

Name	Elected/ appointed	Constituency	Start date of current term of office	Term of office
Rosemary Bromwich *	Elected	East Constituency	1 March 2018	3 years
Paul Ford *	Elected	East Constituency	1 March 2020	3 years
Felicity Holt *	Elected	East Constituency	1 March 2020	3 years
Mike Solomon	Elected	East Constituency	1 March 2018	3 years
Richard Staples	Elected	East Constituency	1 March 2019	3 years
Karen Blatchford *	Elected	West Constituency	1 March 2019	3 years
Val Haynes **	Uncontested	West Constituency	1 March 2018	3 years
Anne Elizabeth Phillips	Uncontested	West Constituency	1 March 2020	3 years
Nigel Walker	Uncontested	West Constituency	1 March 2018	3 years
Alison Shaw	Uncontested	Other Constituency	1 March 2019	3 years
Sue Greenwood	Elected	Staff Constituency	1 March 2019	3 years
Fi Higman	Uncontested	Staff Constituency	1 March 2018	3 years
Lesley Pallett	Uncontested	Staff Constituency	1 March 2020	3 years
Stephanie Pomeroy *	Uncontested	Staff Constituency	1 March 2020	3 years

* Second term of office
** Third term of office

The following table details appointed organisations and their Governor representatives as at 31 March 2020:

Appointed organisation	Appointed organisation's Governor representative	Start date of organisation's governor seat
Council of the Isles of Scilly	Fran Grottick *	1 March 2010
Cornwall Council	Barry Jordan **	1 March 2010
Truro and Penwith College	Cheryl Mewton	17 May 2012
Volunteer Cornwall	Ian Jones	1 January 2016

* Fran Grottick commenced as Governor representing the Council of the Isles of Scilly in May 2018.
** Barry Jordan commenced as Governor representing Cornwall Council in December 2017

Elections held during 2019/20

One election was held in the 2019/20 financial year, resulting in the election of the following Governors with effect from 1 March 2020:

Name	Constituency	Term of office
Paul Ford	East Constituency	3 years
Felicity Holt	East Constituency	3 years
Anne Elizabeth Phillips	West Constituency	3 years
Lesley Pallett	Staff Constituency	3 years
Stephanie Pomeroy	Staff Constituency	3 years

Resignations / end of term of office

The table below details Governors whose term of office ended and who resigned during the year ended 31 March 2020.

Name	Constituency / organisation elected / appointed	Resigned / date term of office ended / appointed organisation change
Graham Enoch	West Constituency - Elected	Resigned 2 September 2019
Joy Gunter	West Constituency - Elected	Term of office ended 29 February 2020

Supporting Governors

The Trust values its Governors and recognises the importance of Governors as key stakeholders of the organisation in their role of representing the interests of members and the public.

Following election to the Council of Governors, the Chair and Trust Secretary deliver a Governor induction programme to individual Governors. This is complemented by an ongoing Governor Development Programme which is delivered in-house each year incorporating five training sessions.

The sessions focus on Governors' Statutory Duties: Clinical Governance, the Care Quality Commission and Duty of Candour; Safeguarding Adults and Children; Regulatory requirements; Equality and Diversity; and NHS Finance/Annual Planning. Staff are regularly invited to Council of Governors' meetings to showcase their services to complement the Governor Training Programme. In addition Governors are offered the opportunity to attend relevant external courses as part of their individual training programme.

The Trust's Membership Coordinator supports Governors in attending engagement events including visiting Community Hospitals to engage and seek feedback from patients.

Register of interests

Governors are required to declare any interests that are relevant and material on appointment and if a conflict arises during the course of their term. A register of the Council of Governors' Interests is maintained by the Trust Secretary and is available on our website: www.cornwallft.nhs.uk.

How the Board of Directors has acted to understand the views of governors and Foundation Trust members

The Council of Governors did not exercise its power in-year to request one or more of the Directors to attend a Governors' meeting for the purpose of obtaining information about the Trust's performance of its functions or the Directors' performance of their duties.

In order to understand the views of our Governors and Trust members, Non-Executive and Executive Directors regularly attended Council of Governors' meetings and the Council of Governors' Communication and Engagement Committee.

In November 2019 Governors sought the views of the membership via a survey focussing on the measurement of the quality of the Trust's services. Actions to address the recommendations and feedback to members will be included in the June 2020 Members' Newsletter.

Council of Governors' meetings

The Council of Governors planned to hold four meetings during the year ended 31 March 2020: in June 2019, September 2019, December 2019 and March 2020. All meetings were held with the exception of the meeting planned for March 2020 which was cancelled due to COVID-19. Since March 2020 the Chair has held weekly briefings with governors to keep them updated. The Council of Governors' meeting due to be held in July 2020 is planned to be held virtually.

The Council of Governors' Annual Members' Meeting was held on 10 September 2019.

The table below details non-executive directors' attendance at Council of Governors' meetings:

Name	Position	Actual/possible
Jane Abraham	Non-Executive Director	1 / 3
Adrian Davis	Non-Executive Director	3 / 3
David Harland	Non-Executive Director	1 / 3
Nick Lewis	Non-Executive Director	2 / 3
Tracie North	Non-Executive Director	3 / 3
Margaret Schwarz	Non-Executive Director	2 / 3
Barbara Vann	Chair	3 / 3
Stephen Watkins	Non-Executive Director	3 / 3

The table below details Governors' attendance at Council of Governors' meetings:

Name	Position	Actual/possible
Karen Blatchford	Public Governor	1 / 3
Rosemary Bromwich	Public Governor	2 / 3
Graham Enoch	Public Governor	1 / 1
Paul Ford	Public Governor	1 / 3
Sue Greenwood	Staff Governor	1 / 3
Fran Grottick	Appointed Governor	1 / 3
Joy Gunter	Public Governor	0 / 3
Val Haynes	Public Governor	2 / 3
Fi Higman	Staff Governor	2 / 3
Felicity Holt	Public Governor	1 / 3
Ian Jones	Appointed Governor	1 / 3
Barry Jordan	Appointed Governor	2 / 3
Cheryl Mewton	Appointed Governor	0 / 3
Stephanie Pomeroy	Staff Governor	3 / 3
Mike Solomon	Public Governor	3 / 3
Alison Shaw	Public Governor	0 / 3
Richard Staples	Public Governor	3 / 3
Nigel Walker	Public Governor	1 / 3

The table below details Executive Directors' attendance at Council of Governors' meetings:

Name	Position	Actual/possible
Tamsyn Anderson	Interim Joint Medical Director	2 / 3
Phil Confue	Chief Executive	3 / 3
Paul Cooper	Director of Performance	2 / 2
Julie Dawson	Managing Director	2 / 3
Adrian Flynn	Interim Joint Medical Director	1 / 1
Chris Gendall	Chief Operating Officer	2 / 2
Sharon Linter	Director of Nursing and Allied Health Professionals	1 / 2
Sally May	Director of Finance	0 / 3
Adrienne Murphy	Director Human Resources and Organisational Development	2 / 3
Kim O'Keeffe	Interim Director of Nursing and Allied Health Professionals	0 / 1
Ellen Wilkinson	Medical Director	0 / 2

The Council of Governors has two committees as follows:

- Communications and Engagement Committee
- Nominations Committee

The Council of Governors and the Board of Directors are chaired by the Chair of the Trust. Oversight of both meetings by the Chair ensures the agendas are complementary; sound working relationships and communication channels are developed and maintained.

Nominations Committee of the Council of Governors

Arrangements for the appraisals, remuneration and appointment of Non-Executive Directors (including the Chair) are overseen by the Nominations Committee which makes recommendations to the Council of Governors.

The Nominations Committee comprises the Chair of the Trust (or the Vice Chair when the Chair is being appointed or terms and conditions being discussed) and Governors. During the year, the Nominations Committee met on two occasions, in June 2019 and December 2019.

Members of the Nominations Committee in 2019/20 were:

- Val Haynes – Public Governor
- Felicity Holt – Public Governor
- Barry Jordan – Appointed Governor, Cornwall Council
- Stephanie Pomeroy – Staff Governor
- Barbara Vann - Chair / Margaret Schwarz – Vice Chair

Attendance at the Nominations Committee is set out in the table below:

Name	Position	Actual/ possible
Val Haynes	Governor West Constituency	1 / 2
Felicity Holt	Governor East Constituency	1 / 2
Barry Jordan	Appointed Governor Cornwall Council	2 / 2
Stephanie Pomeroy	Staff Governor	2 / 2
Margaret Schwarz	Vice Chair	1 / 1
Barbara Vann	Chair	1 / 1

Activities undertaken by the Nominations Committee in 2019/20 are provided within the Annual Statement of Remuneration presented within the Remuneration Report.

Performance evaluation

The Senior Independent Director and Governors are responsible for the annual appraisal of the Chair. The performance of the Chief Executive and Non-Executive Directors is evaluated annually by the Chair. The delegation of the appraisal of the Non-Executive Directors by the Chair was formally approved by the Council of Governors. Executive Directors have an annual appraisal with the Chief Executive which is reported to the Non-Executive Directors.

An external evaluation of the Board of Directors was not undertaken during 2019/20. The Board of Directors evaluated its Committees in 2019/20.

Foundation Trust membership

Who can be a member?

The Trust's membership includes patients, carers, staff, volunteers and members of the public, aged 14 and over, who live in Cornwall and the Isles of Scilly and other parts of the country served by the Trust. The Trust's membership is organised into three public constituencies and a staff constituency.

How many people are members?

As at 31 March 2020, the Trust had 12,319 members. The table below details the Trust's membership by constituency:

Constituency	Membership at 31 March 2019	Eligibility
Public constituencies		
East Service Area	4,022	Age 14 and above residing in Cornish electoral wards in the east of the county*
West Service Area	3,494	Age 14 and above residing in Cornish electoral wards in the west of the county and parishes of the Isles of Scilly*
Other Constituency	1,051	Age 14 and above residing in electoral wards of England and Wales
Staff Constituency		
Staff	3,752	All staff**

* Details of electoral wards are described in the Trust's Constitution available on the Trust's website: www.cornwallft.nhs.uk
** Staff eligibility is detailed in the Trust's Constitution, available on the Trust's website: www.cornwallft.nhs.uk. Staff may opt-out of the Staff Constituency.

Engagement with members and the public

The Trust's Membership Strategy is developed by Governors and includes engagement objectives. Delivery against the strategy is monitored by the Governors' Communications and Engagement Committee on a quarterly basis and includes a review of membership demographics, engagement and recruitment.

Membership demographic data includes gender, age and ethnicity. Membership demographic reports include the county's overall demographic data derived from the 2011 census data to enable analysis of a representative membership.

The Trust's Membership Strategy is available on our website: www.cornwallft.nhs.uk

Governors input to the planning of the Trust's 'Membership annual programme of events'. The programme includes the opportunity to attend large annual county shows and smaller constituency events throughout the year.

In 2019/20 Governors engaged with members of the public at the Trust's Community Hospitals and attended College events to engage with younger people. Governors also attend Trust community events such as a Memory Café and Carers Support Groups, a Pitch Up and Sing Group and League of Friends Fetes.

During the year Governors participated in community events such as promotional visits to supermarkets and a local 'Healthfest'. They also supported the Trust by attending various fundraising events for Sowenna, the Trust's Child and Adolescent Mental Health Unit. Governors are provided with an engagement toolkit to support them with their role. The toolkit includes protocols for engagement, signposting material, and a small survey which Governors may use to seek feedback from members of the Public.

The Trust's bi-annual Membership Newsletter provides members with information on quality developments within the Trust as well as service innovations. In 2019/20 members' views were sought on the quality of the Trust's services via a questionnaire distributed with the Autumn Members' Newsletter.

Members are invited to meet with their Governors after each Council of Governors' meeting.

Get in touch

Members who wish to contact their representative on the Council of Governors should contact the Foundation Trust Secretary, Cornwall Partnership NHS Foundation Trust, Head Office, Carew House, Beacon Technology Park, Dunmere Road, Bodmin PL31 2QN; via email to cpn-tr.membership@nhs.net, or by telephoning 01208 834600.

Board of Directors

The strategic direction of Cornwall Partnership NHS Foundation Trust is set by the Board of Directors, led by the Chair.

The Trust's non-executive directors, including the Chair, and executive directors, including the Chief Executive, all who are chosen for their wide range of knowledge, skills and experience, comprise the Board of Directors.

In 2019/20 the Board was complemented by an Associate Non-Executive Director whose appointment was approved by the Council of Governors and Board of Directors. The Associate Non-Executive Director has strengthened the experience and skillset of the Board during the year.

The Council of Governors approves the appointment/reappointment of the Chair and non-executive directors. Executive directors including the Chief Executive are appointed by the non-executive directors. The appointment of the Chief Executive is subject to approval by the Council of Governors.

The Board of Directors annually approves and reviews the Scheme of Delegation. The Scheme of Delegation sets out the functions reserved for decision by the Board of Directors and Executive Team. In addition to the functions reserved for decision by the Board of Directors, the Scheme of Delegation is presented in a format detailing the scheme of delegation of powers from the Trust's Constitution, Board of Directors' Standing Orders, the Trust's Standing Financial Instructions and the NHS FT Accounting Officer Memorandum. The Trust's Constitution, Standing Financial Instructions and Scheme of Delegation are available on the Trust's website: www.cornwallft.nhs.uk.

There is clear division of responsibilities between the Chair and the Chief Executive. In summary:

- the Chair leads the Board of Directors and ensures its effectiveness. This includes ensuring that the Board of Directors receives timely and clear information to enable Board members to fulfil their responsibilities
- the Chief Executive is accountable to the Board of Directors on all matters not reserved to the Board of Directors and for running all aspects of the operational business

The Board of Directors is responsible for:

- ensuring the delivery of high quality, safe services
- ensuring the Trust complies with regulatory standards
- Setting the strategic direction of the Trust taking account of Governors' views
- ensuring the Trust operates effectively, efficiently and economically

Board of Directors at 31 March 2020

Details of the individuals who were directors of the Foundation Trust as at 31 March 2020 are set out on the following pages. The information on each director's expertise highlights the balance and completeness of the Board of Directors. The balance of skills has been determined in order to meet the requirements of the Trust.

All members of the Board of Directors are required to declare interests which are relevant and material. Interests are declared on appointment, or if a conflict arises during the course of their term. The Trust Secretary maintains a register of Board of Directors' Interests, which is available on the Trust's website: www.cornwallft.nhs.uk.

Non-executive directors

Non-executive directors, including the Chair, live in the local area and are members of Cornwall Partnership NHS Foundation Trust. All non-executive directors are determined to be both independent in character and judgement.

Dr Barbara Vann, DL - Chair: Appointed June 2015

Experience:

- Headteacher of two Secondary schools, 1990-2013
- Trustee and Chair of Duchy Health Charity
- Plymouth University Peninsula School of Medicine and Dentistry Foundation, Trustee
- Governor Truro and Penwith College
- Trustee National Maritime Museum
- Trustee Hall for Cornwall
- Chair of the Peninsula Applied Research Collaborative (PenArc)

Qualifications include:

- Master's degree in Leadership and Management
- PhD focussed upon Accountability in Education

Dr Vann, Chair, has no other significant commitments.

Margaret Schwarz, Vice Chair: Appointed May 2016

Experience:

- Current Non-Executive Director, Royal Cornwall Hospitals NHS Trust
- Governance leader for Cornish Mutual Assurance
- Deputy Chair of Plymouth Hospitals NHS Trust
- Deputy Chair of University of Plymouth
- Consultant in Risk Management and Regulation
- Senior Executive in Financial Services
- Chief Economist in Financial Services

Qualifications include:

- BA in Economics and Political Science
- MSc in Economics
- Financial Programme LBS
- Strategy Programme INSEAD

Jane Abraham, Non-Executive Director: Appointed June 2017

Experience:

- Policy Fellow at Joint Strategic Work and Health Unit
- Associate Honorary Research Fellow University of Exeter
- Medical School Lecturer and Academic Lead - Workplace Health, University of Exeter Business School
- Policy Advisor European Centre for the Environment and Human Health (UoE), 2011 - 2013
- SW Regional Health, Work and Wellbeing Lead - Department of Health, 2009 - 2011
- Consultant - Improvement and Development Agency, 2008 - 2009
- Health Development Officer - Caradon District Council and N&E Cornwall Primary Care Trust, 2003 - 2008

Qualifications include:

- B(Sc) Hons Health and Social Care

Adrian Davis, Non-Executive Director: Appointed May 2016

Experience:

- Chief Fire Officer, Northamptonshire Fire and Rescue Service
- Multi Agency Gold Incident Commander
- CBRN Gold Commander

Qualifications include:

- Master of Business Administration
- Member of the Institution of Fire Engineers

David Harland, Non-Executive Director: Appointed May 2016

Experience:

- Executive Director for the Eden Project
- Group Finance Director of Enara Group (domiciliary care services)
- Group Finance Director of Care Management Group (Learning Disability services)
- Priory Group (Acute Healthcare / Mental health hospitals)

Qualifications include:

- FCCA (Association of Certified Chartered Accountants)
- ACA (Institute of Chartered Accountants in England and Wales)

Nick Lewis, Non-Executive Director: Appointed October 2017

Experience:

- Chair, Plymouth Community Homes
- Vice Chair, Northern Devon Healthcare NHS Trust
- Deputy CEO, SW Regional Development Agency
- Finance Director, Devon and Cornwall Housing

Qualifications include:

- Engineering degree Cambridge University
- Fellow Institute of Chartered Accountants in England and Wales

Tracie North, Non-Executive Director: Appointed July 2017

Experience:

- Independent Consultant in Health and Social Care 2016
- University Lecturer with Plymouth University
- Director of Strategic Development ACC
- Trustee and Vice Chair of the Duchy Health Charity
- Trustee Cornwall Mobility
- Director of Strategic Development and Operations Independent Charity

Qualifications include:

- Research Masters
- Postgraduate Certificate in Academic Practice (PGCAP)
- Registered General Nurse
- Midwife (Registration lapsed)

Mark Duddridge, Associate Non-Executive Director: Appointed April 2019

Experience:

- Director of Samworth Brothers
- Managing Director of Ginsters
- Director of Rodda's
- Chair, Cornwall and Isles of Scilly LEP
- Trustee, The Prince's Countryside Fund

Qualifications include:

- First Class Honours Degree in History

Executive directors

Phil Confue, Chief Executive Officer: Appointed January 2010

Experience:

- Director of Consulting, Tribal Group Plc, 2005-2010
- Director Mental Health and Learning Disability, Plymouth PCT 1998-2005
- Senior Researcher, Sainsbury Centre for Mental Health (PT) 1997-1998
- Programme Manager - Mental Health, Suffolk Health, 1995-1998

Qualifications include:

- Registered Mental Nurse (RMN), 1989
- BSc (Hons) Mathematics, 1985
- Masters in Business Administration, 1997
- MPhil University of Portsmouth,1996

Julie Dawson, Managing Director: Appointed November 2018

Experience:

- Chief Operating Officer/Deputy Chief Executive (Cornwall Partnership NHS Foundation Trust), 2010 - 2018
- Community Services Manager (Cornwall Partnership NHS Foundation Trust), 2008 - 2010
- Joint Health and Social Care Manager, Derbyshire NHS Mental Health Trust, 2000 - 2002
- Senior Lecturer, Central Lancashire University, 1998 - 2000

Qualifications include:

- Post-graduate Diploma in Psychosocial Interventions, 1999
- Diploma in Health Education for the Mentally Ill, 1994
- RMN, 1989

Tamsyn Anderson, Interim Joint Medical Director: Appointed December 2019

Experience:

- Director of Primary Care, 2016-2019
- NHS Kernow Medical Director, 2015-2016
- NHS Kernow Governing body GP for Newquay and North Cornwall, 2013-2016
- GP partner at Newquay Health Centre, 2003 to date
- Practice-based commissioning and Newquay locality lead, 2011 to date

Qualifications include:

- MBBS, 1996
- MRCGP, 2001

Paul Cooper, Director of Performance:
Appointed September 2019

Experience:

- Director of Finance, Torbay and South Devon NHS Foundation Trust, 2010-2019
- Director of Performance and Governance, Plymouth Hospitals NHS Trust, 2005-2010
- Head of Performance and Information, Plymouth Hospitals NHS Trust, 1999-2005
- South and West Devon Health Authority, Contracts Accountant, 1992-1999

Qualifications include:

- BA (Hons) Business Studies
- Member of the Institute of Chartered Accountants in England and Wales

Adrian Flynn, Interim Joint Medical Director:
Appointed December 2019

Experience:

- Consultant General Adult and Liaison Psychiatrist 2006-2019
- Chair – Angela Harrison Charitable Trust

Qualifications include:

- MBBS, 1991
- PGCE 2002
- MRCPsych 2001

Chris Gendall, Chief Operating Officer:
Appointed August 2019

Experience:

- Hospital Director, Duchy Hospital, Ramsay Healthcare UK Ltd
- Director, Kernow Health CIC, Cornwall
- Board Member, GP School Board at the Peninsula Deanery
- Strategic Business Manager, Stennack Surgery and MIU St Ives
- Integrated Children's Services Development Manager, Cornwall Council

Qualifications include:

- Level 7 National Professional Qualification in Integrated Leadership
- Post Graduate Certificate in Education (PGCE)
- Diploma in Management

Sally May, Director of Finance: Appointed March 2011

Experience:

- Director of Finance, NHS Cornwall and Isles of Scilly 2008-2011
- Director of Finance and Deputy Chief Executive, Vale of Glamorgan Local Health Board 2003-2008

Qualifications include:

- Chartered Institute of Public Finance and Accountancy (CIPFA), 1994
- BA (Hons) Psychology, 1990

Adrienne Murphy, Director of Human Resources and Organisational Development: Appointed January 2016

Experience:

- Associate Director of People and Organisational Development, Cornwall Partnership NHS Foundation Trust
- Interim Consultancy and Head of HR at St John's Hospital, Bath, 2014-2015
- Executive Director of Workforce and Organisational Development, South Devon Healthcare NHS Foundation Trust, 2009-2014
- Head of Workforce Development, Human Resources and Organisational Development, Stoke on Trent Primary Care NHS Trust, 2007-2009

Qualifications include:

- Fellow of the Chartered Institute of Personnel Development
- MA in Strategy Human Resource Management
- Trained facilitator and mentor

Kim O'Keeffe, Interim Director of Nursing and Allied Health Professionals: Appointed December 2019

Experience:

- Director of Nursing, Midwifery and Allied Health Professionals, Royal Cornwall Hospitals NHS Trust (RCHT) – May 2017 to date
- Deputy Director of Nursing (RCHT)
- Divisional Nurse Manager (RCHT)
- 30 years' experience in the NHS, private and state hospitals

Qualifications include:

- Registered General Nurse

Terms of office

Executive Directors' appointments are made substantively or on an interim secondment basis. Non-Executive Director appointments are for three years, with re-appointment approved by the Council of Governors. Information relating to our Non-Executive Director appointment process is detailed in the Trust's Constitution available at www.cornwallft.nhs.uk.

Associate Non-Executive Directors are appointed on an annual basis as approved by the Council of Governors and Board of Directors.

As detailed in the Trust's Constitution, the Council of Governors is responsible for removing the Non-Executive Directors. Removal of a Non-Executive Director requires a resolution to be submitted by a Governor which must be seconded by not less than 5 Governors including at least 2 Elected Governors and 2 Appointed Governors. The resolution requires approval by three quarters of the members of the Council of Governors.

Board of Directors' resignations / end of terms

Robert Sneyd, Associate Non-Executive Director, resigned from the Board in September 2019. There were no other resignations from the Board of Directors in the year ended 31 March 2020. Stephen Watkins, Non-Executive Director, left the organisation on 29 February 2020 having completed his second term of office.

Two executive directors retired during the year – Dr Ellen Wilkinson, Medical Director, and Sharon Linter, Director of Nursing and Allied Health Professionals.

Board of Directors' meetings

The Board of Directors held ten meetings in public in 2019/20. Special meetings are convened by the Chair of the Trust as and when required. The table below details Non-Executive Directors' and Associate Non-Executive Directors' attendance at Board of Directors' meetings during 2019/20:

Name	Position	Actual/possible
Jane Abraham	Non-Executive Director	7 / 10
Adrian Davis	Non-Executive Director	9 / 10
Mark Duddridge	Associate Non-Executive Director	3 / 10
David Harland	Non-Executive Director	6 / 10
Nick Lewis	Non-Executive Director	8 / 10
Tracie North	Non-Executive Director	9 / 10
Margaret Schwarz	Non-Executive Director	9 / 10
Robert Sneyd	Associate Non-Executive Director	3 / 5
Barbara Vann	Chair	9 / 10
Stephen Watkins	Non-Executive Director	7 / 9

The Trust's Associate Non-Executive Director role brings additional skills to the Board of Directors. Non-executive directors may undertake additional full-time roles outside the Trust.

The table below details Executive Directors' attendance at public Board of Directors' meetings during 2019/20:

Name	Position	Actual/possible
Tamsyn Anderson	Interim Joint Medical Director	9 / 10
Phillip Confue	Chief Executive	10 / 10
Paul Cooper	Director of Performance	6 / 6
Julie Dawson	Managing Director	9 / 10
Adrian Flynn	Interim Joint Medical Director	3 / 3
Chris Gendall	Chief Operating Officer	6 / 6
Sharon Linter	Director of Nursing and AHP	6 / 7
Sally May	Director of Finance	10 / 10
Adrienne Murphy	Director of HR and Organisational Development	10 / 10
Kim O'Keeffe	Interim Director of Nursing and AHP	1 / 3
Ellen Wilkinson	Medical Director	7 / 7

Responsibility for preparing the annual accounts

The Chief Executive is the Trust's designated Accounting Officer with the duty to prepare the accounts in accordance with the National Health Service Act 2006.

The Board of Directors considers that, as a whole, the annual report and accounts are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

Contacting the Board of Directors

The Board of Directors may be contacted via the Trust Secretary, at Cornwall Partnership NHS Foundation Trust, Head Office, Carew House, Beacon Technology Park, Dunmere Road, Bodmin PL31 2QN - telephone 01208 834600.

Audit Committee

The Audit Committee is a formally constituted Committee of the Board of Directors. Membership of this committee comprises three Non-Executive Directors (including the Audit Committee Chair). The Trust's internal and external auditor, Director of Finance, Director of Performance, Chief Accountant and Trust Secretary regularly attend Audit Committee meetings.

In 2019/20 the Audit Committee was chaired by Adrian Davis, Non-Executive Director, and met seven times. The Audit Committee meeting which is held each year at the end of May (June for 2020) is dedicated to the review of year-end documentation. During the year meetings of the Audit Committee were observed by Governors.

The table below details Audit Committee members and their attendance at meetings:

Name	Position	Actual/ possible
Adrian Davis	Non-Executive Director / Audit Committee Chair	6 / 7
David Harland	Non-Executive Director	3 / 7
Nick Lewis	Non-Executive Director	7 / 7

How the Committee discharges its responsibilities

The Audit Committee assures the Board of Directors that probity and professional judgement are exercised in all financial matters. It advises the Board on the adequacy and effectiveness of the Trust's internal control systems, risk management arrangements, counter-fraud measures and governance processes.

The Committee monitors the performance and independence of the external auditor and the effectiveness of the internal auditor. Each year the Chair of the Audit Committee prepares an annual report from the Committee which is received by the Board of Directors and the Council of Governors.

In 2019/20 the Committee held private meetings with both the external auditor and head of internal audit.

Work of the Audit Committee in 2019/20

A full description of the duties and responsibilities of the Audit Committee can be found in its terms of reference available on our website: www.cornwallft.nhs.uk.

Some of the key duties undertaken by the committee during 2019/20 are listed below:

- monitoring the systems of risk management through regular review of the Corporate Risk Register and Board Assurance Framework to support the delivery of the Trust's five strategic objectives
- approval of the internal audit plan that sets out the work of internal audit to assess the effectiveness of a range of governance and internal control systems

- consideration of the findings from all internal audit reports including management's responses
- consideration of the Head of Internal Audit Opinion
- review of the Trust's Annual Report, Financial Statements and reports from the external auditor
- review of the effectiveness of the processes for the review of the Trust's Quality Report
- review of the Trust's freedom to speak up processes
- review of the Local Counter Fraud Specialist's Annual Report and in-year reports

Significant issues arising from limited assurance internal audit reports reviewed by the Committee in 2019/20 are detailed in the Annual Governance Statement section.

On behalf of the Board, the Audit Committee leads on the review of the following subject matter Annual Reports:

- Annual Fire Safety Report – last reviewed in January 2020, no significant issues raised
- Health and Safety Annual Report – last reviewed in September 2019, no significant issues raised
- Safe Management of Medical Devices Annual Report – last reviewed in September 2019, no significant issues raised
- Local Security Management Specialist Annual Report – last reviewed in July 2019, no significant issues raised

Issues considered by the Audit Committee in relation to the financial statements

The Audit Committee is responsible for reviewing the financial statements prior to their formal adoption by the Board of Directors. To facilitate its review of the financial statements the Audit Committee receives the annual ISA 260 report to those charged with governance from the External Auditor and a report from the Director of Finance concerning the financial statements. Having reviewed the financial statements the Audit Committee considers whether to formally recommend approval of the financial statements to the Board of Directors.

In reviewing the financial statements for the year ended 2019/20 the Audit Committee considered the following issues:

- the content of the External Auditor's ISA 260 report
- compliance with the annual reporting guidance within the NHS Foundation Trust Annual Reporting Manual
- the accounting policies adopted by the Trust and any changes to these policies in-year
- any changes in accounting practice due to changes in accounting policy
- any critical judgements in applying accounting policies made by management and any areas of estimation uncertainty
- any significant adjustments arising from the audit
- any unadjusted mis-statements in the financial statements
- explanations for any significant variances
- the adoption of the going concern basis of accounting
- any letters of representation prepared by management

Internal Auditor

The Trust's Internal Auditor, ASW Assurance, works closely with the Audit Committee during the year. A lead auditor attends all Audit Committee meetings to present findings from specific audit reports undertaken in a given year. The internal audit plan is reviewed by the Audit Committee before formal acceptance and a briefing paper is prepared by Internal Audit for review by the Committee.

External Auditor

The Trust tendered its external audit contract in the Autumn of 2016. The tender process involved Governors and members of the Audit Committee. Deloitte LLP was awarded a three-year external audit contract commencing 1 April 2017, for the financial years 2017/18, 2018/19 and 2019/20. The award included an option to extend the contract for a further two years. In March 2020, following a recommendation from the Audit Committee, Governors approved a two-year extension to the current external audit contract covering the financial years 2020/21 and 2021/22.

The Trust's external audit contract value for 2019/20 was £49,700.

The external auditor did not provide non-audit services to the Trust during 2019/20.

NHS Oversight Framework

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

- quality of care
- Finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach of or suspected breach of its licence.

The Trust was placed in segment 1 as at 6 May 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Metric	2019/20 score				2018/19 score			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability								
Capital service capacity	1	1	1	1	1	2	2	2
Liquidity	1	1	1	1	1	1	1	1
Financial efficiency								
I&E margin	1	1	1	1	1	1	1	1
Financial controls								
Distance from financial plan	1	1	1	1	1	1	1	1
Agency spend	3	3	3	3	2	3	3	3
Overall scoring	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**2**

Further information relating to the Trust's financial performance in 2019/20 is detailed under the heading Review of Financial Performance in Section 2: Performance Report.

NHS Constitution

The NHS Constitution was first published in January 2009 and most recently revised in October 2015. The NHS Constitution is renewed every 10 years with the involvement of the public. The NHS Constitution is accompanied by the Handbook to the NHS Constitution which sets out current guidance on the rights, pledges, duties and responsibilities established by the Constitution. These requirements are legally binding.

The Trust undertakes a review of compliance against the NHS Constitution every year. The review is presented to the Board of Directors and includes assurance information.

The Board of Directors received an NHS Constitution Compliance Report at its meeting held in March 2020. The review confirmed the Trust's full compliance with the NHS Constitution.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Cornwall 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 Cornwall 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 Cornwall Partnership NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, 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 and disclose any material uncertainties over going concern

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 them 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.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Phillip Confue
Chief Executive
25 June 2020

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 Cornwall 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 Cornwall Partnership NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust is committed to a comprehensive, integrated Trustwide approach to the management of risk supported by the Board of Directors, the Audit Committee and Quality Assurance Committee.

The Trust's Risk Management Framework and Assurance Strategy is reviewed annually and was approved by the Board of Directors in December 2019. The Strategy outlines the framework for the management of risk and supports the continued development of risk management processes.

The Risk Management Framework and Assurance Strategy outlines the Trust's reporting mechanisms for risks from Service to Board. The Strategy defines individual risk responsibilities and details the specific roles of the organisation's Committees and Groups in relation to risk management.

The Executive Directors bring together the clinical and corporate risk agendas. Risk registers for all clinical and operational divisions are pro-actively managed within a 'live' electronic system. These risk registers are reviewed on a periodic basis by the relevant clinical and operational divisions.

Higher scoring risks or those which present a risk to the organisation as a whole are escalated to the Trust-wide Risk Register when defined thresholds are met. Newly escalated risks are either accepted by the Executive Management Team for their oversight or de-escalated back to operational level for management. The Trust-wide Risk Register is reviewed by the Executive Management Team and presented to the Board for approval on a monthly basis.

The role of the Board Assurance Framework is to provide a summary of evidence and a structure to support effective management of the risks identified by the Board to the achievement of the Trust's strategic objectives. The Board Assurance Framework identifies risks to the delivery of the Trust's strategic objectives, the control in place to manage those risks and the sources of evidence through which the Board can take assurance that those controls are effective. Gaps, both in controls and assurances, are identified, along with plans for their mitigation. This enables the Board to review and, where necessary adjust the allocation of resources to best deliver the Trust's strategic objectives.

Risk identification is the responsibility of all employees. The risk framework ensures that, once identified, risks are managed at the appropriate level.

Risk management training is provided to all staff on induction. Enhanced training is facilitated based on individuals' requirements which may include bespoke training in response to both incidents and national guidance. The Board of Directors received specific risk management training in September 2019.

Staff are responsible for identifying, reporting and responding to risks, incidents, hazards, complaints and near misses in accordance with appropriate policies. The Trust's learning environment encourages and supports staff with reporting in order to improve on the quality and safety of services. As part of any planned service changes, equality and quality impact assessments are completed to ensure associated risks are understood and mitigated. Quality impact assessments include a staffing review.

The dissemination of good practice and lessons learnt from serious incidents, incidents and near misses is achieved through a variety of mechanisms including Learning from Experience meetings. Learning is also shared via staff engagement days, which involve frontline operational staff and managers, and the discussion of incidents and risk assessments at relevant groups such as the Executive Clinical Risk Group and the Operational Service's Clinical Quality Assurance Groups.

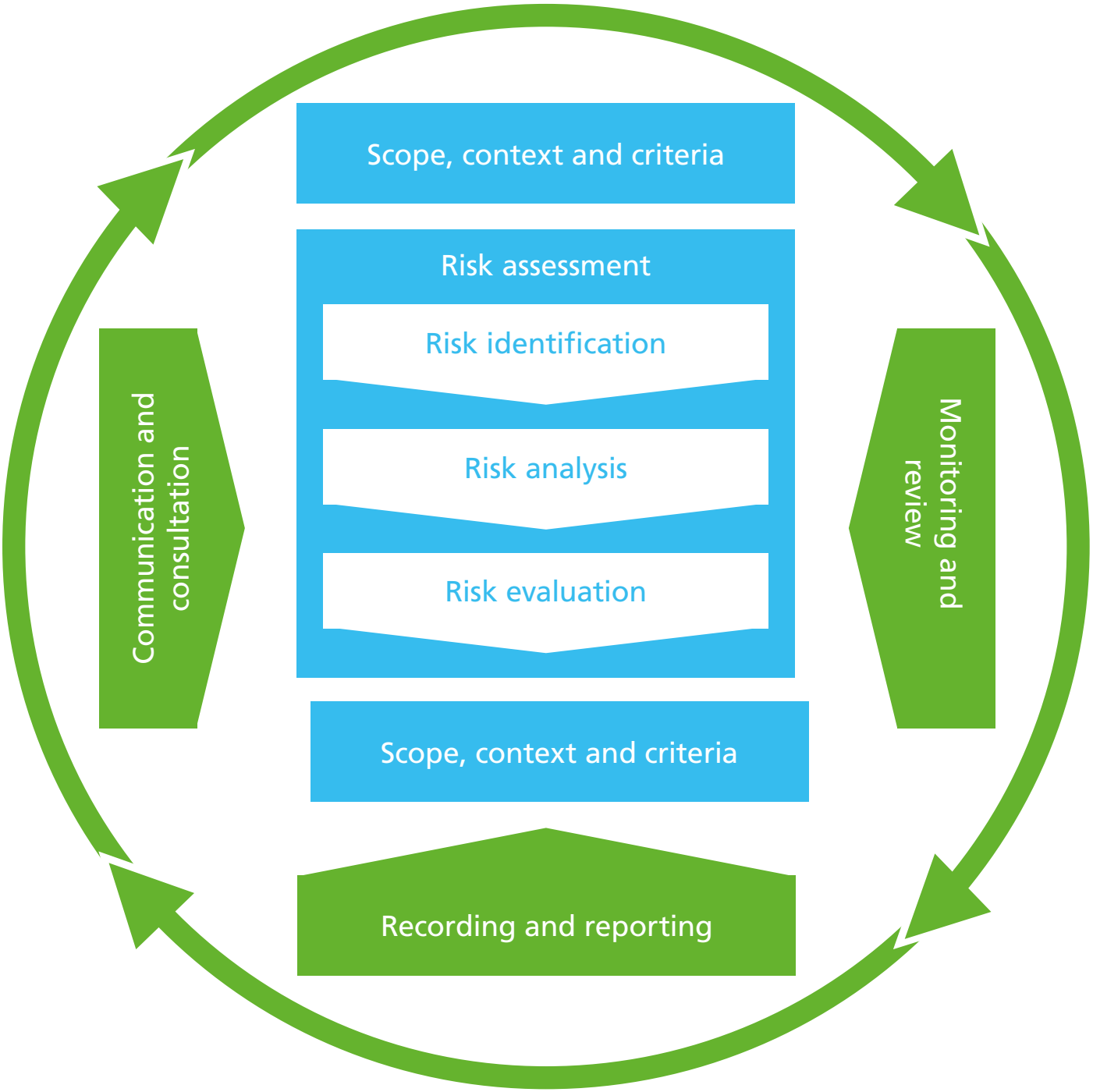
The risk and control framework

The Trust's Risk Management Framework and Assurance Strategy sets out the key responsibilities for managing risk within the organisation. The Risk Policy identifies the process for risk assessment, including identification, analysis and evaluation, risk treatment and monitoring. The Trust's Policy applies to all aspects of the Trust's business including, but not limited to, clinical services, workforce, financial planning, information governance and data security.

Following identification, risk scores are determined using a scoring matrix which is supported by a subject matter guide. This ensures a consistent approach to the scoring and management of risks.

The risk management process

The risk management process is the means by which the Trust manages risks to the organisation. It is based on the International and British Risk Management Standard ISO/BS 31000:2018 as described in the diagram below:



The Trust has a general risk assessment template that is used by all staff to document risk assessments. Multi-disciplinary team involvement in assessing risk is encouraged across the organisation. Once identified, and assessed in terms of the consequence and likelihood, risks are stratified using a '5 x 5' risk matrix as detailed below:

	Likelihood				
	1	2	3	4	5
Consequence	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

All identified risks that cannot be immediately managed and require additional action are recorded on the Trust's Incident and Risk Reporting System and allocated to an appropriate risk register. Risk registers include clinical service areas as well as specialist areas such as Health and Safety. Risks scored at 7 or less are managed at a team level. Risks with a score of 8 or more are managed through relevant clinical or corporate oversight groups.

Risks with a score of 15 or above or any other risk identified as having the potential to affect the Trust as a whole, are recorded on the Trust-wide risk register and are reviewed by the Executive Team and the Board of Directors on a monthly basis.

The Board's Audit Committee received the Trust-wide risk register four times during 2019/20.

Stakeholders are engaged in the risk management process at appropriate points. Strategic risks and plans for their management are presented in public board meetings and at the Board's Quality Assurance Committee; the latter is attended by representatives of NHS Kernow. Service risks are regularly discussed as part of contract meetings with relevant Commissioners.

Feedback on service provision is gathered via a variety of mechanisms to enable the Trust to identify risks. The Friends and Family Test feedback supports the Trust in identifying risks from the public who have come into contact with the Trust's services.

We encourage our governors through their constituent engagement role to seek feedback from members and the public to help identify risks and improve services. The Council of Governors prepares an annual survey each year, sent to all members and made available to the general public, to seek feedback on people's experiences of using the Trust's services. Themes identified and actions taken from the annual survey are reported in the Governors Membership Newsletter.

The Trust engages with its local authorities' Health and Overview Scrutiny Committees to ensure risks are shared. Where appropriate, the Trust participates in formal public consultation processes relating to its services to ensure feedback and risks are addressed/shared.

In some cases, the Board may identify complex risks that affect or involve external organisations, such as stakeholders within the local healthcare community (local authorities, CCGs). Where this is the case, the Trust adopts a collaborative approach to its risk mitigation plans, ensuring a transparent and 'joined-up' approach to managing risk, recognising that in some cases the Trust will be limited in the degree of risk mitigation it can achieve as an individual organisation.

Board Assurance Framework

The Trust had a Board Assurance Framework in operation throughout 2019/20. The Board Assurance Framework provides a structure within which the Board of Directors may focus on progress and risk management of its key five strategic objectives, along with the controls in place and assurance available on their operation. The Board Assurance Framework consists of a summary document accompanied by a Strategic Risk Register detailing risks with associated controls and assurances.

Each strategic risk, linked to a strategic objective, is RAG rated (Red, Amber, Green) against their controls and assurances. The Strategic Risk Register identifies any gaps in control and assurance and sets out actions planned to address them; all actions have a nominated lead Director and explicit timescales for delivery. In order to test and evaluate sources of assurance, the Trust has adopted an assurance model known as the 'Three Lines of Defence' and has implemented an adequacy of assurance matrix. This score is used to support the Board of Directors' review of its assurances by clarifying the degree of reliance that may be placed on each piece of assurance.

Risk appetite is 'the amount of risk an organisation is willing to seek or accept in the pursuit of its long-term objectives'. The Trust recognises that to deliver its services and achieve positive outcomes for its stakeholders risks may need to be taken/accepted within a controlled manner. Risk appetite thresholds were agreed in May 2019 as part of the Board's approval of the Risk Management Policy.

The Trust's risk appetites for 2019/20 were as follows:

Categories	Risk appetite	Score
Compliance/regulatory	LOW risk appetite for compliance/regulatory risks which may compromise the Trust's compliance with its statutory duties and regulatory requirements.	1-6
Health, safety, security	LOW risk appetite for health, safety and security which may compromise the overall safety of patients, visitors or staff.	1-6
Infrastructure	LOW risk appetite for infrastructure and capabilities which affect the Trust's ability to provide high quality care and support.	1-6
Quality, patient safety and experience	LOW risk appetite for risks that may compromise the delivery of outcomes, affect the experience or compromise the safety for our service users.	1-6

Categories	Risk appetite	Score
Workforce/staffing competency	LOW risk appetite for staffing competencies that may affect the delivery of safe, effective care.	1-6
Contractual / performance management	MODERATE risk appetite for contractual/ performance management where this does not affect the quality of care provided.	8-12
Financial / value for money	MODERATE risk appetite for financial/value for money (VfM) which may grow the size of the organisation whilst ensuring minimising the possibility of financial loss and compliance with statutory requirements.	2-12
Reputational	MODERATE risk appetite for actions and decisions taken in the interest of ensuring quality and sustainability which may affect the reputation of the organisation.	2-12
Partnerships	HIGH risk appetite for partnerships which may support and benefit the people of Cornwall and the Isles of Scilly.	15-25

The Board Assurance Framework is approved by the Board on a quarterly basis. The Audit Committee reviews the relevance, rigour and arrangements for the management of the Board Assurance Framework. This includes reviewing the reliability and quality of assurances and the voracity of the data upon which those assurances are based.

1 Improve health and wellbeing and reduce inequalities by working in partnership and creating opportunities for our citizens

2 Provide safe, high quality, timely and compassionate care and support, in local communities wherever possible, and informed by experience of people who use services

3 Make Cornwall and the Isles of Scilly a great place to work in health and social care

4 Working efficiently so health and care funding give maximum benefits

5 Create the underpinning infrastructure and capabilities that are critical to delivering high quality care and support

A refreshed Board Assurance Framework incorporating the system-wide strategic objectives and the Trust's own risks to the delivery of the strategic objectives was implemented in July 2019.

Major risks

Major risks are defined in the Trust's Risk Management Strategy as 'any strategic risk as agreed by the Board'. All strategic risks are managed within the Strategic Risk Register and are subject to rigorous ongoing review by the Board, the Quality Assurance Committee and the Executive Team. The Strategic Risk Register details the controls in place to manage risks and sources of assurance through which their effectiveness can be demonstrated. It also highlights any gaps in control and assurances and actions to address those gaps.

The following five risks were identified by the Board as major risks for the year ended 31 March 2020 and remain as continued risks:

Risk description	Controls in place
Achievement of the financial target, with a specific focus on the challenge in delivering the recurring cost improvement programme. **Assessment of outcomes** The Trust's Performance, Finance and Investments Committee assesses financial performance through routine monthly monitoring.	• Strategic financial planning and budgetary control process • Cost Improvement Programme • Annual business planning cycle, supported by updated planning and delivery process and overseen by Executive Performance Group • Contracts for delivery of Trust services • Trust and system operational plans • Quarterly system-wide quality, equality, impact assessment (QEIA) meetings • System oversight meeting (SOM)
Increasing demand across the wider health and care system, the impact of regular system-wide escalation and the associated challenge of sustainable, controlled delivery of performance standards **Assessment of outcomes** Regular reporting to the Trust's Performance, Finance and Investments Committee	• Demand and capacity planning • Performance management processes and procedures • Established processes for system-wide escalation
The challenges experienced in CAMHS service including the safe establishment of Sowenna and the S29a regulatory intervention in community-based services **Assessment of outcomes** Regular review via the monthly standing agenda item on the Board's Quality Assurance Committee	• Roster modelling for Sowenna • Trust recruitment strategy • CAMHS operational management structure • Enhanced executive input to the leadership of Sowenna • Sowenna escalation plan • Action plans developed from external reviews of both in-patient and community provision • RIO Waiting List Management Tool • Standard Operating Procedure • CAMHS waiting list recovery plan and reporting

Risk description	Controls in place
Recruitment of a suitably skilled workforce in an environment of significant shortages in the supply of critical professions **Assessment of outcomes** Monitored through the Executive Workforce Group and escalation to the Performance, Finance and Investments Committee	• Recruitment strategies and workstreams • Retention framework • System workforce plan • Succession planning and career conversations • Apprenticeship programmes
The prevalence and associate impact of the COVID-19 virus, including loss of staff, may result in the Trust not being able to fully maintain the delivery of key services leading to delays to patient care, reduction in the function of support services and a surge in demand across the Trust area including the Isles of Scilly. **Assessment of outcomes** All issues detailed on the COVID-19 Risks and Issues Log, reported to the Quality Assurance Committee and the Trust's Board of Directors	Whilst impacting late in the year, COVID-19 is the most significant risk faced by the Trust in the reporting period. Risks associated both with the immediate and recovery phases will continue well into 2020/21. In April 2020 this risk was added to the Trust Wide Risk Register with a 25 score. Controls developed as part of the Trust's major incident response are as follows: • Local Intelligence Cell established, combining and sharing information between Public Health and Business Intelligence resource from all organisations across the community • Newton Europe provided project management and demand modelling support during the COVID-19 outbreak • Daily and weekly situation reports, forecasts and intelligence briefings developed feeding in to senior teams and incident command and control processes • Recruitment of additional temporary care staff to extend capacity • Integration of primary care, community health and social care staff in each PCN, creating resilience and avoiding duplication • Community Co-Ordination Centres (CCC) in three localities acting as a single point of referral to community services (Pathway 1), and through which integrated teams are tasked and their activities managed • Single Electronic Referral System (SERS) implemented for all referrals to the integrated community teams • Discharge to assess (D2A) model implemented • Close working established with system partners

Response to COVID-19

In responding to a significant change in circumstances the Trust's response (and continued response) was based on the plans contained within its Major Incident Plan. A command and control response was established, led by the Chief Executive and supported by the Trust Accountable Emergency Officer. The command and control structure included strategic, tactical and operational groups linked across health and social care through to the Local Resilience Forum command and control response. All external guidance was reviewed and appropriate responses implemented as part of the overall response.

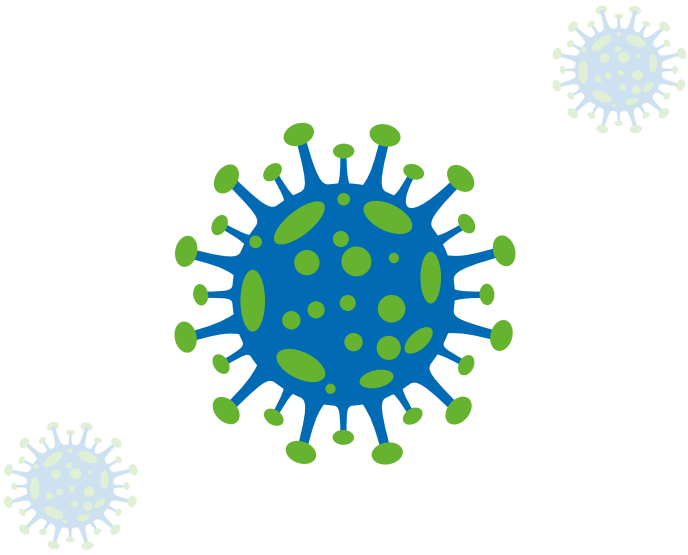
Each decision within the command and control structure was logged within the Emergency Planning Log book with risks and issues escalated within the hierarchical structure for response.

The Trust's response was broadly managed within its existing control environment with some adaptations such as adapted financial controls to ensure prompt financial approvals during the period.

Evidence towards the end of phase 1 of the COVID-19 pandemic suggests that major incident responses have been effective. There were no situations where the Trust was unable to respond to a demand during this time and the Trust is therefore confident that there were no local business continuity issues. However, national issues such as the availability of Personal Protective Equipment required a change in plans to secure mutual aid. Business continuity plans will be reviewed and amended, as appropriate, following the 'lessons learned' events held as part of the recovery to business as usual.

As part of the Trust's risk management process, a risk and issues log was developed as a live document to complement the information contained within the Trust's Risk Register relating to the COVID-19 risk. The risk and issues log is organised into key themes and details actions taken/being taken to address all associated risks. The risk and issues log was reviewed by the Board of Directors in detail and is due to be reviewed by the Audit Committee in June 2020.

A business continuity plan for the Trust Board and its Committees was introduced in March 2020 to support corporate governance arrangements. Emergency powers were reviewed and changes to the Trust's Standing Financial Instructions and Committees' Terms of Reference were completed. A review of available technology was undertaken to determine the most appropriate solution to support virtual meeting arrangements The Head of Internal Audit Opinion has not been affected by COVID-19 as the Trust's Internal Auditor has been able to complete the full audit and assurance plan for 2019/20 as approved by the Audit Committee.



Developmental review of leadership and governance using the Well-Led Framework

Following the completion of a developmental review of leadership and governance using the Well-Led Framework, the Board agreed the following developmental plan key line of enquiries (KLOE) in February 2019:

KLOE 1: Is there the leadership capacity and capability to deliver high quality, sustainable care?

- **Boards response:** To introduce a succession planning/talent management framework.
- **Underlying principles**: all staff to be given the opportunity to consider longer-term development/career pathways. Succession planning/talent management to benefit the Trust and other partner organisations.
- **Work undertaken in 2019/20:**
  The Trust identified a Talent Management Lead who is part of the South West Regional Talent Management Group. A detailed diagnostic assessment of talent management processes took place in September 2019, and a resulting fully developed action plan was produced.

  Initial actions have progressed, including a review of the framework, the formation of a monthly Workforce Group, and the review and redesign of the appraisal process and paperwork, in line with other Trusts in the region. Appraisals will align with pay progression and include a focus on career conversation, development opportunities and staff wellbeing.

  A programme of Compassionate Leadership master classes is in place and masterclasses are run on a monthly basis and are open to all staff. A workshop with a wide range of staff has taken place specifically to review the current talent management opportunities and processes and to ensure staff feedback is included in the action plan.

  The "This is Us" compassionate leadership programme has been running for the last 12 months and supports staff through a three-day programme, to be compassionate leaders, in line with the CARE values.

  Further actions will progress during 2020, and the continued re-group of the talent management regional forum is planned for later in the year. A further diagnostic assessment will be completed as a region to understand changes and improvements thus far, and to assist in identifying next steps.

KLOE 4: Are there clear responsibilities, roles and systems of accountability to support good governance and management?

- **Boards response:** To develop an Accountability Framework.
- **Underlying principles**: to support staff in being autonomous within a clearly defined organisational governance structure and enhanced empowerment of integration.

- **Work undertaken in 2019/20:**
  The Board reviewed and approved a Performance and Accountability Framework including a refreshed Corporate Governance meetings structure. The Performance and Accountability Framework includes the ongoing development of organisational performance dashboard style reporting including internal and external key performance indicators.

  As of April 2020, senior management operational meetings and Board/Committee meetings have been aligned to ensure information flow within an exception and escalation assurance system.

KLOE 5: Are there clear and effective processes for managing risks, issues and performance?

- **Boards response:** To undertake a review of the organisation's Risk Management Framework in readiness for the organisation's area structure.
- **Underlying principles**: to adopt system-wide Strategic Objectives from 2019/20 with associated organisational risks. To ensure the Trust's risk management framework is supportive of leaders and future integrated working.
- **Work undertaken in 2019/20:**
  In April 2019/20 the Board adopted five system-wide Strategic Objectives. A refreshed Risk Management and Assurance Strategy was introduced incorporating a 'Trust-wide Risk Register' and associated processes.

  The Board Assurance Framework (BAF) was updated to include a summary BAF 'Heatmap' with a corresponding Strategic Risk Register.

KLOE 6: Is appropriate and accurate information being effectively processed, challenged and acted on?

- **Boards response:** To introduce a new Director of Performance post to lead on the implementation of robust business intelligence, ensuring analytical information supports all clinical/business decisions.
- **Underlying principles**: For the post to commence with the Trust's priorities and move to system-wide priorities to support single source data/analysis for the local health system.
- **Work undertaken in 2019/20:**
  The Trust appointed a Director of Performance on 1 September 2019.

  The Director of Performance is the Trust's lead for the Accountability Framework and other associated work detailed in KLOE 5 above.

  In April 2020 the Trust and the Royal Cornwall Hospitals NHS Trust introduced a joint element to their respective Boards' Quality Assurance Committees. The Director of Performance is supporting the development of joint integrated data for the joint meeting, as part of the development of future system-wide data.

KLOE 7: Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services?

- **Boards response:** Creation of an expert stakeholder engagement function to support the organisation.
- **Underlying principles**: to work with partners to ensure the Stakeholder Engagement function is aligned to the whole system.
- **Work undertaken in 2019/20:**
  As part of the refreshed corporate governance meetings structure, two new executive level groups have been identified – Stakeholder Group and Experience of Care Collaborative Group (ECCO).

  Initially the ECCO Group chaired by one of the Trust's non-executive directors has been created and supports the organisation to effectively use patient experience and related themes to improve services and inform service re-design. The group's Terms of Reference include the review of all related national policy and guidance documentation ensuring appropriate action is taken. The group leads on the development of the Trust's Patient Experience and Engagement Strategy, supported by the views of Trust staff and external stakeholders.

  The group receives information to determine the impact on patient experience and engagement; staff experience; identifying emerging themes and trends, and the subsequent required learning to reduce avoidable harm and monitor progress towards improvement.

  The next step will be to introduce the wider Stakeholder Group led by the Managing Director to oversee and support organisation and system stakeholder engagement.

Corporate governance

Condition 4 'NHS Foundation Trust Governance Arrangements' is a core part of the Trust's Provider Licence issued by Monitor (NHS Improvement). In 2019/20 the Trust was fully compliant with and recorded no risks in relation to Condition 4 of its licence, with particular regard to:

- effective governance structures which include Board Assurance Framework reports to the Board of Directors
- Comprehensive reviews of annual and monthly returns to NHS Improvement
- directors and senior managers with clear responsibilities and regular assessment of capacity and capability
- clear reporting lines and accountabilities between the Board of Directors, its committees and the Executive Team
- robust clinical and financial performance reported to the Board of Directors at every meeting

A fundamental part of the Trust's governance structure ensures that all material issues and risks pass through the Executive Management Group before reaching any of the Board-level committees.

On an annual basis the Board of Directors reviews in detail all statements within Condition 4 of its provider licence. The Board considers its compliance against each statement as part of the self-certification process. Evidence to support compliance is discussed as part of the Board's assurance process.

Corporate governance system from April 2020

As part of the action plan from the Board's developmental review of leadership and governance using the Well-Led Framework, the Board approved the implementation of an improved Performance and Accountability Framework and associated corporate governance meetings structure during the year. This refreshed Corporate Governance System commencing in April 2020 is designed to support the delivery of high quality health and care services to the people of Cornwall and the Isles of Scilly, with operational management teams clearly responsible for the delivery of that care.

To support operational management teams, the Corporate Governance System also includes a range of Groups that are responsible for the co-ordination of activities across the Trust in their specialist area. All groups will interpret national requirements and guidance pertinent to their specialist area into a local strategy and policy that can be implemented by operational teams.

This will include, where relevant, the agreement of performance standards and suitable metrics.

The performance of operational teams is assessed through the Trust's Performance and Accountability Framework. Specialist groups will oversee performance metrics in their specialist areas, offering direct support to operational teams, providing input to the performance management work stream and escalating critical concerns to the Executive Management Group as necessary.

The Trust's Performance and Accountability Framework supports exception reporting and strengthens the assurance process to the Board and its committees.

Quality governance

The Trust's quality governance structure supports the delivery of high quality care. This assurance framework delivers the well-led CQC framework and ensures effective communication between frontline services and the Board.

The Trust's Quality Assurance Committee is chaired by a Non-Executive Director and membership consists of three other Non-Executive Directors, the Managing Director, the Joint Interim Medical Directors and Joint Director of Nursing and Allied Health Professionals. This Committee seeks assurance of quality performance and risk, including serious incidents, complaints and investigations and receives assurance against the delivery of the Trust's quality priorities. The Trust's 2019/20 quality priorities reflect our highest reported incidents and themes arising from incidents.

During 2019/20 the Trust introduced Quality Leads across its core clinical areas of adult mental health services, child and adolescent mental health services and its three geographical areas providing adult community services. Quality Leads support and enable excellence within the domains of safety, clinical effectiveness and patient experience.

The Board approved a refreshed Patient Safety Strategy in December 2019 aligned to the National Patient Safety Strategy (July 2019). The Trust's Patient Safety Strategy outlines how the organisation will build on the two foundations of a patient safety culture and a patient safety system, through the three strategic aims of Insight, Involvement and Improvement.

The Trust's Patient Safety Strategy includes an action plan outlining the implementation of the two foundations and three strategic aims.

Risks are actively managed and escalated through operational Clinical Quality Assurance Groups and monitored through the Quality Assurance Committee.

The Trust's Information Team, part of a wider Information Management and Technology (IM&T) Department, governs procedures and practices to ensure good data quality.

Staffing, workforce strategies and safeguards

The Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place to assure the Board of Directors that staffing processes are safe, sustainable and effective. The Trust complies with the developing workforce safeguards and assurance is obtained in a number of ways.

Ways in which develop and assure workforce safeguards

- The Director of Nursing and Allied Health Professionals provides a six-monthly report on ward safe staffing to the Board of Directors.
- Each Board of Directors' meeting receives a Patient Experience, Safety and Quality Report which details incidents, patient experience, safe staffing and care hours per patient per day (CHPPD).
- The electronic e-roster system ensures staff skill mix is attained and the staffing levels of each ward are safe.
- The Trust's Annual Workforce Plan is submitted as part of its Operational Planning submission to NHS Improvement
- The Director of Human Resources and Organisational Development provides a monthly people report to the Performance, Finance and Investment Committee which is a committee of the Board of Directors. This report, including a range of key performance indicators, summarises workforce challenges to the Committee. Additionally, the Human Resources department undertakes monthly reviews of staffing which includes a vacancy review.
- Annual Staff Survey Results.

The Trust recognises it is not possible in the current labour market to simply advertise a vacancy and expect to achieve a high number of quality applications; each vacancy needs to be considered to ensure it is right for the Trust and the in-line with service area workforce plans. For the Trust to be able to both recruit and retain a high quality and agile workforce, flexible working options need to be offered where possible and a variety of contract types utilised to attract the widest possible pool of applicants. Adopting a value-based recruitment process, the Trust aims to ensure its workforce has values in line with those of the organisation.

The Trust's workforce engagement model shown in the diagram below offers a level of flexibility that is of benefit to both the organisation and its staff; it helps support the right fit for home and work-life balance alongside delivering high quality care for our patients. The model supports the employment of staff on full-time, part-time or annualised hours contracts with an allocation to four set zones across the county. Allocation to zones rather than individual wards or service locations is an enabler for the Trust to be able to allocate staff quickly and easily.

CONTRACT OF EMPLOYMENT
For the majority of staff a standard contract of employment will be in place

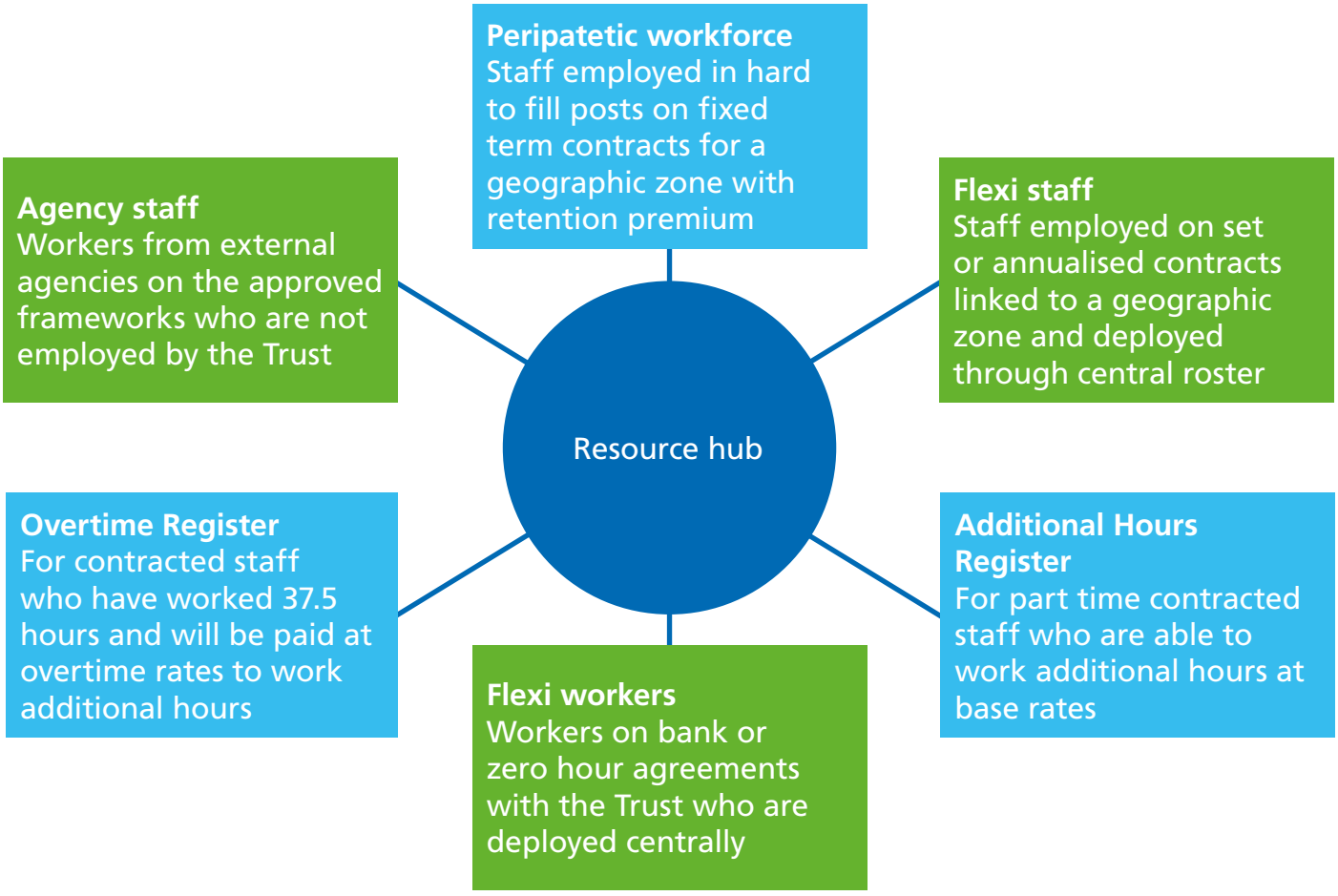
TERMS OF ENGAGEMENT
Our temporary staffing service (bank) staff are registered to work with us without a commitment from either party on number of hours to be worked

HONORARY CONTRACTS
Allows people not employed by our Trust to work within our organisation when employed elsewhere or a student not covered by the LDA

ANNUALISED HOURS
For staff who are contracted and paid a set amount each month for a number of hours to be worked when agreed over the year period. Supports students to study and work with us.

With a flexible and agile workforce in place, staff can be deployed across our clinical areas to support service demands where and when needed. This is facilitated through our Flexible Staffing Team and, for inpatient areas, through central rostering.

The Trust co-ordinates its staffing through a Resource Hub, to ensure the most efficient possible allocation. The diagram below summarises the rostering process once substantive posts have been rostered.



Declarations of Interest

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Pension

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.

Equality and diversity

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Equality impact assessments are carried out when reviewing all Trust policies and procedures.

Sustainable Development Management Plan

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

Information Governance

Information governance relates to the way organisations process and handle information. It covers information relating to both patients and staff along with corporate information and helps ensure information is managed securely and appropriately.

The Trust has a Board-level Senior Information Risk Owner (SIRO) who chairs the Information Governance Steering Group (IGSG) which is responsible for setting the framework for information governance standards and ensuring delivery of action plans to improve compliance. A key part of the Information Governance Steering Group's work is to review compliance against the Data Security and Protection Toolkit, ensuring that evidence is externally assured through audit.

The Information Governance Steering Group meets throughout the year. Members of the Information Governance Steering Group are fully informed of the anticipated levels of compliance with the standards included in the Data Security Protection Toolkit and any areas of identified risk. The Trust's SIRO approves the submission of the Data Security and Protection Toolkit. The Trust's Internal Auditor (ASW Assurance) provides the required audit assurance to the Trust's Information Governance Steering Group.

In 2018/19, the first year of the new Data Security and Protection Toolkit, the Trust achieved an assessment status of 'Standards Met' when it published its submission on 23 March 2019. Due to the COVID-19 situation NHS Digital has deferred the submission of the 2019/20 toolkit until 30 September 2020. At the point the deadline was extended, the Trust was working to finalise the submission and the internal audit was in progress.

Some further work is required in order to achieve full compliance, both in terms of securing outstanding evidence and addressing areas highlighted through audit where the quality of existing evidence needs improvement.

In the coming months, work on the Data Security and Protection Toolkit will concentrate on these areas, ensuring that the submission that is made on 30 September 2020 confirms that all standards have been met.

Until this date the status of the Data Security and Protection Toolkit will remain at the level of the submission made at the end of March 2019.

The diagrams below show the completed status for the Data Security and Protection Toolkit for 2018/19 and compliance with the evidence requirements broken down by each of the 10 National Data Guardian's (NDG) data security standards

Progress

Progress dashboard and reports

100 of 100 mandatory evidence items provided

40 of 40 assertions confirmed

Your assessment status (if you were to publish now)

Standards Met | Publish Assessment

NDG 1: Personal confidential data

100% complete

NDG 2: Staff responsibilities

100% complete

NDG 3: Training

100% complete

NDG 4: Managing data access

100% complete

NDG 5: Process reviews

100% complete

NDG 6: Responding to incidents

100% complete

NDG 7: Continuity planning

100% complete

NDG 8: Unsupported systems

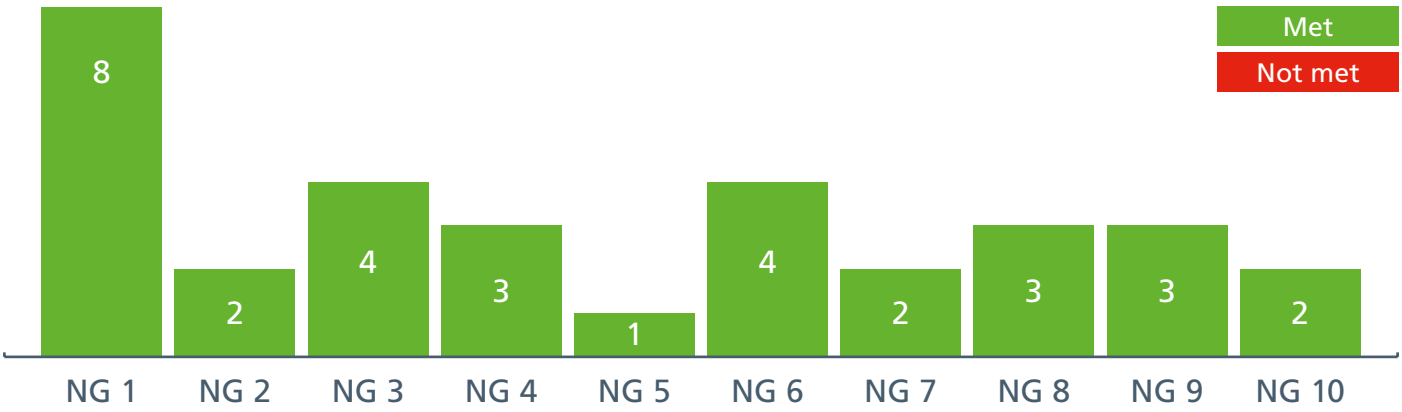
100% complete

NDG 9: IT protection

100% complete

NDG 10: Accountable suppliers

100% complete



All information governance incidents are scored in line with the 'Checklist Guidance for Reporting, Managing and Investigating Information Governance and Cyber Security Serious Incidents Requiring Investigation - February 2015'. With the introduction of the Data Security and Protection Toolkit for 2018/19, there has been a change in the way serious incidents are assessed for notification to the Information Commissioner's Office (ICO) and further escalation to the Department of Health and Social Care. In order to ensure consistency and ease of comparison we have continued to score incidents in line with the previous regime in order to provide an easy comparison.

In the year ended 31 March 2020 there were a total of 320 Information Governance incidents logged. In 2018/19 a total of 373 information governance incidents were logged. This indicates a reduction in incidents in comparison to the previous year. The number of level 1 incidents reported has remained fairly constant with 74 being reported in 2019/20, and 66 reported in 2018/19.

The reporting of the more serious Level 2 incidents has reduced to one in 2019/20 from three being reported in each of the preceding three years. The reduction in incidents, combined with a reduction in the number of serious incidents (level 2), without a reduction in the level 1 incidents, suggests an open, positive reporting culture and improved staff awareness in relation to Information Governance.

The one incident graded at Level 2 was formally reported through the Data Security and Protection Toolkit and notified to the Information Commissioner's Office.

This incident has been investigated by the Trust and the Information Commissioner's Officer is satisfied with the explanation given as to how it arose, the appropriateness of the Trust's current processes, policies and the actions taken to prevent anything similar happening again in the future.

Summary of serious incident requiring investigations involving personal data as reported to the information commissioner's office in 2019-20

- **Date of incident**: August
- **Nature of incident**: Community nurse paperwork returned anonymously having been found in a public place
- **Nature of data Involved**: Paper print-outs with hand annotations
- **Number of data subjects potentially affected**: 16
- **Notification steps**: Apology issued to affected patients
- **Further action on information risk**: Cornwall Partnership NHS Foundation Trust has reviewed the creation and storage of the print-outs and issued specific guidance to all relevant teams about when this information should be created and how it should be stored to ensure that it cannot leave the secure environment of an access controlled office.

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

The Trust operates a comprehensive integrated strategic planning process underpinned by a Financial Governance Framework. The Executive Management Team oversees the delivery of Trust-approved business plans. Clinical area reporting is used pro-actively to identify opportunities for improving efficiency and profitability for each clinical service.

Monthly finance and performance reports are scrutinised by the Board's Performance, Finance and Investments Committee. For the year 2019/20 the Trust delivered 78.5% of its overall target cost improvement plan. Achieved cost improvement plans equated to 3.54% of operating expenditure (£195.9m).

As part of its annual audit the Trust's external auditor is required to satisfy itself that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in its opinion the Trust has not.

Please see 'Review of Effectiveness' later in this section detailing the Board's corporate governance structure.

Data quality and governance

The Trust recognises the central importance of having reliable and timely information, both internally to support delivery of care, operational and strategic management and overall governance, and externally for accountability, commissioning and strategic planning purposes. This importance is reflected in the Trust's Data Quality Policy. This policy is supplemented with service-specific requirements set out in the Operational Policy and Procedures of each service.

The responsibility for accurate and timely recording of patient data rests with all members of staff, particularly those originating records. Data is recorded in as timely a fashion as possible. Staff are trained in the use information systems commensurate with their roles and are given the appropriate training. Instruction is given to staff to ensure that all records are consistent with the NHS Data Dictionary. Regular reports are provided to operational and clinical teams highlighting areas of poor data quality.

The achievement of data quality standards is explicit in the Trust's developing performance and accountability framework, in which data quality targets and standards are set and performance measured. Relevant standards are reported and managed on a monthly basis at individual, team, service and organisational level. The voracity of data is further assessed through discussion at performance review meetings triangulating reported performance with the views of operational and clinical staff, and through comparison with complaints and incidents data, the views of patients.

Routine data quality checks will be run on Mental Health Services Data Sets (MHSDS), Secondary Usage Service (SUS), Payment by Results Data Set, Contracting and Internal Performance Data Sets, Community Services Data Set (CSDS), Monitor Data Set and NHS Benchmarking.

The Trust has extremely limited services to which national Referral To Treatment (RTT) standards apply. The Performance and Information Team regularly samples records to ensure the quality of RTT data. Both Internal and External Audit services undertake periodic assessment of data quality through their scheduled programmes of work.

Review of effectiveness of risk management and internal control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the system of internal control framework.

I have drawn on 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 of Directors, the Audit Committee and the Quality Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Issues identified through the regulatory framework

The Care Quality Commission (CQC) is the independent regulator of health and adult social care in England. The Trust is subject to the CQC's inspection regime and in July 2019 the outcome of the Trust's CQC inspection held in the spring of 2019 was published. This saw an improvement in the Trust's overall rating from 'Requires Improvement' to 'Good' and the staff continued to be rated as 'Outstanding' for caring. Eight 'Requirement Notices' were issued over four core services, of which three were significantly concerning and resulted in the serving of a Section 29A Warning Notice to the mid and east community Child and Adolescent Mental Health Services (CAMHS).

The Trust undertook immediate action, underpinned by a robust plan, to ensure remedial work was carried out. Seven of the eight requirement notices have since been formally closed with CQC. CQC inspectors revisited the Trust in October 2019 to carry out an unannounced focussed inspection of the community CAMHS as a direct response to the Section 29A Warning Notice. The subsequent report noted that the "Trust had met all the requirements of the warning notice" resulting in this being removed.

As part of CQC regulatory monitoring, a number of mental health inpatient units have undergone unannounced Mental Health Act Reviews, including the Sowenna Unit for children and young people. These reviews resulted in a number of suggested actions which need to be taken to ensure compliance with the Mental Health Code of Practice and work is currently underway to complete these.

COVID-19 has impacted on the timetable for the 2019/20 submission of the Routine Provider Information Request, an annual submission of qualitative and quantitative data to the CQC. The CQC has notified that their routine inspection programme has been stood down.

The Trust's registration with the CQC is reviewed on an annual basis, or as service changes are made.

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

Issues identified through the work of internal audit

The work of internal audit is a key source of assurance on the operation of the Trust's system of internal control. In 2019/20 assurances were assessed under the main categories of:

- governance and risk assurance
- financial controls assurance
- clinical governance assurance
- information management and technology assurance

The Trust's internal auditor works closely with Executive Directors to develop the Trust's internal audit plan for the year. The Audit plan is aligned with the Board Assurance Framework and is overseen by the Director of Finance and approved by the Trust's Audit Committee.

Any 'limited assurance' audit reports received from ASW Assurance are subject to an enhanced assurance process overseen by the Audit Committee. The process commences with the Lead Executive Director presenting the audit findings to the Committee alongside their associated action plan. The Committee agrees an ongoing timetable with the Lead Executive Director to receive further updates until all actions are completed. For the year ending 31 March 2020 the Trust received one limited assurance audit report relating to Community Mental Health Teams Data Quality. The Managing Director as the Lead Executive attended the Audit Committee in September 2019 to present the audit report and an action plan to address the 8 recommendations.

The recommendations included ensuring the effective completion of social inclusion records; the introduction of checklists relating to data required to be captured; the introduction of mandatory fields within data entry forms; the addition of social inclusion data sets into performance reporting; a review of the recording guidance for administrative staff; a review of capacity within teams; and consideration of the introduction of a Quality Lead for the service to manage a regular programme of spot checks. In January 2020 the Managing Director provided an update to the Audit Committee and confirmed that all actions had been completed.

Recommendations from all internal audit reports are addressed by lead individuals and overseen by an Executive Director Sponsor. The Audit Committee receives a report at each of its meetings detailing the progress against recommendations.

For the year ended 31 March 2020 the organisation received an overall opinion of 'significant assurance' from its internal auditor.

Board of Directors and its committee structure

The Board of Directors ensures the effectiveness of the system of internal control through clear accountability and reporting arrangements. Details of the Board of Directors' Committee structure and attendance at meetings is set out earlier in this section. Terms of Reference identify each committee's responsibilities and are reviewed annually. The Board of Directors' meeting and all Board committees have a schedule of reports assessed to ensure relevant information is received by each Committee in order for the discharge of duties. The Trust has clear reporting lines and accountabilities throughout the organisation.

The Board's Audit Committee is accountable to the Board of Directors for reviewing the establishment and maintenance of an effective system of internal control and risk management. The Committee meets at least five times per year. The Audit Committee approves the annual audit plans for internal and external audit activities and ensures that recommendations to improve weaknesses in control arising from individual audits are passed to the relevant Board Committees to seek further assurance that actions are delivered by management.

On behalf of the Board of Directors, the Quality Assurance Committee oversees all clinical quality governance and information governance issues. It ensures robust systems

and processes are in place, including monitoring of action plans following issues of concern. The Quality Assurance Committee regularly receives reports and risk registers from the Trust's clinical service lines, and the Trust's clinical audit plan and clinical audit reports. The Committee receives regular assurance of the delivery of action plans associated with issues raised as part of the Care Quality Commission inspection regime.

The Board of Directors' Performance, Finance and Investments Committee receives finance, operational and workforce performance reports. The Committee seeks assurance of the management and monitoring of compliance against contractual and national targets and financial performance against the Trust's financial plans.

On behalf of the Board Directors, as Trustees of the organisation's charitable fund, the Board's Charitable Funds Committee oversees all related governance and through delegation from the Board of Directors approves expenditure up to £25,000.

The Board's Mental Health Act Committee seeks assurance of the procedures, practice and administration of the Mental Health Act 1983 to ensure the Hospital Managers' meet their statutory duties/responsibilities. The Committee seeks assurance that the Trust meets its statutory duties in relation to the Mental Capacity Act 2005 and the Deprivation of Liberty Safeguards (DOLS).

The Board's Remuneration and Terms of Service Committee is responsible for managing the appointment of Executive Directors and their remuneration and terms of service. The Committee reviews the Board's composition, diversity, size and structure at each meeting.

The Board of Directors approves strategic plans and individual strategies. The Board's Quality Assurance Committee and Performance Finance and Investment Committee monitor the delivery of strategies on behalf of the Board. The Board ensures all major investments are robust, viable and consistent with the Trust's vision and strategic objectives.

Conclusion

No significant internal control issues have been identified.

Phillip Confue, Chief Executive
25 June 2020

04 Finance report

Consolidated accounts for the 12 months ended 31 March 2020

Foreword to the consolidated accounts

These accounts for the 12 months ended 31 March 2020 have been prepared by Cornwall Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of schedule 7 to the NHS Act 2006 and comply with the guidance for NHS Foundation Trusts within the Department of Health and Social Care Group Accounting Manual.

Signed:

Phillip Confue - Chief Executive
25 June 2020

Independent auditor's report to the Board of Governors and Board of Directors of Cornwall Partnership NHS Foundation Trust

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Cornwall Partnership NHS Foundation Trust (the 'foundation trust') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and foundation trust's affairs as at 31 March 2020 and of the group's and foundation trust's income and expenditure for the year then ended
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts
- have been prepared in accordance with the requirements of the National Health Service Act 2006

We have audited the financial statements which comprise the:

- group and foundation trust statements of comprehensive income.
- group and foundation trust statements of financial position.
- group and foundation trust statements of cash flow.
- group and foundation trust statements of changes in taxpayers' equity.
- related notes 1 to 34

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

2. Basis for opinion

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

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- recognition of NHS Revenue
- property valuations

Within this report, key audit matters are identified as follows:


Newly identified


Increased level of risk


Similar level of risk


Decreased level of risk

Materiality
The materiality that we used for the group financial statements was £4.04m which was determined on the basis of 2% of revenue.

Scoping
The scope of the audit is in line with the Code of Audit Practice issued by the National Audit Office.

Audit work to respond to the risk of material misstatement was performed directly by the group audit engagement team.

Significant changes in our approach
There has been no significant change in our approach from the prior year.

4. Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

We have nothing to report in respect of these matters.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recognition of NHS Revenue

Key audit matter description
There is a risk in relation to the recognition of NHS revenue where cash has not been received by the year end specifically income relating to the Provider Sustainability Fund as this relies on the foundation trust achieving their control total. The achievement of the control total can be influenced by management's judgement and estimates, particularly in relation to provisions (including the allowance for impaired receivables) and useful economic lives of fixed assets.

Details of the group's revenue, including £2.3m (2018/19: £3.2m) of Provider Sustainability Fund income and £189.2m (2018/19: £174.1m) of Commissioner Requested Services, are shown in notes 2.1 and 2.3 to the financial statements respectively. NHS receivables are shown in note 11.1 to the financial statements. The revenue accounting policy is shown in note 1.6 to the financial statements.

How the scope of our audit responded to the key audit matter
We obtained an understanding of relevant controls in relation to the foundation trust's monitoring of the achievement of the control total throughout the year.

We tested the completeness of the allowance for impaired receivables by performing procedures to identify debtors over 90 days old and evaluating the rationale for whether or not the balances had been provided for, along with evaluating the results of the

agreement of balances exercise. We tested the completeness of other provisions through undertaking procedures to identify whether any further potential liabilities existed as at 31 March 2020. We have considered the UELs of properties by using information such as the Valuer's report and undertaking a review of changes in UELs from the prior year.

Key observations
Based on the audit evidence obtained, we conclude that NHS revenue is appropriately recognised, and we concur with management's judgements in relation to the allowance for impaired receivables.

5.2. Property valuations

Key audit matter description
As disclosed in notes 1.9, 8.1 and 8.2 to the financial statements, the group holds property assets within Property, Plant and Equipment at a modern equivalent asset valuation for specialised assets or market value for non-specialised assets of £49m at 31 March 2020 (2018/19: £43m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.

As detailed in note 1.5.2, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19.

How the scope of our audit responded to the key audit matter
We obtained an understanding of relevant controls over property valuations, and tested the accuracy and completeness of data provided by the group to the valuer.
We worked with Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the group's properties.

We have reviewed the disclosures in notes 1.9 and 8.1 and 8.2 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.

We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.

Key observations
While we note the increased estimation uncertainty in relation to the property valuation as a result of COVID-19, and as disclosed in note 1.5.2, we conclude that the valuation of the group's property is appropriate.

6. Our application of materiality

Materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Foundation Trust financial statements
Materiality	£4.04m (2018/19: £3.72m)	£4.00m (2018/19: £3.68m)
Basis for determining materiality	2% of group revenue (2018/19: 2% of group revenue)	2% of revenue capped at 99% of group materiality (2018/19: 2% of revenue capped at 99% of group materiality)

Rationale for the benchmark applied

Revenue was chosen as a benchmark for both the group and the foundation trust, on the basis that both components are non-profit organisations and revenue is a key measure of financial performance for users of the financial statements.

Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 75% of materiality for the 2019/20 audit (2018/19: 75%). In determining performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the foundation trust's overall control environment
- our past experience of the audit, which has indicated a low number of correct and uncorrected misstatements identified in the prior period

Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.199m (2018/19: £0.184m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including internal control, and assessing the risks of material misstatement at the group level. The group consists of Cornwall Partnership NHS Foundation Trust and its subsidiary Cornwall Partnership NHS Foundation Trust Charitable Fund (Charitable Fund).

Audit work to respond to the risk of material misstatement was performed directly by the group audit engagement team, focussing on the foundation trust.

At the group level we carried out analytical procedures to conclude that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or specified audit procedures.

8. Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the

annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

9. Responsibilities of accounting officer

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

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the foundation trust or to cease operations, or has no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements

12. Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit
- the foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- proper practices have not been observed in the compilation of the financial statements

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- 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
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency

We have nothing to report in respect of these matters.

13. Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

14. Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Cornwall Partnership NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Howse (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom
25 June 2020

Statement of comprehensive income for the year ended 31 March 2020

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Operating income from patient care activities		186,683	171,736	186,683	171,736
Other operating income		15,262	14,286	14,723	14,239
Operating income from continuing operations	2.1	201,945	186,022	201,406	185,975
Operating expenses from continuing operations	3.1	(196,093)	(177,470)	(195,994)	(177,412)
Operating surplus		5,852	8,552	5,412	8,563
Finance costs					
Finance income	5.1	263	217	259	209
Finance expense	5.2	(2,321)	(2,310)	(2,321)	(2,310)
PDC dividends payable		(936)	(567)	(936)	(567)
Net finance costs		(2,994)	(2,660)	(2,998)	(2,668)
Gains/(losses) on disposal of assets	5.3	9	0	9	0
Share of profit/(loss) of associates/joint ventures		0	0	0	0
Gain/(loss) from transfer by absorption		0	0	0	0
Corporation tax expense		0	0	0	0
Surplus/(Deficit) from continuing operations		2,867	5,892	2,423	5,895
Surplus/(Deficit) from discontinued operations		0	0	0	0
Surplus/(Deficit) for the period		**2,867**	**5,892**	**2,423**	**5,895**
Other comprehensive income					
will not be reclassified to income and expenditure					
Impairments		(331)	(68)	(331)	(68)
Revaluations		654	3,969	654	3,969
Share of comprehensive income from associates and joint ventures		0	0	0	0
Fair value gains/(losses) on equity instruments designated at fair value through other comprehensive income		0	0	0	0
Other recognised gains and losses		0	0	0	0
Re-measurements of net defined benefit pension scheme liability/asset		0	0	0	0
Other reserve movements		0	0	0	0

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
May be reclassified to income and expenditure when certain conditions are met:					
Fair value gains/(losses) on financial assets mandated at FV through OCI		0	0	0	0
Recycling gains/(losses) on disposal of financial assets mandated at FV through OCI		0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI		0	0	0	0
Total other comprehensive income for the period		**323**	**3,901**	**323**	**3,901**
Total comprehensive income/(expense) for the period		**3,190**	**9,793**	**2,746**	**9,796**

Surplus/ (deficit) for the period attributable to:					
Non-controlling interest		0	0	0	0
Owners of the parent		2,867	5,892	2,423	5,895
Total		**2,867**	**5,892**	**2,423**	**5,895**

Total comprehensive income/ (expense) for the period attributable to:					
Non-controlling interest		0	0	0	0
Owners of the parent		3,190	9,793	2,746	9,796
Total		**3,190**	**9,793**	**2,746**	**9,796**

The notes on pages 146 to 223 form part of these accounts.

Statement of financial position as at 31 March 2020

Description	Notes	31/03/20 Group £000	31/03/19 Group £000	31/03/20 FT only £000	31/03/19 FT only £000
Non-current assets					
Intangible assets	7.1	2,962	2,457	2,962	2,457
Property, plant and equipment	8.1	53,392	53,384	53,392	53,384
Investment property		0	0	0	0
Investment in associates (and jointly controlled operations)		0	0	0	0
Other investments/financial assets	28	0	0	0	0
Trade and other receivables	11.1	1,108	0	1,108	0
Other assets	12	0	0	0	0
Total non-current assets		57,462	55,841	57,462	55,841
Current assets					
Inventories	10.1	29	42	29	42
Trade and other receivables	11.1	13,016	8,834	12,987	8,876
Other investments/financial assets	28	40	42	0	0
Other assets	12	0	0	0	0
Non-current assets for sale and assets in disposal groups	9.1	542	542	542	542
Cash and cash equivalents	21	41,215	37,642	39,840	36,702
Total current assets		54,842	47,102	53,398	46,162
Current liabilities					
Trade and other payables	13.1	(23,346)	(16,278)	(23,286)	(16,278)
Borrowings	15	(1,054)	(980)	(1,054)	(980)
Other financial liabilities	29	0	0	0	0
Provisions	19.1	(1,202)	(1,211)	(1,202)	(1,211)
Other liabilities	14	(1,190)	(1,614)	(1,190)	(1,614)
Liabilities in disposal groups	9.1	0	0	0	0
Total current liabilities		(26,792)	(20,083)	(26,732)	(20,083)
Total assets less current liabilities		**85,512**	**82,860**	**84,128**	**81,920**
Non-current liabilities					
Trade and other payables	13.1	0	0	0	0
Borrowings	15	(10,750)	(11,803)	(10,750)	(11,803)
Other financial liabilities	29	0	0	0	0
Provisions	19.1	(4,878)	(4,793)	(4,878)	(4,793)

Description	Notes	31/03/20 Group £000	31/03/19 Group £000	31/03/20 FT only £000	31/03/19 FT only £000
Other liabilities	14	0	0	0	0
Total non-current liabilities		(15,628)	(16,596)	(15,628)	(16,596)
Total assets employed		**69,884**	**66,264**	**68,500**	**65,324**

Financed by:					
Taxpayers' equity					
Public dividend capital		13,074	12,644	13,074	12,644
Revaluation reserve	20	22,326	22,003	22,326	22,003
Financial assets at fair value through OCI reserve		0	0	0	0
Other reserves		0	0	0	0
Merger reserve		0	0	0	0
Income and expenditure reserve		33,100	30,677	33,100	30,677
Others' equity					
Non-controlling interest		0	0	0	0
Charitable fund reserves		1,384	940	0	0
Total taxpayers' equity		**69,884**	**66,264**	**68,500**	**65,324**

The financial statements on pages 130 to 223 were approved by the Board on 25 June 2020 and signed on its behalf by:

Phillip Confue - Chief Executive
25 June 2020

Statement of changes in equity - group

Changes in taxpayers' equity for 2019/20

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019		940	0	12,644	22,003	0	0	0	30,677	66,264
Impact of implementing IFRS 15 on opening reserves		0	0	0	0	0	0	0	0	0
Impact of implementing IFRS 9 on opening reserves		0	0	0	0	0	0	0	0	0
At start of period for new FTs		0	0	0	0	0	0	0	0	0
Surplus/(deficit) for the year		592	0	0	0	0	0	0	2,275	2,867
Transfers by normal absorption: transfers between reserves		0	0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves for charitable funds		0	0	0	0	0	0	0	0	0
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits	20.1	0	0	0	0	0	0	0	0	0
Transfers between reserves		0	0	0	0	0	0	0	0	0
Impairments	20.1	0	0	0	(331)	0	0	0	0	(331)
Revaluations - property, plant and equipment	20.1	0	0	0	654	0	0	0	0	654
Revaluations - intangible assets		0	0	0	0	0	0	0	0	0
Revaluations and impairments- charitable funds		0	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets		0	0	0	0	0	0	0	0	0

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Share of comprehensive income from associates and joint ventures		0	0	0	0	0	0	0	0	0
Fair value gains/ (losses) on financial assets mandated at FV through OCI		0	0	0	0	0	0	0	0	0
Fair value gains/(losses) on equity instruments designated at FV through OCI		0	0	0	0	0	0	0	0	0
Recycling gains/(losses) on available-for-sale financial investments mandated at FV through OCI		0	0	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI		0	0	0	0	0	0	0	0	0
Other recognised gains and losses		0	0	0	0	0	0	0	0	0
Re-measurements of defined net benefit pension scheme liability / asset		0	0	0	0	0	0	0	0	0
Public Dividend Capital received		0	0	430	0	0	0	0	0	430
Public Dividend Capital repaid		0	0	0	0	0	0	0	0	0
Public Dividend Capital written off		0	0	0	0	0	0	0	0	0
Other movements in PDC in year		0	0	0	0	0	0	0	0	0
Reserves eliminated on dissolution		0	0	0	0	0	0	0	0	0
Other reserve movements		0	0	0	0	0	0	0	0	0

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Other reserve movements - charitable funds consolidation adjustment		(148)	0	0	0	0	0	0	148	0
Transfer to FT upon authorisation		0	0	0	0	0	0	0	0	0
Taxpayers' equity at 31 March 2020 Group		**1,384**	**0**	**13,074**	**22,326**	**0**	**0**	**0**	**33,100**	**69,884**

Changes in taxpayers' equity for 2018/19

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018		943	0	9,255	18,102	0	0	0	24,782	53,082
Surplus for the year		171	0	0	0	0	0	0	5,721	5,892
Transfers by modified absorption: gains/ (losses) on 1 April transfers from demising bodies.		0	0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves		0	0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves (charitable fund)		0	0	0	0	0	0	0	0	0
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits	20.1	0	0	0	0	0	0	0	0	0

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Transfers between reserves		0	0	0	0	0	0	0	0	0
Impairments	20.1	0	0	0	(68)	0	0	0	0	(68)
Revaluations - property, plant and equipment	20.1	0	0	0	3,969	0	0	0	0	3,969
Revaluations - intangible assets		0	0	0	0	0	0	0	0	0
Revaluations and impairments- charitable fund assets		0	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets		0	0	0	0	0	0	0	0	0
Share of comprehensive income from associates and joint ventures		0	0	0	0	0	0	0	0	0
Fair Value gains/(losses) on Available-for-sale financial investments		0	0	0	0	0	0	0	0	0
Recycling gains/(losses) on Available-for-sale financial investments		0	0	0	0	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly in OCI		0	0	0	0	0	0	0	0	0
Other recognised gains and losses		0	0	0	0	0	0	0	0	0
Re-measurements of defined net benefit pension scheme liability / asset		0	0	0	0	0	0	0	0	0
Public Dividend Capital received		0	0	3,389	0	0	0	0	0	3,389
Public Dividend Capital repaid		0	0	0	0	0	0	0	0	0
Public Dividend Capital written off		0	0	0	0	0	0	0	0	0

	Notes	NHS Charitable Funds reserves	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Other movements in PDC in year		0	0	0	0	0	0	0	0	0
Reserves eliminated on dissolution		0	0	0	0	0	0	0	0	0
Other reserve movements		0	0	0	0	0	0	0	0	0
Other reserve movements - charitable funds consolidation adjustment		(174)	0	0	0	0	0	0	174	0
Transfer to FT upon authorisation		0	0	0	0	0	0	0	0	0
Taxpayers' equity at 31 March 2019 Group		**940**	**0**	**12,644**	**22,003**	**0**	**0**	**0**	**30,677**	**66,264**

Information on reserves

NHS Charitable Funds Reserves

This reserve comprises the ring-fenced funds held by the NHS Charitable Funds consolidated within these accounts. These reserves are classified as restricted or unrestricted.

Public Dividend Capital (PDC)

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. Additional PDC may also be issued to Foundation Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Foundation Trust, is payable to the Department of Health and Social Care as the PDC dividend.

Revaluation Reserve

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

Income and Expenditure Reserve

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

Statement of changes in equity - FT only

Changes in taxpayers' equity for 2019/20

	Notes	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019		0	12,644	22,003	0	0	0	30,677	65,324
Impact of implementing IFRS 15 on opening reserves		0	0	0	0	0	0	0	0
Impact of implementing IFRS 9 on opening reserves		0	0	0	0	0	0	0	0
At start of period for new FTs		0	0	0	0	0	0	0	0
Surplus/(deficit) for the year		0	0	0	0	0	0	2,275	2,275
Transfers by normal absorption: transfers between reserves		0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves for charitable funds		0	0	0	0	0	0	0	0
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits	20.1	0	0	0	0	0	0	0	0
Transfers between reserves		0	0	0	0	0	0	0	0
Impairments	20.1	0	0	(331)	0	0	0	0	(331)
Revaluations - property, plant and equipment	20.1	0	0	654	0	0	0	0	654
Revaluations - intangible assets		0	0	0	0	0	0	0	0
Revaluations and impairments-charitable funds		0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets		0	0	0	0	0	0	0	0
Share of comprehensive income from associates and joint ventures		0	0	0	0	0	0	0	0
Fair value gains/(losses) on financial assets mandated at FV through OCI		0	0	0	0	0	0	0	0

	Notes	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Fair value gains/(losses) on equity instruments designated at FV through OCI		0	0	0	0	0	0	0	0
Recycling gains/(losses) on available-for-sale financial investments mandated at FV through OCI		0	0	0	0	0	0	0	0
Foreign exchange gains/ (losses) recognised directly in OCI		0	0	0	0	0	0	0	0
Other recognised gains and losses		0	0	0	0	0	0	0	0
Re-measurements of defined net benefit pension scheme liability / asset		0	0	0	0	0	0	0	0
Public Dividend Capital received		0	430	0	0	0	0	0	430
Public Dividend Capital repaid		0	0	0	0	0	0	0	0
Public Dividend Capital written off		0	0	0	0	0	0	0	0
Other movements in PDC in year		0	0	0	0	0	0	0	0
Reserves eliminated on dissolution		0	0	0	0	0	0	0	0
Other reserve movements		0	0	0	0	0	0	0	0
Other reserve movements - charitable funds consolidation adjustment		0	0	0	0	0	0	148	148
Transfer to FT upon authorisation		0	0	0	0	0	0	0	0
Taxpayers' equity at 31 March 2020 FT Only		**0**	**13,074**	**22,326**	**0**	**0**	**0**	**33,100**	**68,500**

Changes in taxpayers' equity for 2018/19

	Notes	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018		0	9,255	18,102	0	0	0	24,782	52,139
Surplus/(deficit) for the year		0	0	0	0	0	0	5,721	5,721
Transfers by modified absorption: Gains/(losses) on 1 April transfers from demising bodies.		0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves		0	0	0	0	0	0	0	0
Transfers by absorption: transfers between reserves (charitable fund)		0	0	0	0	0	0	0	0
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits	20.1	0	0	0	0	0	0	0	0
Transfers between reserves		0	0	0	0	0	0	0	0
Impairments	20.1	0	0	(68)	0	0	0	0	(68)
Revaluations - property, plant and equipment	20.1	0	0	3,969	0	0	0	0	3,969
Revaluations - intangible assets		0	0	0	0	0	0	0	0
Revaluations and impairments- charitable funds		0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets		0	0	0	0	0	0	0	0
Share of comprehensive income from associates and joint ventures		0	0	0	0	0	0	0	0
Fair value gains/(losses) on available-for-sale financial investments		0	0	0	0	0	0	0	0

	Notes	Non-controlling interest	Public dividend capital (PDC)	Revaluation reserve	Financial assets at FV through OCI reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Recycling gains/(losses) on available-for-sale financial investments		0	0	0	0	0	0	0	0
Foreign exchange gains/ (losses) recognised directly in OCI		0	0	0	0	0	0	0	0
Other recognised gains and losses		0	0	0	0	0	0	0	0
Re-measurements of defined net benefit pension scheme liability / asset		0	0	0	0	0	0	0	0
Public Dividend Capital received		0	3,389	0	0	0	0	0	3,389
Public Dividend Capital repaid		0	0	0	0	0	0	0	0
Public Dividend Capital written off		0	0	0	0	0	0	0	0
Other movements in PDC in year		0	0	0	0	0	0	0	0
Reserves eliminated on dissolution		0	0	0	0	0	0	0	0
Other reserve movements		0	0	0	0	0	0	0	0
Other reserve movements - charitable funds consolidation adjustment		0	0	0	0	0	0	174	174
Transfer to FT upon authorisation		0	0	0	0	0	0	0	0
Taxpayers' equity at 31 March 2019 FT Only		**0**	**12,644**	**22,003**	**0**	**0**	**0**	**30,677**	**65,324**

Statement of cash flows for the year ended 31 March 2020

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Cash flows from operating activities					
Operating surplus/(deficit) from continuing operations		5,852	8,552	5,412	8,563
Operating surplus/(deficit) from discontinued operations		0	0	0	0
Operating surplus		**5,852**	**8,552**	**5,412**	**8,563**
Non cash income and expense					
Depreciation and amortisation	3.1	2,052	2,256	2,052	2,256
Impairments and reversals	3.1	3,389	504	3,389	504
Income recognised in respect of capital donations (cash and non-cash)	2.1	(31)	(47)	(110)	(47)
Amortisation of PFI deferred income/ credit		0	0	0	0
On SoFP Pension liability - employer contributions paid less net charge to the SOCI		0	0	0	0
(Increase)/Decrease in Receivables		(5,384)	1,720	(5,338)	1,674
(Increase)/Decrease in Other Assets		0	0	0	0
(Increase)/Decrease in Inventories		13	(6)	13	(6)
Increase/(Decrease) in Trade and Other Payables		6,897	786	6,897	786
Increase/(Decrease) in Other Liabilities		(424)	1,132	(424)	1,132
Increase/(Decrease) in Provisions		62	(107)	62	(107)
Movements in charitable fund working capital		35	(14)	0	0
Tax (paid)/received		0	0	0	0
Movements in operating cash flow of discontinued operations		0	0	0	0
NHS charitable funds: other movements in operating cash flows		0	0	0	0
Other movements in operating cash flows		0	0	0	0
Net cash generated from/(used in) operations		**12,461**	**14,776**	**11,953**	**14,755**

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Cash flows from investing activities					
Interest received	5.1	259	209	259	209
Purchase of financial assets/investments		0	0	0	0
Proceeds from sales/settlements of financial assets/investments		0	0	0	0
Purchase of intangible assets		(676)	(645)	(676)	(645)
Proceeds from sales of intangible assets		0	0	0	0
Purchase of property, plant and equipment and investment property		(6,401)	(9,657)	(6,401)	(9,657)
Proceeds from sales of property, plant and equipment and investment property *		1,566	0	1,566	0
Receipt of cash donations to purchase capital assets		31	47	110	47
Prepayment of PFI capital contributions (cash payments)		0	0	0	0
NHS charitable funds: net cash flows from investing activities		6	4	0	0
Cash flows attributable to investing activities of discontinued operations		0	0	0	0
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)		0	0	0	0
Cash movement from disposals of business units and subsidiaries (not absorption transfers)		0	0	0	0
Net cash used by investing activities		**(5,215)**	**(10,042)**	**(5,142)**	**(10,046)**

Cash flows from financing activities					
Public dividend capital received		430	3,389	430	3,389
Public dividend capital repaid		0	0	0	0
Movement in loans received from the Department of Health and Social Care		0	0	0	0
Movement in other loans		0	0	0	0
Other capital receipts		0	0	0	0
Capital element of finance lease rental payments		0	0	0	0
Capital element of PFI, LIFT and other service concession arrangements		(979)	(911)	(979)	(911)
Interest on DHSC loans		0	0	0	0
Interest on other loans		0	0	0	

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Other interest (e.g. overdrafts)		0	0	0	0
Interest element of finance lease		0	0	0	0
Interest element of PFI, LIFT and other service concession arrangements	5.2	(2,307)	(2,305)	(2,307)	(2,305)
PDC dividend (paid)/refunded		(817)	(565)	(817)	(565)
Cash flows attributable to financing activities of discontinued operations		0	0	0	0
NHS Charitable funds - net cash flows from financing activities		0	0	0	0
Cash flows from/(used in) other financing activities		0	0	0	0
Net cash used in financing activities		**(3,673)**	**(392)**	**(3,673)**	**(392)**

Cash and cash equivalents					
Net increase/(decrease) in cash and cash equivalents		3,573	4,342	3,138	4,317
Cash and cash equivalents at 1 April 2019		37,642	33,300	36,702	32,385
Cash and cash equivalents at start of period for new FTs		0	0	0	0
Cash and cash equivalents transferred by absorption		0	0	0	0
Unrealised gains/(losses) on foreign exchange		0	0	0	0
Cash transferred to NHS foundation trust upon authorisation as FT		0	0	0	0
Cash and cash equivalents at 31 March 2020	**21**	**41,215**	**37,642**	**39,840**	**36,702**

* Includes £1,499,000 in relation to telephony infrastructure where the proceeds will be realised through a finance lease to another NHS body.

Notes to the accounts

1. Reporting entity

Cornwall Partnership NHS Foundation Trust is a public benefit corporation authorised under the National Health Service Act 2006 on 1 March 2010.

The Trust's headquarters address is:

Cornwall Partnership NHS Foundation Trust
Head Office
Carew House
Beacon Technology Park
Dunmere Road
Bodmin PL31 2QN

The Trust's principal business is the provision of mental health services, learning disability services and community services to Cornwall and the Isles of Scilly.

The Trust's ultimate controlling entity is the Department of Health and Social Care.

1.1 Accounting policies and accounting convention

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 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

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

1.2 Going concern

These accounts have been prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of a financial provision for that service in published documents.

In respect of the financial impact of COVID-19 a process has been established by NHS Improvement whereby genuine and necessary costs relating to COVID-19 will be reimbursed to Trusts. In accordance with the national process the Trust submitted a claim for costs of £521,000 and has received confirmation that funding will be received to cover these costs. This income has been accrued in these accounts in accordance with national guidance.

1.3 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to another entity,

or transfer to an entity outside the boundary of Whole Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS5. Activities that are transferred to other bodies within the boundary of Whole Government Accounts are "machinery of government changes" and treated as continuing operations.

1.4 Restatement of comparatives in respect of discontinued operations

Where operations are disclosed as discontinued in year comparatives have to be provided reflecting the financial performance of those operations in the prior year. This means that in the comparative figures amounts will be reclassified from continuing operations to discontinued operations.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5.1 Critical judgements in applying accounting policies

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

Operating leases
The Trust has appraised the leases that it holds and has judged them to be operating leases. This has the effect that none of them are therefore included within assets, and expenses are recognised as incurred.

PFI schemes
The Trust's PFI contracts have been assessed against the requirements of IFRIC 12 to determine whether the underlying PFI assets and liabilities should be treated as On Statement of Financial Position (On SoFP) or Off Statement of Financial Position (Off SoFP). The Trust has determined that its PFI assets and liabilities should be accounted for On SoFP principally because of the degree of control exercised by the Trust over the assets and the fact that the residual assets revert to the Trust at the end of the PFI project agreement. Having determined the accounting treatment the Trust has used the cost model provided by the operator to calculate the value of the PFI assets and the corresponding financial liabilities to be brought on to the SoFP. It has further used the period of the lease to calculate depreciation since 2002-03. The underlying asset values and economic lives were restated by the District Valuer as at 1 April 2009 and these values were used for the 2008/09 accounts restatement by Cornwall Partnership NHS Trust, on an IFRS basis. PFI asset valuations have been reviewed further by the District Valuer as at 31 March 2020. The Trust's accounting policy in respect of PFI schemes is described more fully at note 1.10.

1.5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Asset valuation
The Trust's property assets have been professionally valued as at 31 March 2020 in accordance with the Trust's accounting policy. Property valuation techniques include an inherent element of estimation; in particular specialised assets that have no active market require valuation based on assessing the likely replacement cost of an asset. Future property values will be influenced by factors such as construction costs and developments in healthcare technology. Future asset values will inevitably fluctuate but the Trust mitigates against material correcting adjustments by commissioning regular professional asset valuation reviews. Accounting policy note 1.9 provides further detail on the Trust's asset valuation accounting policy.

Asset valuation - impact of COVID-19
The valuation exercise was carried out in February 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ("Red Book"), the valuer has declared a "material valuation uncertainty" in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Of the £49,637,000 net book value of land and buildings subject to valuation, £43,154,000 relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced. It is possible that the COVID-19 pandemic will effect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

PFI schemes
The Trust has calculated the Bodmin and Longreach PFI Schemes' entries using details from the operators' models. These models were devised before the schemes started: in this case these models date between 2002 to 2033, and therefore they include certain elements of estimation on their part of the costs involved. Our calculation of the entries is in line with Department of Health and Social Care guidelines. The outstanding PFI borrowings are disclosed at note 15 to these accounts.

Assessment of liabilities
As detailed in note 19 the Trust has made provision for its best estimate of property liabilities enforceable under contractual terms. The Trust has engaged a firm of surveyors with expertise in this area to provide an informed estimate of the liability.

Early retirement provisions and injury benefit provisions
Early retirement provisions and injury benefit provisions (see note 19) are calculated using estimation techniques employed by the NHS Pensions Agency. The NHS Pensions Agency provides estimates of beneficiaries' remaining lives which inform the total value of the provision necessary.

1.6 Income

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).

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.

A receivable is recognised when the services are delivered as this is the point in time that the consideration is unconditional. Where the Trust has agreed a block contract with a Commissioner then the standard terms are that payment is due in monthly installments by the 15th of each month. For other contracts the Trust's standard terms are that payment is due within 30 days of issuing a valid invoice.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for healthcare services. A performance obligation relating to delivery of a spell of healthcare is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to the 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. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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 performance obligations are satisfied. In practical terms this means that treatment has been given, 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.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Grants and donations

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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 from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

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.

1.7 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments 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. Both schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Trust is taken as equal to the Employers pension cost contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.8 Expenditure on other goods and services

Expenditure on goods and services is recognised when incurred, 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.

1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

All property, plant and equipment are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at the depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis

assumes that the asset will be replaced with a modern asset of equivalent capacity and 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 but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at current value in existing use. Assets are revalued and depreciation commences when they 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.

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

An item of property, plant and equipment which is surplus, with no plan to bring it into use, is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets under construction are not depreciated until the asset is 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 expenditure.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the Department of Health and Social Care Group Accounting Manual, impairments that arise from a clear consumption of economic benefits or 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; or (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 service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversal 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 sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

Accumulated revaluation surpluses held within the revaluation reserve are transferred to the income and expenditure reserve on de-recognition of an asset.

Donated, government grant and other grant-funded assets

Donated and grant-funded property, plant and equipment assets are capitalised at their current value in existing use 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.

1.10 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The element of the annual

unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

Life cycle replacement

Components of the asset replaced by the operator during the contract ('life cycle replacement') are treated as a revenue expense as and when they occur. These are small amounts that are deemed to be immaterial over the course of the contract and have also been indicated in the operator's model as being revenue. As such, these costs are shown within the payment for the fair value of services received in the Statement of Comprehensive Income and corresponding notes.

1.11 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 when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust, where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

Software which is integral to the operating 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 historic cost less amortisation which is judged to be a proxy for current value in existing use. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties under IAS40 or assets held or sale under 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.

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

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out method.

1.13 Cash and cash equivalents

Cash is defined as 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 three 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 assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as a financing income or expense. 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.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On de-recognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive Income.

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.

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.

1.15 Leases

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

The Trust as lessee:

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

Operating leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

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

The Trust as lessor:

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

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

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 HM Treasury's discount rates effective for 31 March 2020. Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.50% in real terms.

1.17 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.

1.18 Non-clinical risk pooling

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

1.19 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 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, 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
- 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

1.20 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.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as PDC 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 and grant 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 short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.21 Value Added Tax

Most of the activities of the Cornwall Partnership NHS Foundation 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.

1.22 Corporation tax

The Trust has determined that it has no corporation tax liability as no private income is received from non-operational areas.

1.23 Third party assets

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

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 that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals 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 Consolidation of NHS Charitable Fund

The Foundation Trust is the corporate trustee to Cornwall Partnership Foundation Trust Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. The charitable fund has no other non-controlling interests.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies
- eliminate intra-group transactions, balances, gains and losses

The latest set of independently examined accounts of the Cornwall Partnership Foundation Trust Charitable Fund are available separately. The Cornwall Partnership Foundation Trust Charitable Fund's country of residence is the UK.

1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

1.28 Standards, amendments and interpretations in issue but not yet effective or adopted for the public sector

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to twelve months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date of IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

- IFRS 14 Regulatory Deferral Accounts - Applies to first-time adopters of IFRS after 1 January 2016 therefore not applicable to DHSC group bodies. Not EU-endorsed.

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

1.29 Transfer of functions to or from other NHS bodies (absorption accounting)

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

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

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

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

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

The accounting process described above is known as absorption accounting.

2. Income

2.1 Operating income (by nature)

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Income from Activities - recognised in accordance with IFRS 15				
Mental health services:				
Cost and volume contract income	0	341	0	341
Block contract income	31,491	27,402	31,491	27,402
Clinical partnerships providing mandatory services (including S75 agreements)	48,312	42,026	48,312	42,026
Clinical income for the secondary commissioning of mandatory services	0	0	0	0
Other clinical income from mandatory services	5,302	2,511	5,302	2,511
Community services:				
Income from CCGs and NHS England	83,533	73,293	83,533	73,293
Income from other sources	9,640	19,763	9,640	19,763
Other services:				
Private patient income	0	0	0	0
AfC pay award central funding	0	2,277	0	2,277
Additional pension contribution central funding	5,828	0	5,828	0
Other clinical income	2,577	4,123	2,577	4,123
Total income from activities	**186,683**	**171,736**	**186,683**	**171,736**
Other operating income recognised in accordance with IFRS 15				
Research and development (IFRS15)	337	408	337	408
Education and training (excluding apprenticeship levy income)	2,538	2,376	2,538	2,376
Non-patient care services to other bodies	7,987	7,509	8,003	7,523
Provider Sustainability Fund income	2,290	3,166	2,290	3,166
Income in respect of employee benefits accounted on a gross basis	0	0	0	0
Other - recognised in accordance with IFRS15 (see note 2.4)	1,030	342	1,030	342
Other operating income recognised in accordance with other standards				
Research and development (non IFRS15)	0	0	0	0
Education and training - notional income from apprenticeship fund	280	110	280	110

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Donations/grants of physical assets (non-cash) - received from NHS charities	0	0	0	0
Donations/grants of physical assets (non-cash) - received from other bodies	0	0	0	0
Cash donations for the purchase of capital assets - received from NHS charities	0	0	79	0
Cash donations for the purchase of capital assets - received from other bodies	31	47	31	47
Cash grants for the purchase of capital assets - received from other bodies	0	0	0	0
Charitable and other contributions to expenditure - received from NHS charities	0	0	53	160
Charitable and other contributions to expenditure - received from other bodies	75	100	75	100
Support from DHSC for mergers	0	0	0	0
Rental revenue from finance leases - contingent rent	0	0	0	0
Rental revenue from finance leases - other	0	0	0	0
Rental revenue from operating leases	7	7	7	7
Amortisation of PFI deferred income / credits	0	0	0	0
NHS Charitable Funds: incoming resources excluding investment income	687	221	0	0
Other (recognised in accordance with standards other than IFRS 15)	0	0	0	0
Total other operating income	**15,262**	**14,286**	**14,723**	**14,239**

Total operating income	**201,945**	**186,022**	**201,406**	**185,975**
Of which:				
Related to continuing operations	201,945	186,022	201,406	185,975
Related to discontinued operations	0	0	0	0

2.2 Analysis of income from activities (by source)

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
NHS England	12,791	2,723	12,791	2,723
Clinical Commissioning Groups	158,967	144,749	158,967	144,749
NHS Foundation Trusts	77	10	77	10
NHS Trusts	9,373	9,568	9,373	9,568
Local Authorities	4,267	11,289	4,267	11,289
Department of Health and Social Care - grants	0	2,277	0	2,277
NHS Other	0	168	0	168
Non-NHS: Private patients	0	0	0	0
Non-NHS: Overseas patients (chargeable to patient)	0	0	0	0
Injury cost recovery scheme	447	283	447	283
Non-NHS: Other*	761	669	761	669
Total	**186,683**	**171,736**	**186,683**	**171,736**

* Non-NHS: other income includes minor clinical income from non WGA bodies

2.3 Commissioner requested services

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Income from activities	186,683	171,736	186,683	171,736
Education and training	2,538	2,376	2,538	2,376
Commissioner Requested Services income	189,221	174,112	189,221	174,112
Other operating income	12,724	11,910	12,185	11,863
Total operating income	**201,945**	**186,022**	**201,406**	**185,975**

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure.

This information is provided in the table above.

2.4 Analysis of other operating income: other

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
PFI support income	0	0	0	0
Car parking	0	0	0	0
Catering	24	18	24	18
Pharmacy sales	0	0	0	0
Property rentals	0	0	0	0
Staff accommodation rentals	10	9	10	9
Estates recharges	0	0	0	0
IT recharges	0	0	0	0
Staff contributions to employee benefit schemes	0	0	0	0
Crèche services	0	0	0	0
Clinical tests	0	0	0	0
Clinical excellence awards	0	0	0	0
Grossing up consortium arrangements	0	0	0	0
Other income generation schemes (recognised under IFRS 15)	0	0	0	0
Other income not already covered (recognised under IFRS 15)	996	315	996	315
Total	**1,030**	**342**	**1,030**	**342**

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

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Income recognised in year	0	0	0	0
Cash payments received in-year (relating to invoices raised in current and previous years)	0	0	0	0
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	0	0	0	0
Amounts written off in-year (relating to invoices raised in current and previous years)	0	0	0	0

2.6 Operating lease income

Lease income is derived from car parking land used by NHS Property Services Limited.

Operating lease income	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Rental revenue from operating leases - minimum lease receipts	7	7	7	7
Rental revenue from operating leases - contingent rent	0	0	0	0
Rental revenue from operating leases - other	0	0	0	0
Total	**7**	**7**	**7**	**7**

Future minimum lease receipts due	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Not later than one year	7	7	7	7
Later than one year and not later than five years	30	30	30	30
Later than five years	630	637	630	637
Total	**667**	**674**	**667**	**674**

2.7 Income from sale of goods

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

2.8 Income generation activities

The Trust does not undertake any income generation activities with an aim of achieving profit whose full cost exceeds £1m or is otherwise material.

2.9 Additional information on contract revenue (IFRS 15) recognised in period

	Total	Revenue recognised from NHS providers 2019/20 Group	Revenue recognised from other DHSC group bodies 2019/20 Group	Revenue recognised from non DHSC group bodies 2019/20 Group	Total	Revenue recognised from NHS providers 2019/20 FT Only	Revenue recognised from other DHSC group bodies 2019/20 FT Only	Revenue recognised from other DHSC group bodies 2019/20 FT Only
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue recognised in the reporting period that was previously included in the contract liability balance (i.e. release of deferred IFRS 15 income)	1,614	3	156	1,455	1,614	3	156	1,455
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price)	0	0	0	0	0	0	0	0

	Total	Revenue recognised from NHS providers 2019/20 Group	Revenue recognised from other DHSC group bodies 2019/20 Group	Revenue recognised from non DHSC group bodies 2019/20 Group	Total	Revenue recognised from NHS providers 2019/20 FT Only	Revenue recognised from other DHSC group bodies 2019/20 FT Only	Revenue recognised from other DHSC group bodies 2019/20 FT Only
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue recognised in the reporting period that was previously included in the contract liability balance (i.e. release of deferred IFRS 15 income)	482	0	0	482	482	0	0	482
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price)	0	0	0	0	0	0	0	0

2.10 Transaction price allocated to remaining performance obligations

	Total	Revenue expected from NHS providers	Revenue expected from other DHSC group bodies	Revenue expected from non DHSC group bodies	Total	Revenue expected from NHS providers	Revenue expected from other DHSC group bodies	Revenue expected from non DHSC group bodies
	31.03.20 Group	31.03.20 Group	31.03.20 Group	31.03.20 Group	31.03.20 FT Only	31.03.20 FT Only	31.03.20 FT Only	31.03.20 FT Only
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue from contracts entered into as at the period end and expected to be recognised:								
Within one year	0	0	0	0	0	0	0	0
After one year not later than five years	0	0	0	0	0	0	0	0
After five years	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**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.

3. Operating expenses (by type)

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Purchase of healthcare from NHS bodies	3,600	0	3,600	0
Purchase of healthcare from non-NHS bodies	0	0	0	0
Purchase of social care (under s.75 or other integrated care arrangements)	3,732	3,674	3,732	3,674
Staff and executive directors' costs	139,578	130,336	139,578	130,336
Non-executive directors	144	149	144	149
Supplies and services - clinical (excluding drug costs)	6,052	6,314	6,052	6,314
Supplies and services - general	6,552	5,888	6,552	5,888
Drug costs	1,795	1,694	1,795	1,694
Inventories written down	0	0	0	0
Consultancy costs	2,611	362	2,611	362
Establishment	2,007	2,048	2,007	2,048
Premises - business rates payable to Local Authorities	1,028	1,091	1,028	1,091

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Premises - other	4,912	5,120	4,912	5,120
Transport - business travel	3,082	3,243	3,082	3,243
Transport - other (including patient travel)	32	34	32	34
Depreciation of property, plant and equipment	1,881	1,805	1,881	1,805
Amortisation of intangible assets	171	451	171	451
Net impairments of property, plant and equipment	3,389	504	3,389	504
Increase/(decrease) in impairment of contract receivables/assets	1,533	(1,181)	1,533	(1,181)
Increase/(decrease) in provision for impairment of all other receivables	(49)	29	(49)	29
Provisions arising/released in year	0	0	0	0
Change in provisions discount rate	337	(85)	337	(85)
Audit fees:				
Audit services - statutory audit	49	47	49	47
Other auditors remuneration (see note 3.4)	11	11	11	11
Audit fees payable to external auditor of charitable fund accounts	0	0	0	0
Internal audit costs - staff costs	0	0	0	0
Internal audit costs - non staff	124	122	124	122
Clinical negligence - premiums payable to the NHS Resolution	558	797	558	797
Clinical negligence - excesses payable and premiums due to alternative insurers	0	0	0	0
Legal fees	52	270	52	270
Insurance	89	125	89	125
Research and development - staff costs	0	0	0	0
Research and development - non-staff	0	0	0	0
Education and training - staff costs	0	0	0	0
Education and training - non-staff	1,049	899	1,049	899
Education and training - notional expenditure funded from apprenticeship fund	280	110	280	110
Operating lease expenditure	5,751	7,256	5,751	7,256
Early retirements - staff costs	0	0	0	0
Early retirements - non-staff	0	0	0	0
Redundancy, restructuring and agreed resignations - staff costs	0	0	0	0
Redundancy, restructuring and agreed resignations - non-staff	0	0	0	0

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Charges to operating expenditure for on-SoFP FRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	2,264	2,198	2,264	2,198
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	0	0	0	0
Car parking and security	175	93	175	93
Hospitality	0	0	0	0
Losses, ex gratia and special payments - staff costs	0	0	0	0
Losses, ex gratia and special payments - non-staff costs	2	2	2	2
Grossing up consortium arrangements	0	0	0	0
Other services	0	0	0	0
NHS Charitable funds: Other resources expended	99	58	0	0
Other	3,203	4,006	3,203	4,006
	196,093	**177,470**	**195,994**	**177,412**
Of which:				
Related to continuing operations	196,093	177,470	195,994	177,412
Related to discontinued operations	0	0	0	0

3.2 Arrangements containing an operating lease

The Trust has two significant areas of operating leasing; these are property leases and vehicle leases.

The Trust operates a number of services and administration functions from properties that are leased. Remaining lease terms vary from less than one year to nine years. Within three of its property leases the Trust has an option to purchase the freehold. The Trust leases vehicles under operating leases with a three year term. All leases are at market rates.

The Trust also occupies twenty seven properties owned by NHS Property Services (NHSPS) and four properties owned by Community Health Partnerships (CHP). As at 31 March 2020 formal leases are not in place with NHSPS or CHP but licences have been agreed which are renewed on an annual basis. Although formal leases are not in place the Trust's arrangements with NHSPS and CHP have been judged to be operating leases, within the context of IAS 17. Lease commitments have been recognised based on the Trust's reasonable expectations of how long it expects to occupy each property.

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Minimum lease payments	5,751	7,256	5,751	7,256
Contingent rents	0	0	0	0
Less: sub-lease payments received	0	0	0	0
Total	**5,751**	**7,256**	**5,751**	**7,256**

Future minimum lease payments due

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
On land leases:				
Not later than one year	0	0	0	0
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
Total	**0**	**0**	**0**	**0**
On building leases:				
Not later than one year	5,582	6,716	5,582	6,716
Later than one year and not later than five years	22,067	26,743	22,067	26,743
Later than five years	42,787	532	42,787	532
Total	**70,436**	**33,991**	**70,436**	**33,991**
On other leases:				
Not later than one year	349	207	349	207
Later than one year and not later than five years	547	96	547	96
Later than five years	0	0	0	0
Total	**896**	**303**	**896**	**303**
On all leases:				
Not later than one year	5,931	6,923	5,931	6,923
Later than one year and not later than five years	22,614	26,839	22,614	26,839
Later than five years	42,787	532	42,787	532
Total	**71,332**	**34,294**	**71,332**	**34,294**
Total of future minimum sublease lease payments to be received at the Statement of Financial Position date	0	0	0	0

3.3 Discontinued operations

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Operating income of discontinued operations	0	0	0	0
Operating expenses of discontinued operations	0	0	0	0
Gain on disposal of discontinued operations	0	0	0	0
(Loss) on disposal of discontinued operations	0	0	0	0
Corporation tax expense attributable to discontinued operations	0	0	0	0
Total	**0**	**0**	**0**	**0**

3.4 Other audit remuneration

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Other auditor remuneration paid to the external auditor is analysed as follows:				
The auditing of accounts of any associate of the Trust	0	0	0	0
Audit-related assurance services	0	0	0	0
Taxation compliance services	0	0	0	0
Other taxation advisory services	0	0	0	0
Internal audit services (only those payable to the external auditor)	0	0	0	0
Other assurance services	11	11	11	11
Corporate finance transaction services	0	0	0	0
All other non-audit services	0	0	0	0
Total	**11**	**11**	**11**	**11**

4. Employee costs and numbers

4.1 Employee costs

	2019/20 Group £000	2018/19 Group £000
Salaries and wages	107,589	105,329
Social Security costs	9,280	9,050
Apprenticeship levy	513	503
Employer contributions to NHS pension scheme	13,376	13,075
Employer contributions paid by NHSE on provider's behalf	5,828	0

	2019/20 Group £000	2018/19 Group £000
Pension cost - other defined contribution schemes	86	51
Other post-employment benefits	0	0
Other employment benefits	0	0
Termination benefits	0	0
Temporary staff - external bank	0	0
Temporary staff - agency/contract staff	3,263	2,565
NHS charitable funds staff	0	0
Total gross staff costs	139,935	130,573
Less income in respect of staff costs where netted off against expenditure	0	0
Total staff costs	**139,935**	**130,573**
of which costs capitalised as part of assets	(357)	(237)
Total staff costs excluding capitalised costs	**139,578**	**130,336**

Note 4.1 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any staff costs.

4.2 Directors' remuneration

There have been no advances to Directors in 2019/20 or 2018/19. There have been no guarantees entered into on behalf of Directors by the Trust in 2019/20 or 2018/19.

The Executive Directors' cost includes remuneration of the Medical Director which includes remuneration for clinical as well as Executive duties.

The Director of Finance cost includes remuneration for additional duties as Director of Finance for Royal Cornwall Hospitals NHS Trust.

The Royal Cornwall Hospitals NHS Trust has been recharged for the cost of these additional duties.

The Trust's full remuneration report is included within the Annual Report.

4.3 Employee benefits

There were no employee benefits in 2019/20 or 2018/19 other than those disclosed at note 4.1.

4.4 Retirements due to ill-health

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Number of early retirements on the grounds of ill health	1	6	1	6
Value of early retirements on the grounds of ill health	14	290	14	290

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year.

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

4.5 Pension costs

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

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

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (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 to 20.6%, and the Scheme Regulations were amended accordingly.

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 judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ended 30 September in the previous calendar year. Since 2011-12 the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill-health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

d) Expected contributions for the next annual reporting period

The Trust expects to make employer contributions of approximately £13,764,000 to the scheme in the year ending 31 March 2020.

5. Finance

5.1 Finance income

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Interest on bank accounts	248	209	248	209
Interest income on finance leases	11	0	11	0
Interest on other investments / financial assets	0	0	0	0
NHS charitable funds: investment income	4	8	0	0
Other	0	0	0	0
Total	**263**	**217**	**259**	**209**

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

5.2 Finance costs - interest expense

Description	Notes	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Capital loans from the Department of Health and Social Care		0	0	0	0
Working capital loans from the Department of Health and Social Care		0	0	0	0
Revolving working capital facilities from the Department of Health and Social Care		0	0	0	0
Interest on other loans		0	0	0	0
Overdrafts		0	0	0	0
Finance leases		0	0	0	0
Interest on late payment of commercial debt		0	0	0	0
Finance costs on PFI and other service concession arrangements					
Main finance costs	17.4	954	1,024	954	1,024
Contingent finance costs	17.4	1,353	1,281	1,353	1,281
Finance costs on LIFT scheme obligations					
Main finance costs		0	0	0	0
Contingent finance costs		0	0	0	0
Total interest expense		2,307	2,305	2,307	2,305
Unwinding of discount on provisions		14	5	14	5
Other finance costs		0	0	0	0
Total		**2,321**	**2,310**	**2,321**	**2,310**

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

5.3 Gains/losses on disposal/de-recognition of assets

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Gains on disposal/de-recognition of property, plant and equipment	9	0	9	0
Gains on disposal/de-recognition of intangible assets	0	0	0	0
Gains on disposal/de-recognition of investment properties	0	0	0	0
Gain on disposal of financial assets held at amortised cost	0	0		
Gains on disposal/de-recognition of other investments	0	0	0	0
Gains on disposal/de-recognition of assets held for sale	0	0	0	0
Losses on disposal/de-recognition of property, plant and equipment	0	0	0	0
Losses on disposal/de-recognition of intangible assets	0	0	0	0
Losses on disposal/de-recognition of investment properties	0	0	0	0
Losses on disposal of financial assets held at amortised cost	0	0		
Losses on disposal/de-recognition of other investments	0	0	0	0
Losses on disposal/de-recognition of assets held for sale	0	0	0	0
Capital grants and donations in kind	0	0	0	0
Gains/losses on disposal of charitable fund assets	0	0	0	0
Total gains/losses on disposal of assets	9	0	9	0
Gains/(losses) on foreign exchange	0	0	0	0
Fair value gains/(losses) on investment properties	0	0	0	0
Fair value gains/(losses) on financial assets / investments	0	0	0	0
Fair value gains/(losses) on charitable fund investments and investment properties	0	0	0	0
Fair value gains/(losses) on financial liabilities	0	0	0	0
Recycling gains/(losses) on disposal of available-for-sale financial investments	0	0	0	0
Recycling gains/(losses) on disposal of charitable fund available-for-sale financial investments	0	0	0	0
Other gains/(losses)	0	0	0	0
Total	**9**	**0**	**9**	**0**

6. Impairment of assets (PPE and intangibles)

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Loss or damage from normal operations	0	0	0	0
Over-specification of assets	0	0	0	0
Abandonment of assets in course of construction	0	312	0	312
Unforeseen obsolescence	0	0	0	0
Loss as a result of catastrophe	0	0	0	0
Other	0	0	0	0
Changes in market price	3,389	192	3,389	192
Impairments of charitable funds assets	0	0	0	0
Total impairments charged to operating surplus/deficit	3,389	504	3,389	504
Impairments charged to revaluation reserve	331	68	331	68
Total impairments	**3,720**	**572**	**3,720**	**572**

Impairments from "changes in market price" and reversals of impairments have arisen as a result of the District Valuer's review of asset values at 31 March 2020.
"Other" impairments in the prior year relate to impairments on reclassification of assets held for sale.

The Trust's new CAMHS Tier 4 unit "Sowenna" was brought into operational use in the year. The District Valuer valued this asset at the point of it becoming operational and again at 31 March 2020.

As a result of these valuations an impairment of £3,081,000 has been recognised in year. The depreciated replacement cost (DRC) of this asset included in the accounts at 31 March 2020 is £6,140,000.

The segmental analysis of impairments is disclosed at note 32 to these accounts.
The Trust has received no compensation from third parties for any impairments or losses of assets during the year.

7. Intangible assets

2019/20 Group	Software licences purchased	Licences and trademarks purchased	Patents purchased	Information technology internally generated	Development expenditure	Goodwill	Websites	Intangible assets under construction	Other purchased	NHS charitable fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross cost at 1 April 2019	2,143	0	3	3,350	0	0	42	2,004	0	0	7,542
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0	0
Additions - purchased/internally generated	64	0	0	357	0	0	0	255	0	0	676
Additions - leased	0	0	0	0	0	0	0	0	0	0	0
Additions - donations of intangible assets (non-cash)	0	0	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations/grants	0	0	0	0	0	0	0	0	0	0	0
Transfer of donated assets (non-cash) from consolidated charitable fund to trust	0	0	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	(11)	0	0	0	0	0	0	11	0	0	0

2019/20 Group	Software licences purchased £000	Licences and trademarks purchased £000	Patents purchased £000	Information technology internally generated £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other purchased £000	NHS charitable fund assets £000	Total £000
Transferred to assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	0	0	0	0	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0	0	0	0	0	0	0	0
Gross cost at 31 March 2020 Group	**2,196**	**0**	**3**	**3,707**	**0**	**0**	**42**	**2,270**	**0**	**0**	**8,218**
Amortisation at 1 April 2019	1,939	0	3	3,133	0	0	10	0	0	0	5,085
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0	0
Provided during the year	75	0	0	88	0	0	8	0	0	0	171
Transfer of donated assets (non-cash) from consolidated charitable fund to trust	0	0	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Transferred to assets held for sale	0	0	0	0	0	0	0	0	0	0	0

2019/20 Group	Software licences purchased £000	Licences and trademarks purchased £000	Patents purchased £000	Information technology internally generated £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other purchased £000	NHS charitable fund assets £000	Total £000
Disposals/de-recognition	0	0	0	0	0	0	0	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0	0	0	0	0	0	0	0
Amortisation at 31 March 2020 Group	**2,014**	**0**	**3**	**3,221**	**0**	**0**	**18**	**0**	**0**	**0**	**5,256**
Net book value at 31 March 2020 Group	**182**	**0**	**0**	**486**	**0**	**0**	**24**	**2,270**	**0**	**0**	**2,962**

2018/19 Group	Software licences purchased £000	Licences and trademarks purchased £000	Patents purchased £000	Information technology internally generated £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other purchased £000	NHS charitable fund assets £000	Total £000
Gross cost at 1 April 2018	1,734	0	3	3,113	0	0	42	2,331	0	0	7,223
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0	0
Additions - purchased/internally generated	410	0	0	237	0	0	0	(15)	0	0	632
Additions - leased	0	0	0	0	0	0	0	0	0	0	0
Additions - donations of physical assets (non cash)	0	0	0	0	0	0	0	0	0	0	0
Additions - grants/ donations of cash to purchase assets	13	0	0	0	0	0	0	0	0	0	13
Impairments charged to operating expenses	0	0	0	0	0	0	0	(312)	0	0	(312)

2018/19 Group	Software licences purchased £000	Licences and trademarks purchased £000	Patents purchased £000	Information technology internally generated £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other purchased £000	NHS charitable fund assets £000	Total £000
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating income	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Transferred to assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	(14)	0	0	0	0	0	0	0	0	0	(14)
Gross cost at 31 March 2019 Group	**2,143**	**0**	**3**	**3,350**	**0**	**0**	**42**	**2,004**	**0**	**0**	**7,542**
Amortisation at 1 April 2018	1,530	0	3	3,113	0	0	2	0	0	0	4,648
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0	0
Provided during the year	423	0	0	20	0	0	8	0	0	0	451
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating income	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0

2018/19 Group	Software licences purchased £000	Licences and trademarks purchased £000	Patents purchased £000	Information technology internally generated £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other purchased £000	NHS charitable fund assets £000	Total £000
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Transferred to assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	(14)	0	0	0	0	0	0	0	0	0	(14)
Amortisation at 31 March 2019 Group	**1,939**	**0**	**3**	**3,133**	**0**	**0**	**10**	**0**	**0**	**0**	**5,085**
Net book value at 31 March 2019 Group	**204**	**0**	**0**	**217**	**0**	**0**	**32**	**2,004**	**0**	**0**	**2,457**

Intangible assets are valued at historic cost less accumulated amortisation which is judged to be a proxy for current value in existing use. Economic lives of intangible assets are detailed at note 8.2.

Note 7 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any intangible assets.

8. Property, plant and equipment

8.1 Property, plant and equipment

2019/20 Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construct and poa £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	NHS charitable fund assets £000	Total £000
Cost or valuation at 1 April 2019	3,725	39,307	0	8,563	1,761	537	7,364	366	0	61,623
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	5,771	0	0	631	0	0	6,402
Additions - leased	0	0	0	0	0	0	0	0	0	0

2019/20 Group	Land	Buildings excluding dwellings	Dwellings	Assets under construct and poa	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	NHS charitable fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Additions - donations of physical assets (non-cash)	0	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations/grants	0	26	0	0	57	24	0	3	0	110
Transfer of donated assets (non-cash) from consolidated charitable fund to trust	0	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(15)	(316)	0	0	0	0	0	0	0	(331)
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Revaluations	249	(4,231)	0	0	0	0	0	0	0	(3,982)
Reclassifications	0	10,350	0	(10,938)	357	0	86	145	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	(1,499)	(17)	(228)	0	0	0	(1,744)
Transfer to FT upon authorisation	0	0	0	0	0	0	0	0	0	0
At 31 March 2020 Group	**3,959**	**45,136**	**0**	**1,897**	**2,158**	**333**	**8,081**	**514**	**0**	**62,078**
Depreciation at 1 April 2019	0	192	0	0	1,284	455	5,981	327	0	8,239
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0
Provided during year	0	1,081	0	0	116	23	642	19	0	1,881
Transfer of donated assets (non-cash) from consolidated charitable fund to Trust	0	0	0	0	0	0	0	0	0	0

2019/20 Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construct and poa £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	NHS charitable fund assets £000	Total £000
Impairments charged to operating expenses	0	3,483	0	0	26	0	0	0	0	3,509
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(87)	(33)	0	0	0	0	0	0	0	(120)
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Revaluations	87	(4,723)	0	0	0	0	0	0	0	(4,636)
Reclassifications	0	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	0	0	(187)	0	0	0	(187)
Transfer to FT upon authorisation	0	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2020 Group	**0**	**0**	**0**	**0**	**1,426**	**291**	**6,623**	**346**	**0**	**8,686**
Net book value										
Owned	3,959	10,050	0	1,897	606	18	1,458	155	0	18,143
Finance leased	0	0	0	0	0	0	0	0	0	0
PFI and other service concession arrangements	0	34,803	0	0	0	0	0	0	0	34,803
PFI residual interests	0	0	0	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0	0	0	0
Donated	0	283	0	0	126	24	0	13	0	446
Total at 31 March 2020 Group	**3,959**	**45,136**	**0**	**1,897**	**732**	**42**	**1,458**	**168**	**0**	**53,392**

2018/19 Group	Land	Buildings excluding dwellings	Dwellings	Assets under construct and poa	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	NHS charitable fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	3,905	37,375	0	719	1,521	537	6,712	366	0	51,135
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	8,971	0	0	652	0	0	9,623
Additions - leased	0	0	0	0	0	0	0	0	0	0
Additions - donations of physical assets (non-cash)	0	0	0	0	0	0	0	0	0	0
Additions - grants/ donations of cash to purchase assets	0	0	0	0	34	0	0	0	0	34
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	(68)	0	0	0	0	0	0	0	(68)
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	921	0	(1,127)	206	0	0	0	0	0
Revaluations	20	1,421	0	0	0	0	0	0	0	1,441
Transferred to disposal group as asset held for sale	(200)	(342)	0	0	0	0	0	0	0	(542)
Disposals/de-recognition	0	0	0	0	0	0	0	0	0	0
At 31 March 2019 Group	**3,725**	**39,307**	**0**	**8,563**	**1,761**	**537**	**7,364**	**366**	**0**	**61,623**

2018/19 Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construct and poa £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	NHS charitable fund assets £000	Total £000
Depreciation at 1 April 2018	0	1,597	0	0	1,197	398	5,264	314	0	8,770
Transfers by absorption - normal	0	0	0	0	0	0	0	0	0	0
Provided during year	0	931	0	0	87	57	717	13	0	1,805
Impairments charged to operating expenses	0	308	0	0	0	0	0	0	0	308
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating income	0	(116)	0	0	0	0	0	0	0	(116)
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,528)	0	0	0	0	0	0	0	(2,528)
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0	0
Disposals/de-recognition	0	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2019 Group	**0**	**192**	**0**	**0**	**1,284**	**455**	**5,981**	**327**	**0**	**8,239**
Net book value										
Owned	3,725	3,878	0	8,563	379	82	1,383	27	0	18,037
Finance leased	0	0	0	0	0	0	0	0	0	0
PFI and other service concession arrangements	0	34,966	0	0	0	0	0	0	0	34,966
PFI residual interests	0	0	0	0	0	0	0	0	0	0

2018/19 Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construct and poa £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	NHS charitable fund assets £000	Total £000
Government granted	0	0	0	0	0	0	0	0	0	0
Donated	0	271	0	0	98	0	0	12	0	381
Total at 31 March 2019 Group	**3,725**	**39,115**	**0**	**8,563**	**477**	**82**	**1,383**	**39**	**0**	**53,384**

Land and buildings were revalued by the District Valuer, who is independent of the Trust, as at 31 March 2020. The methods used by the District Valuer are described in note 1.9
There are no assets within property, plant and equipment or intangible assets where the market value is significantly different to the carrying value.
Plant and machinery, Transport equipment, Information Technology and Furniture and Fittings are carried at depreciated historic cost.

Note 8.1 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any property plant and equipment.

8.2 Useful economic life of property plant and equipment and intangible assets

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

Property plant and equipment	Min life Years	Max life Years
Buildings excluding dwellings	4	48
Dwellings	0	0
Plant and machinery	4	15
Transport equipment	5	7
Information technology	3	5
Furniture and fittings	5	15

Freehold land is deemed to have an infinite economic life and is therefore not depreciated.

Depreciation is applied on a straight line basis over the useful economic lives of assets.

Intangible assets	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	5	5
Development expenditure	0	0
Websites	5	5
Intangible assets - purchased		
Software licences	5	7
Licences and trademarks	0	0
Patents	5	5
Other (purchased)	0	0
Goodwill	0	0

Amortisation is applied on a straight line basis over the useful economic lives of assets.

9. Assets

9.1 Non-current assets for sale and assets in disposal groups

2019/20	Intangible assets £000	Property, plant and equipment £000	Investment properties £000	Financial investments £000	NHS charitable fund assets held for sale £000	Total £000
At 1 April 2019	0	542	0	0	0	542
Transfers by absorption - normal	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Less impairments of assets held for sale	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0	0	0
NBV at 31 March 2020 Group	**0**	**542**	**0**	**0**	**0**	**542**

2018/19	Intangible assets £000	Property, plant and equipment £000	Investment properties £000	Financial investments £000	NHS charitable fund assets held for sale £000	Total £000
At 1 April 2018	0	0	0	0	0	0
Transfers by absorption - normal	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	542	0	0	0	542
Less assets sold in the year	0	0	0	0	0	0
Less Impairments of assets held for sale	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
NBV at 31 March 2019 Group	**0**	**542**	**0**	**0**	**0**	**542**

Assets classified as held for sale in year relate to properties that have been declared surplus to requirements and are being actively marketed.

Assets sold in year are surplus properties that have been sold on the open market.

There were no liabilities in disposal groups at 31 March 2020 or 31 March 2019.

9.2 Impairment on reclassification of assets held for sale in year

Description	Min life Years	Max life Years
Impairment on reclassification of assets held for sale in year	0	0

Notes 9.1 and 9.2 above cover the Group accounts and the FT only accounts. The charitable funds consolidated into the Group accounts do not include any assets held for sale.

10. Inventories

10.1 Inventories

Description	31.03.20 Group £000	31.03.20 Group £000	31.03.20 FT only £000	31.03.20 FT only £000
Drugs	0	0	0	0
Consumables	0	0	0	0
Work in progress	0	0	0	0
Energy	29	42	29	42
Other	0	0	0	0
NHS charitable funds: inventories	0	0	0	0
Total	**29**	**42**	**29**	**42**
Of which:				
Held at lower of cost and NRV	29	36	29	36
Held at fair value less costs to sell	0	0	0	0

10.2 Inventories recognised in expenses

Description	2019/20 Group £000	2018/19 Group £000	2019/20 FT only £000	2018/19 FT only £000
Inventories recognised in expenses	28	9	28	9
Write-down of inventories recognised as expenses	0	0	0	0
Reversal of write-down of inventories	0	0	0	0
Total	**28**	**9**	**28**	**9**

11. Trade and other receivables

11.1 Trade and other receivables

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Contract receivables (IFRS 15): invoiced	6,456	0	3,400	0
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	2,263	0	3,180	0
Contract assets (IFRS 15)	0	0	0	0
Capital receivables (including accrued capital related income)	0	0	0	0
Allowance for impaired contract receivables / assets	(1,839)	0	(434)	0
Allowance for impaired other receivables	(92)	0	(150)	0
Deposits and advances	0	0	0	0
Prepayments (revenue) [non-PFI]	1,036	0	931	0
Prepayments (capital) [non-PFI]	0	0	0	0
PFI prepayments - capital contributions	0	0	0	0
PFI life-cycle prepayments (revenue)	0	0	0	0
PFI life-cycle prepayments (capital)	0	0	0	0
Interest receivable	0	0	0	0
Finance lease receivables	199	1,108	0	0
PDC dividend receivable	64	0	183	0
VAT receivable	591	0	205	0
Corporation and other taxes receivable	0	0	0	0
Clinician pension tax provision reimbursement	0	0	0	0
Other receivables	4,309	0	1,515	0
NHS charitable funds: trade and other receivables	29	0	4	0
Total	**13,016**	**1,108**	**8,834**	**0**
Receivables with NHS and DHSC group bodies	9,315	1,108	5,858	0
Receivables with Non-NHS and DHSC group bodies	3,701	0	2,976	0

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Contract receivables (IFRS 15): invoiced	6,456	0	3,400	0
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	2,263	0	3,180	0
Contract assets (IFRS 15)	0	0	0	0
Capital receivables (including accrued capital related income)	0	0	0	0
Allowance for impaired contract receivables / assets	(1,839)	0	(434)	0
Allowance for impaired other receivables	(92)	0	(150)	0
Deposits and advances	0	0	0	0
Prepayments (revenue) [non-PFI]	1,036	0	931	0
Prepayments (capital) [non-PFI]	0	0	0	0
PFI prepayments - capital contributions	0	0	0	0
PFI life-cycle prepayments (revenue)	0	0	0	0
PFI life-cycle prepayments (capital)	0	0	0	0
Interest receivable	0	0	0	0
Finance lease receivables	199	1,108	0	0
PDC dividend receivable	64	0	183	0
VAT receivable	591	0	205	0
Corporation and other taxes receivable	0	0	0	0
Clinician pension tax provision reimbursement	0	0	0	0
Other receivables	4,309	0	1,561	0
NHS charitable funds: trade and other receivables	0	0	0	0
Total	**12,987**	**1,108**	**8,876**	**0**
Receivables with NHS and DHSC group bodies	9,315	1,108	5,858	0
Receivables with Non-NHS and DHSC group bodies	3,672	0	3,018	0

The great majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As these organisations are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. Also no credit scoring is considered necessary in respect of the NHS Trusts and Local Authorities which between them make up the majority of the remainder of receivables. In respect of other non-NHS or non-governmental debts the Trusts judgement is that if they haven't been included within the impairment provision then their credit is reliable.

11.2 Allowances for credit losses (doubtful debts)

Description	Total 31.03.20 Group £000	Contract receivables and contract assets 31.03.20 Group £000	All other receivables 31.03.19 Group £000	All other receivables 31.03.19 Group £000
As at 1 April 2019	584	434	150	1,977
At start period for new FTs	0	0	0	0
Transfers by absorption	0	0	0	0
New allowances arising	1,729	1,699	30	382
Changes in the calculation of existing allowances	0	0	0	0
Reversals of allowances	(245)	(166)	(79)	(1,534)
Utilisation of allowances	(137)	(128)	(9)	(241)
Changes arising following modification of contractual cash flows	0	0	0	0
Foreign exchange and other changes	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0
As at 31 March 2020 Group	**1,931**	**1,839**	**92**	**584**

Description	Total 31.03.20 FT only £000	Contract receivables and contract assets 31.03.20 FT only £000	All other receivables 31.03.19 FT only £000	All other receivables 31.03.19 FT only £000
As at 1 April 2019	584	434	150	1,977
At start period for new FTs	0	0	0	0
Transfers by absorption	0	0	0	0
New allowances arising	1,729	1,699	30	382
Changes in the calculation of existing allowances	0	0	0	0
Reversals of allowances	(245)	(166)	(79)	(1,534)
Utilisation of allowances	(137)	(128)	(9)	(241)
Changes arising following modification of contractual cash flows	0	0	0	0
Foreign exchange and other changes	0	0	0	0

Description	Total 31.03.20 FT only £000	Contract receivables and contract assets 31.03.20 FT only £000	All other receivables 31.03.19 FT only £000	All other receivables 31.03.19 FT only £000
Transfer to FT upon authorisation	0	0	0	0
As at 31 March 2020 Group	**1,931**	**1,839**	**92**	**584**

The Trust makes estimates of the level of allowance for credit losses that it judges to be necessary. Specific allowances are created where there are concerns about a debt. In accordance with national guidance the Trust has applied a credit loss allowance of 21.79% to Injury Cost Recovery receivables.

11.3 Finance lease receivables

The note below discloses future lease receipts due under finance lease agreements where the Trust is the lessor.

The Trust leases telecommunications infrastructure to Royal Cornwall Hospitals NHS Trust.

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Gross lease receivables	1,422	0	1,422	0
of which those receivable:				
Not later than one year;	237	0	237	0
Later than one year and not later than five years;	948	0	948	0
Later than five years.	237	0	237	0
Unearned interest income	(115)	0	(115)	0
Allowance for uncollectable lease payments	0	0	0	0
Net lease receivables	1,307	0	1,307	0
of which those receivable:				
Not later than one year	199	0	199	0
Later than one year and not later than five years	871	0	871	0
Later than five years	237	0	237	0
The unguaranteed residual value accruing to the lessor	0	0	0	0
Contingent rents recognised as income in the period	0	0	0	0

12. Other assets

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Current				
EU emissions trading scheme allowance	0	0	0	0
Other assets	0	0	0	0
Total other current assets	*0*	*0*	*0*	*0*
Current				
Net defined benefit pension scheme asset	0	0	0	0
Other assets	0	0	0	0
Total other non-current assets	**0**	**0**	**0**	**0**

13. Trade and other payables

13.1 Trade and other payables

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Trade payables	12,607	0	6,799	0
Capital payables (including capital accruals)	111	0	0	0
Accruals (revenue costs only)	4,423	0	5,232	0
Receipts in advance (including payments on account)	0	0	0	0
PFI life-cycle replacement received in advance	0	0	0	0
Social security costs	1,489	0	1,427	0
VAT payables	0	0	0	0
Other taxes payable	954	0	1,017	0
PDC dividend payable	0	0	0	0
Other payables	3,702	0	1,803	0
NHS charitable funds: trade and other payables	60	0	0	0
Total	**23,346**	**0**	**16,278**	**0**
Payables with NHS and DHSC group bodies	7,870	0	890	0
Payables with non-NHS and DHSC group bodies	15,476	0	15,388	0

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Trade payables	12,607	0	6,799	0
Capital payables (including capital accruals)	111	0	0	0
Accruals (revenue costs only)	4,423	0	5,232	0
Receipts in advance (including payments on account)	0	0	0	0
PFI life-cycle replacement received in advance	0	0	0	0
Social security costs	1,489	0	1,427	0
VAT payables	0	0	0	0
Other taxes payable	954	0	1,017	0
PDC dividend payable	0	0	0	0
Other payables	3,702	0	1,803	0
NHS charitable funds: trade and other payables	0	0	0	0
Total	**23,286**	**0**	**16,278**	**0**
Payables with NHS and DHSC group bodies	7,870	0	890	0
Payables with non-NHS and DHSC group bodies	15,416	0	15,388	0

Note 13.2 below discloses on average the %, by number and value, of NHS and non-NHS payables that are settled within 30 days of receipt of goods or a valid invoice. Social Security, Tax and Superannuation liabilities are settled on the 19th of the month following deduction from the payroll.

PDC dividend payments are made in September and March of the financial year to which they relate in accordance with Department of Health and Social Care procedure.

13.2 Better Payment Practice Code - measure of compliance

NHS	31.03.20 Number	31.03.19 Number	31.03.20 £000	31.03.19 £000
Total NHS invoices paid in the period	989	1,067	14,782	16,916
Total NHS invoices paid within target	880	900	12,870	13,683
Percentage of NHS invoices paid within target	**89%**	**84%**	**87%**	**81%**

Non-NHS	31.03.20 Number	31.03.19 Number	31.03.20 £000	31.03.19 £000
Total non-NHS invoices paid in the period	36,505	32,232	48,340	44,765
Total non-NHS invoices paid within target	33,391	29,669	45,412	42,369
Percentage of non-NHS invoices paid within target	**91%**	**92%**	**94%**	**95%**

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

The Trust is also an approved signatory to the Prompt Payment Code.

13.3 The Late Payment of Commercial Debts (Interest) Act 1998

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Total liability accruing in year under this legislation as a result of late payments	0	0	0	0
Amounts included in other interest payable from claims made under this legislation	0	0	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0	0	0
Total	**0**	**0**	**0**	**0**

14. Other liabilities

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Deferred income: contract liability (IFRS 15)	1,157	0	1,614	0
Deferred grants	0	0	0	0
Deferred PFI income/credits	0	0	0	0
Lease incentives	0	0	0	0
Deferred income: other (non-IFRS 15)	33	0	0	0
NHS charitable funds: other liabilities	0	0	0	0
Net defined benefit pension scheme liability	0	0	0	0
Total	**1,190**	**0**	**1,614**	**0**

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Deferred income: contract liability (IFRS 15)	1,157	0	1,614	0
Deferred grants	0	0	0	0
Deferred PFI income/credits	0	0	0	0
Lease incentives	0	0	0	0
Deferred income: other (non-IFRS 15)	33	0	0	0
NHS charitable funds: other liabilities	0	0	0	0
Net defined benefit pension scheme liability	0	0	0	0
Total	**1,190**	**0**	**1,614**	**0**

15. Borrowings

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Bank overdrafts - Government Banking Service	0	0	0	0
Bank overdrafts - Commercial Banks	0	0	0	0
NHS Charitable funds: bank overdraft	0	0	0	0
Draw-down in committed facility	0	0	0	0
Capital loans from Department of Health and Social Care	0	0	0	0
Revenue support and working capital loans from Department of Health and Social Care	0	0	0	0
Revolving working capital facilities from Department of Health and Social Care	0	0	0	0
Other loans (non-DHSC)	0	0	0	0
Obligations under finance leases	0	0	0	0
Obligations under PFI, LIFT or other service concession arrangements	1,054	10,750	980	11,803
NHS charitable funds: other borrowings	0	0	0	0
Total	**1,054**	**10,750**	**980**	**11,803**

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Bank overdrafts - Government Banking Service	0	0	0	0
Bank overdrafts - Commercial Banks	0	0	0	0
NHS Charitable funds: bank overdraft	0	0	0	0
Draw-down in committed facility	0	0	0	0
Capital loans from Department of Health and Social Care	0	0	0	0
Revenue support and working capital loans from Department of Health and Social Care	0	0	0	0
Revolving working capital facilities from Department of Health and Social Care	0	0	0	0
Other loans (non-DHSC)	0	0	0	0
Obligations under finance leases	0	0	0	0
Obligations under PFI, LIFT or other service concession arrangements	1,054	10,750	980	11,803
NHS charitable funds: other borrowings	0	0	0	0
Total	**1,054**	**10,750**	**980**	**11,803**

16. Reconciliation of liabilities arising from financing activities

2019/20 Group	Total liabilities from financing activities £000	DHSC loans £000	Other loans £000	Finance leases with DHSC counterparties £000	Finance leases with non-DHSC counterparties £000	PFI, LIFT and other service concession obligations £000
Carrying value at 1 April 2019	12,783	0	0	0	0	12,783
Cash movements:						
Financing cash flows - principal	(979)	0	0	0	0	(979)
Financing cash flows - interest (for liabilities measured at amortised cost)	(954)	0	0	0	0	(954)
Non-cash movements:						
At start of period for new FTs	0	0	0	0	0	0
Transfers by absorption	0	0	0	0	0	0
Additions	0	0	0	0	0	0

2019/20 Group	Total liabilities from financing activities	DHSC loans	Other loans	Finance leases with DHSC counterparties	Finance leases with non-DHSC counterparties	PFI, LIFT and other service concession obligations
	£000	£000	£000	£000	£000	£000
Business combinations (not absorption transfers)	0	0	0	0	0	0
Application of effective interest rate (interest charge arising in year)	954	0	0	0	0	954
Change in effective interest rate	0	0	0	0	0	0
Changes in fair values	0	0	0	0	0	0
Early termination	0	0	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Carrying value at 31 March 2020 Group	**11,804**	**0**	**0**	**0**	**0**	**11,804**

2018/19 Group	Total liabilities from financing activities	DHSC loans	Other loans	Finance leases with DHSC counterparties	Finance leases with non-DHSC counterparties	PFI, LIFT and other service concession obligations
	£000	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	13,694	0	0	0	0	13,694
Cash movements:						
Financing cash flows - principal	(911)	0	0	0	0	(911)
Financing cash flows - interest (for liabilities measured at amortised cost)	(1,024)	0	0	0	0	(1,024)
Non-cash movements:						
At start of period for new FTs	0	0	0	0	0	0
Transfers by absorption	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Business combinations (not absorption transfers)	0	0	0	0	0	0
Application of effective interest rate (interest charge arising in year)	1,024	0	0	0	0	1,024
Change in effective interest rate	0	0	0	0	0	0

2018/19 Group	Total liabilities from financing activities £000	DHSC loans £000	Other loans £000	Finance leases with DHSC counterparties £000	Finance leases with non-DHSC counterparties £000	PFI, LIFT and other service concession obligations £000
Changes in fair values	0	0	0	0	0	0
Early termination	0	0	0	0	0	0
Transfer to FT upon authorisation	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Carrying value at 31 March 2019 Group	**12,783**	**0**	**0**	**0**	**0**	**12,783**

Note 16 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any financing activities.

The Trust does not have any finance lease obligations other than its PFI liabilities which are detailed at Note 17.

17. PFI obligations

17.1 PFI capital repayment liabilities

Description	31.03.20 Group £000	31.03.19 Group £000
Gross PFI liabilities	17,087	19,020
of which liabilities are due:		
Not later than one year	1,932	1,933
Later than one year, not later than five years	6,963	6,960
Later than five years	8,192	10,127
Finance charges allocated to future periods	(5,283)	(6,237)
Net PFI liabilities	11,804	12,783
Not later than one year	1,054	980
Later than one year, not later than five years	4,134	3,838
Later than five years	6,616	7,965
Total	**11,804**	**12,783**

17.2 PFI service element commitments

Description	31.03.20 Group £000	31.03.19 Group £000
Expenditure in year in respect of the service element of PFI schemes	2,264	2,198

The Trust is committed to the following annual service element charges:

Description	31.03.20 Group £000	31.03.19 Group £000
Not later than one year	2,310	2,257
Later than one year, not later than five years	11,120	10,903
Later than five years	11,845	14,524
Total	**25,275**	**27,684**

17.3 Total PFI commitments

The Trust is committed to the following annual charges in respect of its total PFI commitments:

Description	31.03.20 Group £000	31.03.19 Group £000
Not later than one year	5,677	5,552
Later than one year, not later than five years	24,225	23,686
Later than five years	28,420	34,886
Total	**58,322**	**64,124**

The annual payment in future years will vary with the rate of RPI but this is not considered material in relation to the value of the whole contract.

Note 17 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any PFI contracts.

17.4 Analysis of amounts payable to PFI operator

Description	31.03.20 Group £000	31.03.19 Group £000
Unitary payment payable to PFI operator	5,550	5,414
Consisting of:		
Interest charge	954	1,024
Repayment of finance lease liability	979	911
Service element	2,264	2,198
Capital life-cycle maintenance	0	0
Revenue life-cycle maintenance	0	0
Contingent rent	1,353	1,281
Addition to life-cycle prepayment - capital	0	0
Addition to life-cycle prepayment - revenue	0	0
Other amounts paid to operator under the service concession contract but not part of the unitary payment:		
Amounts charged to revenue	0	0
Amounts capitalised	0	0
Total amount paid to PFI operator under the service concession	**5,550**	**5,414**
PFI support income recognised in income	0	0

18. PFI contracts

18.1 PFI schemes off-Statement of Financial Position

The Trust has no PFI schemes off-Statement of Financial Position.

18.2 PFI schemes on-Statement of Financial Position

The Trust has two PFI schemes on-Statement of Financial Position.

Bodmin Community Hospital

The contract commenced on 1 June 2002 and ends on 31 March 2028.

The Bodmin PFI scheme provides a fully serviced mental health and community hospital facility at Bodmin Hospital. The unitary charge covers availability, hard facilities provision and soft facilities provision.

Longreach House

The contract started on 1 August 2003 and ends on 31 July 2033.

The PFI scheme at Longreach Hospital is for the provision of a mental health hospital.

The unitary charge covers availability and hard facilities maintenance.

Elements common to both schemes

In both schemes the land is owned by the Trust and the building will revert to the Trust for NIL consideration at the end of the contract.

In both schemes variations to the value of the unitary payments only arise from annual movements in the RPI or agreed contract variations.

Neither scheme gives rise to any guarantees, commitments, rights or obligations other than observance of the contract throughout its term.

Under IFRIC 12, both assets are treated as assets of the Trust; the substance of the contract is that the Trust has a finance lease and payments comprise two elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are shown at note 17.

19. Provisions

19.1 Provisions

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Pensions - Early departure costs	218	1,948	221	2,017
Pensions - Injury benefits	181	2,929	177	2,776
Legal claims	803	1	813	0
Restructurings	0	0	0	0
Equal pay	0	0	0	0
Redundancy	0	0	0	0
Clinician pension tax reimbursement	0	0	0	0
Other	0	0	0	0
NHS charitable fund provisions	0	0	0	0
Total	**1,202**	**4,878**	**1,211**	**4,793**

	Pensions - Early departure costs	Pensions - Injury benefits	Other legal claims	Restructuring	Equal pay (including Agenda for Change)	Redundancy	Clinician pension tax reimbursement	Other	NHS charitable fund provisions	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	2,238	2,953	813	0	0	0	0	0	0	6,004
Transfers by absorption	0	0	0	0	0	0	0	0	0	0
Change in the discount rate	95	242	0	0	0	0	0	0	0	337
Arising during the year	47	87	97	0	0	0	0	0	0	231
Utilised during the year - accruals	(55)	(45)	0	0	0	0	0	0	0	(100)
Utilised during the year - cash	(165)	(135)	(23)	0	0	0	0	0	0	(323)
Reclassified to liabilities held in disposal groups in year	0	0	0	0	0	0	0	0	0	0
Reversed unused	0	0	(83)	0	0	0	0	0	0	(83)
Unwinding of discount	6	8	0	0	0	0	0	0	0	14
NHS charitable funds: movement in provisions	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	**2,166**	**3,110**	**804**	**0**	**0**	**0**	**0**	**0**	**0**	**6,080**
Expected timing of cash flows:										
Not later than one year	218	181	803	0	0	0	0	0	0	1,202
Later than one year and not later than five years	873	724	0	0	0	0	0	0	0	1,597
Later than five years	1,075	2,205	1	0	0	0	0	0	0	3,281
Total	**2,166**	**3,110**	**804**	**0**	**0**	**0**	**0**	**0**	**0**	**6,080**

Pensions - Early departure costs and Injury benefits

Early departure and injury benefit provisions are calculated based on figures supplied by the NHS Pensions Office using actuarial tables. As these provisions cover a long time span it is not possible to be precise over amounts and timings.

Other legal claims

There are three elements within legal claims:

- claims against the Trust which are calculated by reference to figures provided by NHS Resolution
- the estimated value of property liabilities
- the estimated value of liabilities arising from legal claims

Claims against the Trust are based on figures provided by NHS Resolution, are provided at the maximum capped value payable by the Trust and are all expected to be payable within one year

Property liabilities are estimated based on liabilities enforceable under contractual terms. The Trust has also engaged a firm of surveyors with expertise in this area to provide an informed estimate of liability. Property liabilities are assumed to be payable within one year.

Liabilities arising from legal claims have been estimated based on the Trust's legal advisor's assessment of liability. Legal claim liabilities are assumed to be payable within one year.

Change in HM Treasury Pensions Discount Rate

Early retirement provisions and injury benefit provisions are discounted using the HM Treasury pensions discount rate. For the period 1 April 2019 to 30 March 2020 this was 0.29%. With effect from 31 March 2020 HM Treasury revised the pensions discount rate to minus 0.50%. The financial effect of this on the value of the provision is disclosed above within the provisions note, described as "change in the discount rate". The future effect of this reduction in the discount rate is that the annual unwinding of the discount charge will be reduced but will be calculated on a higher base.

19.2 Clinical negligence liabilities

Description	31.03.20 Group £000	31.03.19 Group £000
Included within provisions of NHS Resolution in respect of Cornwall Partnership NHS Foundation Trust	7,231	1,144

The operation of the NHS Resolution clinical negligence scheme for Trusts is explained at note 1.17 to these accounts.

Notes 19.1 and 19.2 above cover the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any provisions or clinical negligence liabilities.

20. Revaluation reserve and charitable reserves

20.1 Revaluation reserve

2019/20	Total revaluation reserve £000	Intangibles £000	Property, plant and equipment £000	Assets held for sale £000	Investment property £000
At 1 April 2019	22,003	0	22,003	0	0
Transfers by absorption	0	0	0	0	0
Impairments	(331)	0	(331)	0	0
Revaluations	654	0	654	0	0
Transfers to the I&E reserve for impairments arising from consumption of economic benefits	0	0	0	0	0
Transfers to other reserves	0	0	0	0	0
Transfer to I&E reserve upon asset disposal	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0
Other reserve movements	0	0	0	0	0
At 31 March 2020 Group	**22,326**	**0**	**22,326**	**0**	**0**

2018/19	Total revaluation reserve £000	Intangibles £000	Property, plant and equipment £000	Assets held for sale £000	Investment property £000
At 1 April 2018	18,102	0	18,102	0	0
Transfers by absorption - normal	0		0	0	0
Impairments	(68)	0	(68)	0	0
Revaluations	3,969	0	3,969	0	0
Transfers to the I&E reserve for impairments arising from consumption of economic benefits	0		0		
Transfers to other reserves	0	0	0	0	0
Asset disposals	0	0	0	0	0
Fair value gains/(losses) on available-for-sale financial investments	0	0	0	0	0
Recycling gains/(losses) on available-for-sale financial investments	0	0	0	0	0

2018/19	Total revaluation reserve £000	Intangibles £000	Property, plant and equipment £000	Assets held for sale £000	Investment property £000
Other recognised gains and losses	0	0	0	0	0
Other reserve movements	0	0	0	0	0
At 31 March 2019 Group	**22,003**	**0**	**22,003**	**0**	**0**

20.2 NHS charitable funds reserves

2019/20	Total NHS charitable funds reserves £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000
Balance at 1 April 2019 as previously stated	940	779	12	149
Transfers of charitable funds into the group	0	0	0	0
Start of period for new FTs	0	0	0	0
Net incoming / (outgoing) resources	444	265	0	179
Gains / (losses) on revaluations	0	0	0	0
Fair value movements on available for sale financial assets	0	0	0	0
Other movements	0	0	0	0
Transferred to NHS foundation trust upon authorisation as FT	0	0	0	0
At 31 March 2020 Group	**1,384**	**1,044**	**12**	**328**

2018/19	Total NHS charitable funds reserves £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000
Balance at 1 April 2018 as previously stated	943	772	12	159
Start of period for new FTs	0	0	0	0
Net incoming / (outgoing) resources	(3)	7	0	(10)
Gains / (losses) on revaluations	0	0	0	0
Other movements	0	0	0	0
At 31 March 2019 Group	**940**	**779**	**12**	**149**

NHS charitable funds can be expended for any charitable purpose relating to the NHS. In respect of restricted funds charitable expenditure is limited to the NHS location or service for which the fund was created or monies donated.

Unrestricted funds can be spent at the Trustee's discretion for any charitable purpose relating to the NHS in Cornwall.

The Trust also has one permanent endowment fund where only the interest on the capital sum may be spent.

The accounts of the Cornwall Partnership Foundation Trust Charitable Fund are available separately. The Cornwall Partnership Foundation Trust Charitable Fund has the same accounting year-end as the Trust.

21. Cash and cash equivalent

Description	31.03.20 Group £000	31.03.20 FT only £000	31.03.20 NHS Charitable Funds £000	31.03.19 Group £000	31.03.19 FT only £000	31.03.19 NHS Charitable Funds £000
Balance at 1 April 2019	37,642	36,702	940	33,300	32,385	915
Transfers by absorption	0	0	0	0	0	0
Net change in year	3,573	3,138	435	4,342	4,317	25
Balance at 31 March 2020 Group	**41,215**	**39,840**	**1,375**	**37,642**	**36,702**	**940**
Broken down into:						
Cash at commercial banks and in hand	2,899	1,608	1,291	1,554	698	856
Cash with the Government Banking Service	38,232	38,232	0	36,004	36,004	0
Deposits with the National Loan Fund	0	0	0	0	0	0
Other current investments	84	0	84	84	0	84
Cash and cash equivalents as in statement of financial position	41,215	39,840	1,375	37,642	36,702	940
Bank overdrafts	0	0	0	0	0	0
Draw-down in committed facility	0	0	0	0	0	0
Cash and cash equivalents as in statement of cash flows	**41,215**	**39,840**	**1,375**	**37,642**	**36,702**	**940**

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.

22. Third party assets

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Monies held by the Trust on behalf of patients	1,855	1,432	1,855	1,432

Monies held by the Trust on behalf of patients are excluded from the cash and cash equivalents figure reported in the accounts.

23. Capital commitments

23.1 Contractual capital commitments

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Property, plant and equipment	14	3,908	14	3,908
Intangible assets	0	0	0	0
Total as at 31 March	**14**	**3,908**	**14**	**3,908**

23.2 Other financial commitments

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), analysed by the period during which the payment is made:

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Not later than one year	4,949	3,555	4,949	3,555
After one year and not later than five years	3,140	4,976	3,140	4,976
Paid thereafter	0	0	0	0
Total as at 31 March	**8,089**	**8,531**	**8,089**	**8,531**

24. Events after the reporting period

As of 1 April 2020 the Trust has become the provider of Improving Access to Psychological Therapies (IAPT) services to Cornwall and the Isles of Scilly. The IAPT contract has been awarded to the Trust by NHS Kernow following surrender of the contract by the previous private sector provider. For planning purposes income and expenditure of £5.7m has been included in the Trust's 2020/21 financial plan in respect of this service.

25. Contingencies

25.1 Contingent liabilities

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Gross value of contingent liabilities	0	0	0	0
Amounts recoverable against contingent liabilities	0	0	0	0
Total as at 31 March	**0**	**0**	**0**	**0**

25.2 Contingent assets

Description	31.03.20 Group £000	31.03.19 Group £000	31.03.20 FT only £000	31.03.19 FT only £000
Contingent assets	0	0	0	0

26. Related party transactions

As of 1 April 2020 the Trust has become the provider of Improving Access to Psychological Therapies (IAPT) services to Cornwall and the Isles of Scilly. The IAPT contract has been awarded to the Trust by NHS Kernow following surrender of the contract by the previous private sector provider. For planning purposes income and expenditure of £5.7m has been included in the Trust's 2020/21 financial plan in respect of this service.

Cornwall Partnership NHS Foundation Trust is a Public Benefit Corporation authorised by the Independent Regulator of NHS Foundation Trusts (the office known as Monitor) pursuant to the National Health Service Act 2006.

During the period no Department of Health and Social Care Ministers, NHS Improvement officials, Trust board members, Trust Governors, members of the key management staff, or parties related to any of them, have undertaken any material transactions, apart from employee remuneration, with Cornwall Partnership NHS Foundation Trust.

Executive and Non-executive Directors' remuneration is disclosed at note 4.2 to these accounts. Further information regarding executive and non- executive remuneration is included within the remuneration report within the Trust's annual report.

The Trust has no investments in associates and is not a party within any joint ventures.

Standard NHS terms and conditions apply to all related party transactions. During 2019/20 there have been no instances of debt default in respect of related party transactions.

Whole of Government Accounts

Any entity that controls the Trust, or is under common control with the Trust, is a related party of the Trust.
This effectively means that all central or local government bodies within the Whole of Government Accounts are related parties of the Trust. The NHS pension scheme is also considered a related party of the Trust.

Within the Whole of Government Accounts 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 other entities for which the Department of Health and Social Care is regarded as the parent Department. Material transactions with these entities are:

2019/20	Income £000	Expenditure £000	Amounts due from related party £000	Amounts owed to related party £000
Department of Health and Social Care	109	0	0	0
NHS England	9,676	4	1,363	32
NHS Kernow CCG	159,318	130	1,740	167
NHS Devon CCG	692	0	234	0
Health Education England	2,228	0	55	178
NHS Property Services Ltd	495	1,893	4,347	3,031
Community Health Partnerships Ltd	0	1,081	21	61
NHS Resolution (formerly NHS Litigation Authority)	0	638	0	0
Northern Devon Healthcare NHS Trust	94	37	12	12
University Hospitals Plymouth NHS Trust	401	696	0	57
Royal Cornwall Hospitals NHS Trust	11,420	10,837	1,944	4,618
Torbay and South Devon NHS Foundation Trust	78	141	78	0
Royal Devon and Exeter NHS Foundation Trust	270	336	24	78
Devon Partnership NHS Trust	948	30	324	0

2018/19	Income £000	Expenditure £000	Amounts due from related party £000	Amounts owed to related party £000
Department of Health and Social Care	2,349	0	0	0
NHS England	6,314	61	2,916	19
NHS Kernow CCG	145,572	0	511	42
NHS Devon CCG	553	0	316	0
Health Education England	1,851	3	35	125
NHS Property Services Ltd	499	5,215	405	370
Community Health Partnerships Ltd	63	1,030	19	9
NHS Resolution (formerly NHS Litigation Authority)	0	887	0	0
Northern Devon Healthcare NHS Trust	46	39	0	5
University Hospitals Plymouth NHS Trust	422	684	0	54
Royal Cornwall Hospitals NHS Trust	12,740	6,527	1,517	394
Torbay and South Devon NHS Foundation Trust	0	125	0	0
Royal Devon and Exeter NHS Foundation Trust	218	285	52	22
Devon Partnership NHS Trust	100	119	8	0

In addition, the Trust has had a number of material transactions with other government departments, other central and local government bodies and the NHS pension scheme. Material transactions with these related parties are as follows:

2019/20	Income £000	Expenditure £000	Amounts due from related party £000	Amounts owed to related party £000
The NHS Pension Scheme	0	19,204	0	3,684
HMRC - Other Taxes and Duties and NIC	0	9,793	0	2,443
HMRC - VAT	0	0	591	0
Ministry of Justice	0	5	0	0
Cornwall Unitary Authority	4,996	2,558	2,578	654

2018/19	Income £000	Expenditure £000	Amounts due from related party £000	Amounts owed to related party £000
The NHS Pension Scheme	0	13,075	0	1,794
HMRC - Other Taxes and Duties and NIC	0	9,553	0	2,444
HMRC - VAT	0	0	205	0
Ministry of Justice	255	5	64	0
Cornwall Unitary Authority	11,583	2,024	1,332	40

Declarations of interest registers in respect of the Board of Directors and the Governors of the Trust are available to view on the Trust's website at www.cornwallft.nhs.uk.

27. Financial instruments

27.1 Financial assets by category

2019/20	Financial assets at amortised cost £000	Financial assets at fair value through I&E - mandated £000	Financial assets at fair value through I&E - designated £000	Financial assets at fair value through OCI - mandated £000	Investments in equity instruments designated at fair value through OCI £000	Total carrying value £000
Receivables excluding non-financial assets - NHS and DHSC bodies	10,423	0	0	0	0	10,423
Receivables excluding non-financial assets - with other bodies	1,981	0	0	0	0	1,981
Other investments/financial assets	0	0	0	0	0	0
Cash and cash equivalents	39,840	0	0	0	0	39,840
Total FT Only	**52,244**	**0**	**0**	**0**	**0**	52,244
NHS charitable funds: financial assets	1,404	40	0	0	0	1,444
Total at 31 March 2020 Group	**53,648**	**40**	**0**	**0**	**0**	**53,688**

2018/19 Group	Financial assets at amortised cost £000	Financial assets at fair value through I&E - mandated £000	Financial assets at fair value through I&E - designated £000	Financial assets at fair value through OCI - mandated £000	Investments in equity instruments designated at fair value through OCI £000	Total carrying value £000
Receivables excluding non-financial assets - NHS and DHSC bodies	5,858	0	0	0	0	5,858
Receivables excluding non-financial assets - with other bodies	1,653	0	0	0	0	1,653
Other investments/financial assets	0	0	0	0	0	0
Cash and cash equivalents	36,702	0	0	0	0	36,702
Total FT only	44,213	0	0	0	0	44,213
NHS charitable funds: financial assets	944	42	0	0	0	986
Total at 31 March 2019 Group	**45,157**	**42**	**0**	**0**	**0**	**45,199**

Charitable funds financial assets held at fair value are valued using unadjusted quoted prices in active markets for identical assets.

Within the context of IFRS 13 charitable fund financial assets are valued at level one within the fair value hierarchy.

Current and non-current financial instrument carrying values are a reasonable approximation of fair values.

27.2 Financial liabilities by category

2019/20	Financial liabilities at amortised cost £000	Financial liabilities at fair value through I&E - mandated £000	Financial liabilities at fair value through I&E - designated £000	Total £000
DHSC loans	0	0	0	0
Other borrowings excluding finance lease and PFI liabilities	0	0	0	0
Obligations under finance leases	0	0	0	0
Obligations under PFI contracts	11,804	0	0	11,804
Trade and other payables excluding non-financial liabilities - NHS and DHSC bodies	7,870	0	0	7,870
Trade and other payables excluding non-financial liabilities - with other bodies	8,786	0	0	8,786
Other financial liabilities	0	0	0	0
IAS 37 provisions which are financial liabilities	156	0	0	156
NHS Charitable funds: financial liabilities	60	0	0	60
Total at 31 March 2020 Group	**28,676**	**0**	**0**	**28,676**

2018/19 Group	Financial liabilities at amortised cost £000	Financial liabilities at fair value through I&E - mandated £000	Financial liabilities at fair value through I&E - designated £000	Total £000
DHSC loans	0	0	0	0
Other borrowings excluding finance lease and PFI liabilities	0	0	0	0
Obligations under finance leases	0	0	0	0
Obligations under PFI contracts	12,783	0	0	12,783
Trade and other payables excluding non-financial liabilities - NHS and DHSC bodies	890	0	0	890
Trade and other payables excluding non-financial liabilities - with other bodies	10,739	0	0	10,739
Other financial liabilities	0	0	0	0
IAS 37 provisions which are financial liabilities	108	0	0	108
NHS charitable funds: financial liabilities	0	0	0	0
Total at 31 March 2019 Group	**24,520**	**0**	**0**	**24,520**

Current and non-current financial instrument carrying values are a reasonable approximation of fair values. Note 27.2 above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any financial liabilities

27.3 Maturity of financial liabilities

Description	31.03.20 Group £000	31.03.19 Group £000
In one year or less	17,926	12,717
In more than one year but not more than two years	454	1,054
In more than two years but not more than five years	3,680	2,784
In more than five years	6,616	7,965
Total	**28,676**	**24,520**

28. Other financial assets

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Loans receivable within 12 months transferred from non-current financial assets	0	0	0	0
NLF deposits (where not considered to be cash equivalents)	0	0	0	0
Other current financial assets	0	0	0	0
NHS charitable funds: Other current financial assets	40	0	42	0
Total	**40**	**0**	**42**	**0**

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Loans receivable within 12 months transferred from non-current financial assets	0	0	0	0
NLF deposits (where not considered to be cash equivalents)	0	0	0	0
Other current financial assets	0	0	0	0
NHS charitable funds: Other current financial assets	0	0	0	0
Total	**0**	**0**	**0**	**0**

29. Other financial liabilities

Description	Current 31.03.20 Group £000	Non-current 31.03.20 Group £000	Current 31.03.19 Group £000	Non-current 31.03.19 Group £000
Derivatives and embedded derivatives held at fair value through income and expenditure	0	0	0	0
Other financial liabilities	0	0	0	0
Total	0	0	0	0

Description	Current 31.03.20 FT only £000	Non-current 31.03.20 FT only £000	Current 31.03.19 FT only £000	Non-current 31.03.19 FT only £000
Derivatives and embedded derivatives held at fair value through income and expenditure	0	0	0	0
Other financial liabilities	0	0	0	0
Total	0	0	0	0

30. Financial risk management

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

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

Currency risk

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

Interest rate risk

The Trust has a low exposure to interest rate risk because it has no borrowings that attract interest. The PFI liability disclosed at note 17 is discharged through a unitary payment mechanism that only varies with annual RPI movements.

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 at each year-end are in receivables from customers, as disclosed at note 11.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups and NHS England, organisations which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from internally generated funds. The Trust is not, therefore, exposed to significant liquidity risks.

Market risk

Market risk is not material to the Trust.

31. Losses and special payments

Description	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Losses:				
Cash losses	6	1	2	0
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	12	7	0	0
Damage to buildings, property etc. and stores losses	0	0	0	0
Total losses	**18**	**8**	**2**	**0**
Special payments:				
Compensation under legal obligation	0	0	3	1
Extra contractual payments to contractors	0	0	0	0
Ex gratia payments	17	15	15	14
Special severance payments	0	0	0	0
Extra statutory and regulatory payments	0	0	0	0
Total special payments	**17**	**15**	**18**	**15**
Total losses and special payments	**35**	**23**	**20**	**15**
Recovered losses - compensation payments received		0		0

The note above covers the Group accounts and the FT only accounts. The Charitable funds consolidated into the Group accounts do not include any losses or special payments.

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

There have been no losses or special payments exceeding £300,000 in 2019/20 or 2018/19.

32. Segmental reporting

Reporting arrangements

The Chief Operating Decision Maker of the Trust is its Board of Directors (the Board) and committees that report to the Board. The Performance, Finance and Investments Committee receives a range of financial information on behalf of the Board. The Performance, Finance and Investments Committee receives regular reports on the financial performance of service business units within the Trust. The service business units selected represent the Trust's key areas of clinical service and operational support. Within the context of IFRS 8 the Trust's service business units represent reportable operating segments.

Description	31.03.20 Group £000	31.03.19 Group £000
Corporate income less income attributable to service business units	174,880	172,471
Service business unit expenditure less attributable income:		
Children's Public Health Nursing	(20)	(7,563)
Mental Health and Targeted Services	(33,630)	(31,771)
Community Mental Health	(8,097)	(10,262)
East Locality	(23,843)	(22,642)
Mid Locality	(34,079)	(30,877)
West Locality	(29,974)	(29,716)
Psychology and Psychological Therapies	(3,284)	(2,006)
Medical	(14,773)	(13,533)
Corporate Services *	(20,477)	(18,832)
Trust Financing	(4,428)	452
NHS Charitable Funds *	592	171
Surplus/(Deficit) for the period	**2,867**	**5,892**

* Income from the Charitable Fund and expenditure with the Trust are eliminated from these figures (£148,000 19/20, £174,000 18/19).

Due to the nature of the Trust's block contract funding the Trust does not fully report income by segments. Corporate income is reported separately and segment expenditure is reported net of directly attributable income. The classifications in the above note reflect the presentation of financial information to the Performance, Finance and Investments Committee. It is acknowledged that the financial analysis above is different to that used in the remainder of the financial statements.

Segment net assets are not routinely calculated or reported. Segment income and expenditure relates to transactions from external sources.

The following items are included within segment non-operating expenditure:

2019/20 Group	Depreciation and amortisation £000	Impairments £000	Finance income £000	Finance expense £000	Unwinding of discount on provisions £000	PDC dividends payable £000	Gains/(losses) on disposal of assets £000	Total £000
Children's Public Health Nursing	0	0	0	0	0	0	0	0
Mental Health and Targeted Services	914	0	0	1,646	0	0	0	2,560
Community Mental Health	107	0	0	0	0	0	0	107
East Locality	0	0	0	661	0	0	0	661
Mid Locality	20	0	0	0	0	0	0	20
West Locality	0	0	0	0	0	0	0	0
Psychology and Psychological Therapies	0	0	0	0	0	0	0	0
Medical	8	0	0	0	0	0	0	8
Corporate Services	16	0	0	0	0	0	0	16
Trust Financing	987	3,389	(259)	0	14	936	(9)	5,058
NHS Charitable Funds	0	0	(4)	0	0	0	0	(4)
Total	**2,052**	**3,389**	**(263)**	**2,307**	**14**	**936**	**(9)**	**8,426**

2018/19 Group	Depreciation and amortisation £000	Impairments £000	Finance income £000	Finance expense £000	Unwinding of discount on provisions £000	PDC dividends payable £000	Gains/(losses) on disposal of assets £000	Total £000
Children's Public Health Nursing	0	0	0	0	0	0	0	0
Mental Health and Targeted Services	760	0	0	1,647	0	0	0	2,407
Community Mental Health	115	0	0	0	0	0	0	115
East Locality	0	0	0	658	0	0	0	658
Mid Locality	20	0	0	0	0	0	0	20
West Locality	3	0	0	0	0	0	0	3
Psychology and Psychological Therapies	0	0	0	0	0	0	0	0
Medical	8	0	0	0	0	0	0	8
Corporate Services	11	0	0	0	0	0	0	11
Trust Financing	1,339	504	(209)	0	5	567	0	2,206
NHS Charitable Funds	0	0	(8)	0	0	0	0	(8)
Total at 31 March 2019 Group	**2,256**	**504**	**(217)**	**2,305**	**5**	**567**	**0**	**5,420**

Sources of Income

Note 2 to the accounts provides analyses of income from activities and other operating income by type of income and also by commissioner. All income is derived from within the United Kingdom.

The majority of the Trust's income from activities is derived from Clinical Commissioning Groups and NHS England which are organisations that are funded by the Department of Health and Social Care to commission healthcare in respect of their populations. Income from Clinical Commissioning Groups and NHS England contributes the majority share of segment income for each of the business segments detailed above.

33. Auditor liability limitation agreement

The Trust's contract with its auditors, as set out in the letter of appointment dated 21 February 2018, provides for a £2,000,000 limitation on the auditor's liability.

34. Political and charitable donations

The Trust did not make any political or charitable donations in 2019/20 or 2018/19.