

A graphic of several interlocking gears of various sizes and colors (brown, orange, yellow, green) set against a light blue background. The gears are arranged in a circular pattern, with some overlapping. The background has a gradient from light blue at the top to white at the bottom, where the gears are most prominent. The entire graphic is framed by a blue curved border at the bottom.

Annual Report

2019 - 2020

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

A decorative graphic at the bottom of the page consisting of several overlapping, curved bands of color: purple, green, blue, and white.

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Our Annual Report

Our Annual Report is a statutory document intended to present an outline of the overall performance of Coventry and Warwickshire Partnership NHS Trust (the Trust) during the 2019/20 financial year that has just ended, in three main sections:

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



Chair's foreword

Welcome to the 2019/20 Coventry and Warwickshire Partnership NHS Trust Annual Report. The aim of this report is to share with you what we have achieved during the year and provide key details about our organisation and its identity. It seems surreal to be writing this foreword whilst we are still in the midst of the coronavirus pandemic, reflections of which we will live with for many years to come. My heart goes out to those that have experienced loss of loved ones through the pandemic whether that be partners, relatives, friends, neighbours or co-workers. I have been overwhelmed by the response of the community, playing their part in the fight against coronavirus by not only adhering to lockdown, social distancing and hand-washing but also watching out for one another and offering help where it is most needed. Within our Trust, I have been absolutely amazed by the rate of innovation and the speed at which we have been able to change our practice and services in order to combat the pandemic. I am not surprised by, but am eternally grateful to, the energy and commitment that I have witnessed from our staff in stepping up to the mark and going beyond the call of duty in these very challenging times.



This year has seen some fantastic achievements for the Board including the newly implemented Quality Improvement approach and Global Digital Exemplar status. Developments for our patients and service users of all ages include an additional venue for families and young children to access services in Warwickshire; a mobile dental health service in Coventry; and two sensory gardens for adults with specialist needs (more details of these and other achievements can be found in this report). The Trust has looked to build on the CQC rating of 'Good' it achieved in 2018/19 and continues to strive towards an 'Outstanding' rating. Our values – Compassion in action; Working together; Respect for everyone and; Seeking excellence - are the foundation of everything that we do from Board, to frontline, to administration and management. Our staff work to provide the highest quality of care for our patients from across Coventry, Warwickshire and Solihull.

During the year, in recognition of our commitment to strengthen patient and public engagement and co-production, we reviewed our arrangements for patient and public involvement. Consequently, in January 2020, we created a new Patient and Public Involvement Group, drawing together our Governors and Equal Partner Assembly Group. Diane Whitfield, Non-Executive Director and Vice Chair is the Board level champion for the new group. I am excited by the opportunities that this will create and it demonstrates our commitment to public accountability.

We continue to make strides with our strategic partnerships through the Coventry and Warwickshire Health and Care Partnership (formerly Better Health, Better Care, Better Value) maintaining our position as a key partner in the Coventry and Warwickshire health and care system. Recognised as the system lead for Digital Transformation, we are proud of our digital developments, something that puts us in good stead when facing the recent challenges. It was my pleasure to welcome two new executives Clare Hollingworth (Director of Finance and Resources) and Mel Coombes (Chief Nurse and Chief Operating Officer) to the Board and wish the best of luck to Gale Hart and Tracey



Wrench who have left our Trust. I would also like to welcome our three new Non-Executive Directors, Phil Wells, Bal Claire and Wayne Farah who bring a wealth of experience with them and say a thank you to Alan Dodds, Mike Williams and Professor Guy Daly who left the Trust during the year.

Finally, I would especially like to thank all the front line staff and the support staff for their work over the past year, not just in the fight against COVID-19, but in their commitment and enthusiasm throughout the year, helping us to become the Trust we are today. Thanks for all your contributions to make Coventry and Warwickshire Partnership NHS Trust our great place; through our people, our passion, and our pride.

Jagtar Singh, OBE

Chair



Performance Report



1. Performance Report

1.1 Who we are

Our Trust provides mental health, learning disability and community health services to the people of Coventry. We also provide mental health and learning disability services in Warwickshire and Solihull; and a range of specialist health services to people across the West Midlands and the rest of the UK.

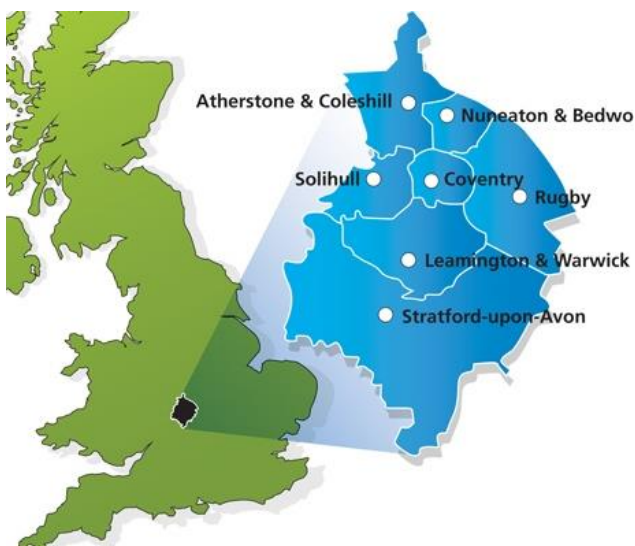
Our major funders during this year were the three Clinical Commissioning Groups (CCGs) for Warwickshire and Coventry, namely Coventry and Rugby; Warwickshire North; and South Warwickshire - some services were also funded by Solihull CCG.

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

1.2 Our locality

A large proportion of what we do is delivered from a number of key locations, as illustrated here. In total, the Trust used more than 60 locations to deliver care during this year. Our inpatient mental health services are delivered from four locations: the Caludon Centre in Coventry; St Michael's Hospital and Woodloes House in Warwick; and the Manor site in Nuneaton.

Our specialist assessment and treatment services are provided at Brooklands in Marston Green. Our community health services in Coventry are provided from the City of Coventry Health Centre; and further supported services are delivered in the community as close to the patient's own home as possible.



Key locations from which our Trust operates

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



1.3 Our vision and values

Our values

Compassion
in action



Working
together



Respect for
everyone



Seeking
excellence

Our values best describe what people should see when they encounter our organisation.

Our vision:

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

1.4 Our strategic ambitions

Our Trust's strategic ambitions for 2019/20 reflect how we focused on key issues during the year to further develop our services in order best to meet the needs of the people we serve.

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



1.5 Looking forward: 2020-2025 Strategic Framework

Our Great Place Strategy published in April 2018 signalled a shift in direction and since then, we have made considerable progress against our aims.

Two years on and with so many changes to the environment we operate in, the Trust Board Members have been taking stock of how far we have come, and where we are heading next.

Together with contributions from the Trust Leadership Team and Senior Leadership Team, a refreshed Great Place Strategic Framework has been developed.

The Framework sets out the Trust's new ambitious vision of how our organisation will position itself to be fit for the future, and able to continue to deliver high quality services.

The Trust Board approved the revised Great Place Strategic Framework in March 2020.

Strategic Priorities:

- **To create more capacity to care**
- **To enhance staff and patient experience through co-production**
- **To achieve best value through innovation**



Our Strategic Framework 2020 – 2025

This Strategic Framework 2020 – 2025 for Coventry and Warwickshire Partnership NHS Trust (CWPT) sets out how the Trust intends to pursue safe high quality and sustainable services for the population of Coventry and Warwickshire

Our Ambition

“ To become an ‘Outstanding’ provider of mental health, learning disabilities, autism and physical community health services, in collaboration with our local partners and community. ”

Our Values

**COMPASSION
IN ACTION**

**WORKING
TOGETHER**

**RESPECT FOR
EVERYONE**

**SEEKING
EXCELLENCE**

Our Strategic Priorities

<p>To create more capacity to care</p> <ul style="list-style-type: none"> Deliver safe, high quality care with focus on continuous improvement Integrate clinical pathways for the benefit of our patients Attract and retain the best people to work for us 	<p>To enhance staff and patient experience through co-production</p> <ul style="list-style-type: none"> Ensure meaningful involvement of service users, carers, staff and the wider community Promote an open and inclusive culture through effective communication and staff engagement Maximise the potential of our staff through collective leadership and devolution 	<p>To achieve best value through innovation</p> <ul style="list-style-type: none"> Utilise modern technology and research to improve quality, and health outcomes Deliver services that are efficient and financially sustainable Invest in our people, digital technology and infrastructure
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Key Programmes to Deliver Innovation

- Community Services
- Mental Health and Emotional Well-Being
- Quality Improvement
- Transforming Care for people with learning disabilities and autism
- Our People Plan
- Global Digital Exemplar
- Estates Rationalisation
- Sustainability Strategy

Outcome

To be recognised, based on evidence, by our patients, service users, staff, system partners and regulators as **A Great Place for Care , A Great Place to Care and A Great Place to Work**

OUR GREAT PLACE
Our People Our Passion Our Pride

System collaboration • Leadership • Culture • Learning

1.6 Chief Executive's statement

This year the NHS has faced the greatest challenge it has ever known. The outbreak of the coronavirus pandemic has needed an unprecedented speed of change on how services are delivered across the whole NHS. For the Trust, this meant re-evaluating the way we provide services at a rapid pace, whilst maintaining the health and wellbeing of patients, service users, carers and staff. What we have achieved over the last few months should not however obscure the significant achievements we have been making throughout the last year. 2019/20 has been a time of immense challenge. It has led to great innovation and many new ways of doing things.

What has remained constant throughout the year has been that our patients and their families are at the centre of everything we do. Our clear focus is on continually improving the quality of services and our patients' experience of those services, with the need to balance the financial challenges imposed against continued pressures on those services. Our Trust Board seeks to take appropriate steps to mitigate any pressure that may impact on our capacity to deliver across all our services, from inpatient mental health to physical health services in the heart of our communities. We are also continually working hard to re-design services where possible, to meet the needs of local communities and reflect the expectations of our commissioners. The NHS continues to face a challenging financial situation and we have welcomed the news of additional financial support being made available, particularly the recognition of the importance of more funding for community, learning disability and autism, and mental health services. We are working closely with commissioners and our other partners in ensuring the most effective allocation of these funds.

Our other key focus over the year has been to support our staff to provide the best possible care to our patients. We seek to ensure our Trust values are at the heart of how we act, and everything we do should be through empowered individuals and effective team working, working in partnership with the people who use our services. Over the last year, this has included:

- Building on quality through our newly implemented Quality Improvement Programme – empowering the services to respond to the needs of their patients and service users in line with the Quality Framework.
- Collective leadership – embedding leadership at all levels so that we can drive improvement & innovation and ensure all voices are heard.
- Continued work on the staff engagement programme – seeking to ensure that all staff are involved in “how we do what we do”
- Continued investment in IT – achieving Global Digital Exemplar status this year and leading key elements of the Digital Programme on behalf of our partners across the system.
- A strengthened commitment to patient and public engagement and co-production through the creation of a new Patient and Public Involvement Group.
- Progress with our Working Together for Mental Health Group where we have formed an alliance of voluntary organisations, community engagement organisations and primary care commissioners and providers.

Our Trust, we believe, is better placed to ensure we continue to strive for improvement in the care of our patients and our wider communities. We are fully committed to maintaining our journey of improvement. Building on the Care Quality Commission's 2018 'Good' rating of the Trust, we continue to work towards achieving 'Outstanding'. We also recognise our responsibilities within the wider health and social care system and are continuing to improve the safety and quality of our services, working through our strategic partnerships across the Coventry and Warwickshire Health and Care Partnership and the wider regional footprint, particularly with our partner NHS mental health provider trusts.



As with every annual report, I and my Board colleagues recognise and pay tribute to all staff for their commitment, passion and effort throughout the year which is evident through the numerous examples we see and hear from all areas of our Trust. We see endless examples of staff going above and beyond what is expected, and maintaining caring and responsive services in the face of unprecedented pressures. With the events of this year, the NHS has once again been shown to be a truly inspirational place to work and locally this is reflected through the contribution of individuals and teams across our clinical and support functions.

No one at the beginning of this financial year could have envisaged how we are ending it. I believe our Trust, like the NHS in general, has risen magnificently to the challenges it has faced. Throughout, we have continued the commitment to our vision and values as a service provider and as a reliable and credible partner. At the time of writing the focus is on ensuring we continue to maintain a high quality level of service whilst responding to the pandemic and the unique challenges it brings.

I hope in this report we have been able to reflect a little of the truly amazing commitment and passion of the people who make up this organisation and the many innovations and achievements they have led.



A handwritten signature in black ink, appearing to read 'S Gilby', written over a light blue background.

Simon Gilby
Chief Executive



1.7 A year in the life of our Trust

We have highlighted below some of our achievements in 2019/20.

April 2019

Warwickshire Pre-school Autism Service launched by local Trust

From 1 April, the Trust took on responsibility for the Warwickshire Pre-school Autism Service.

The service is a specialist service consisting of a highly skilled multidisciplinary team responsible for the assessment and diagnosis of Autism Spectrum Disorder (ASD).

It works closely with education and other support services in order to support the child to reach their full potential.



Local NHS Trust Chair appointed to the new NHS National Assembly

Jagtar Singh, OBE, the our Trust Chair, was invited to sit on the NHS England National Assembly in recognition of his campaigning and support for the rights of the local community.

The Assembly will work alongside staff representatives, the voluntary, community and social enterprise groups to make sure all our communities and their needs are heard. These local views and experiences will help develop and form local and regional plans for our communities using NHS services in the long term.



May 2019

Year of Wellbeing Festival marks Mental Health Awareness Week

A festival celebrating Coventry and Warwickshire's Year of Wellbeing took place in Broadgate, Coventry on 18 May 2019.

The aim of the one-day festival was to connect the public to groups and organisations that promote good mental health and wellbeing, and help break down the stigma around seeking help.



There were over 30 stalls including: the Samaritans; Arty-Folks; Papyrus; Positive Youth Foundation; local NHS health services; and many more.



Fourth International Nurses' Day celebration

On 10 May 2019, hundreds of unsung heroes came together for the fourth annual International Nurses' Day and International Day of the Midwife celebration.

There was a procession through Coventry city centre leading to a ceremony at Coventry Cathedral. Inspirational speakers – including Yana Richens, Deputy Head of Maternity Services at NHS England, shared their experiences on the day.

Nina Morgan, Chief Nursing Officer at University Hospitals Coventry and Warwickshire NHS Trust, was Master of Ceremonies. Nina said:

“International Nurses' Day and 'International Day of the Midwife' offer a unique opportunity to recognise the commitment, skills and professional knowledge that nurses and midwives demonstrate 24 hours a day, 365 days a year.

“Nurses and Midwives are vital in helping the NHS to meet the health and wellbeing needs of our patients today and well into the future.



June 2019

New venue opens in Nuneaton to support children and young people's mental health and wellbeing

'Rise', a service to help improve mental health and wellbeing for children and young people in Warwickshire acquired an additional venue in Nuneaton - the Abbey Centre.

The service, delivered by Coventry and Warwickshire Partnership NHS Trust and CW Mind, operates from a number of community venues around the county but this was seen as a unique opportunity to deliver some of its services, such as group work and early support, from a more community friendly venue.



This was made possible through joint working between Rise and Warwickshire County Council.

Michelle Rudd, Head of Service for Specialist Mental Health at Coventry and Warwickshire Partnership NHS Trust, said:

“Warwickshire County Council has continuously supported our vision of making Rise accessible to families in the heart of their community, enabling earlier access to services that promote emotional wellbeing. We are grateful to the County Council Members, who have generously supported Rise to secure the Abbey Children's Centre for this purpose. The access, location and facilities will maximise the potential for the service to grow and support the community.”

The venue will act as a community venue, offering the wider community support and guidance on mental health via free information sessions, groups and coffee mornings.



Sensory garden created for adults with specialist needs

Ashby House, a respite service for Adults with Learning Disabilities and associated specialist needs, held an official opening of a new sensory garden for use by their clients and staff to enjoy.

The adults who use the services at Ashby House have a range of health issues including learning disabilities, complex health needs, challenging behaviour and Autism, coupled with other sensory processing disorders.



The sensory garden will be used as a calming place with plants and decor chosen on their ability to gently stimulate senses.

Respite plays a vital role for all clients, parents, and carers. It ensures that parents have the opportunity to have a break from caring to recharge their own batteries. It also gives clients the chance to interact with their peers, develop social skills, and experience new things in a safe environment.

July 2019

Trust wins HSJ Patient Safety Award for Best Healthtech Solution

The Trust, in collaboration with Oxehealth, won the 2019 HSJ Patient Safety Award for Best Healthtech Solution for Patient Safety.

The award recognises work to improve dementia care in mental health through the use of Oxehealth's Digital Care Assistant.

The Digital Care Assistant uses optical sensor technology to detect patient movement in bedrooms in an attempt to reduce falls during the night. By alerting staff via a central monitor if patients are on the edge of their bed or are trying to get out of bed, it enables them to intervene to prevent falls.



A clinical study showed that the Trust saw falls at night drop by a third on two wards using the technology. Manor Hospital's Pembleton and Stanley wards, which care for inpatients with dementia, installed the Digital Care Assistant in half of their bedrooms, and measured the impact over eight months. During the clinical study that ran from March to October 2018, there were 33% fewer falls at night than in the same period during 2017 and a 56% reduction in demand for A&E services. Staff reported increased confidence and family members felt they had more peace of mind that patients were well looked after.

Fiona McGruer, Interim Chief Nurse and Chief Operating Officer at Coventry and Warwickshire Partnership NHS Trust, said: *"We are thrilled to have won this award in partnership with Oxehealth. We are very proud of the innovative techniques and approaches being used by the clinical team at the Trust to further patient safety and care. This collaboration with Oxehealth is a great example of this. The Trust is committed to using digital innovation to improve the care we provide and support our staff in their roles."*



Trust's Apprentices win big at awards ceremony

Apprentices from the Trust scooped six awards at Coventry and Warwickshire Chamber of Commerce Training's Apprenticeship Awards.

The event recognised the top achieving apprentices across the Coventry and Warwickshire region. Eight apprentices from the Trust were invited and nominated for various awards.



Chief Executive receives honorary doctorate

The Trust's Chief Executive, Simon Gilby, was awarded an Honorary Doctorate from Nottingham Trent University.

The degree, doctor of public administration, was given in recognition of Simon's outstanding contribution to public office within the health service and higher education sectors.

Simon commented: *"I have been fortunate to work in some outstanding organisations over many years, working alongside talented and caring professionals, who have made my roles so much easier."*



"Never did I imagine I would be receiving such a prestigious honour. I would like to pay special note to all those colleagues, from my past and present, in the NHS without whom I would not have achieved what I have, nor been awarded this honour today."

August 2019

Sensory garden created for adults who have complex needs

The Lodge, a Community Day Provision for Adults with learning disabilities and complex health needs, in North Warwickshire, held its official opening day in August 2019 to celebrate its new sensory garden that was created for clients and staff to enjoy all year round.

The sensory garden is a calming and educational place, created with flowers, shrubs, vegetables and materials designed with the purpose of stimulating and engaging a person's senses. The aim is to improve health and wellbeing in a unique and invigorating environment.



'Let's Talk About Sex': New website launched by Integrated Sexual Health Services, Coventry

A new website offering a one-stop shop for information on sexual health in Coventry was launched in August 2019. The website aims to ensure people can find and access sexual health services available in their area.

It contains a wealth of resources, including information on contraception and testing for sexually transmitted infections (STIs); support for HIV; as well as more general advice and information. The design of the new website was based on market research and feedback from service users.



Charlotte Hubbard, Head of Integrated Sexual Health Services (ISHS), said:

"I am very proud of the new website, which will improve our ability to reach out to the people most in need of our services."

"Having an online presence has never been more important; with most young people using social media regularly, it's a prime opportunity to correct some of the myths around sexual health, and to provide signposting and information to those who need it."

September 2019

World Suicide Prevention Day 2019: working together to prevent suicide

Tuesday 10 September 2019 was 'World Suicide Prevention Day (WSPD)' and the Trust worked in collaboration with health and care partners to raise awareness of resources and services that provide vital help.

The day was marked with a series of events giving staff and the public the opportunity to start conversations around suicide, focusing on early warning signs, coping strategies and looking after their own wellbeing and the wellbeing of others.



Currently one person every 90 minutes dies by suicide in the UK and approximately two thirds of these are not in contact with mental health services.

The day was also marked by the launch of the Stay Alive app, a free suicide prevention pocket resource designed to be a lifeline for people at risk of suicide, or for those concerned about the safety of someone. The app contains local mental health and suicide prevention information all in one place, as well as features like the LifeBox to store photos and memories and reasons for living. Designed for everyone, it is an easily accessible and supportive app aimed to keep minds at ease.

Families of children and young people benefit from new training suite

An innovative training resource for families of children and young people in Coventry and Warwickshire with long term and complex medical needs, was officially launched by the



NHS Trust and national children's charity, WellChild on 12 September 2019.

Known as the 'WellChild Better at Home Training Suite', the facility is part of the Coventry NHS Children and Young People's (CYP) Complex Physical Health Service. It supplements existing specialist nursing care and respite for these children and young people by providing a safe place for families to learn and practice many of the skills they will need to care for their child at home – from managing their ventilation, to feeding them via a tube.

This facility at Coventry is the second of a number of 'Better at Home' suites which WellChild is establishing around the country.

October 2019

World Mental Health Day (10 October) in Coventry and Warwickshire

Health partners in Coventry and Warwickshire marked World Mental Health Day (WMHD) on Thursday 10 October - this year's theme was suicide prevention.



Death by suicide has gradually increased over the years, with rates in the UK having increased to the highest level since 2002, at 11.2 per 100,000 people in 2018, with substantially higher rates recorded in men.

In Coventry, the MIND Mental Health and Wellbeing bus was used to provide information about mental health services and support available locally to Coventry and Warwickshire residents.

An event aimed at reducing stigma around mental health and encouraging people to share their own experiences was held in Leamington Spa.

Representatives from the Trust as well as Warwickshire Wildlife Trust; Coventry and Warwickshire MIND; Change Grow Live; Samaritans; and several other organisations were all available on the day.

November 2019

Children with complex health needs benefit from new mobile dental unit

November 2019 saw the launch of a brand new mobile dental unit which will treat children at special education needs schools in Coventry. Working in partnership with the children, their families, the school staff and other health professionals (including school nurses), the mobile dental unit will provide safe and effective oral care.

The mobile dental unit currently visits three special education needs schools (SEN) in Coventry, providing access to high quality dental and oral health care to children with a range of complex health needs, for example wheelchair users, children with feeding difficulties, cardiac problems and sensory issues.



It is hoped that in the future the mobile unit can be extended to include other SEN schools in Coventry. Due to their complex needs, the children often face many barriers to accessing dental care. Poor oral health can impact negatively on general health, so access to a mobile dental unit is of great benefit.



Claire Castle-Burrows, Clinical Lead, Coventry Community Dental Service at the Trust, said: *“We are delighted to have secured the funding for a new mobile dental unit, which will allow us to go to SEN schools and provide dental care for the children who might, due to their complex needs, struggle to attend a dentist. The first mobile dental unit in Coventry started in the mid-1980s as a caravan and was replaced in the early 1990s with a van. This will be the third unit we have had as others came to the end of their usable lives, but it is such an important service which enables us to work with children, parents and school staffs to ensure the children receive the best oral care possible.”*

December 2019

In December 2019, Coventry and Warwickshire Partnership NHS Trust launched their **#NowICan** campaign showing how help in Coventry and Warwickshire is just a call away.

If you’ve had more bad days than good, you’re feeling more “can’t” than “can”, or you’re not enjoying life as much as you should, pick up the phone – that’s the message of the campaign from experts in Coventry, Rugby, Solihull and across Warwickshire.



Leamington Spa supermarket worker, Carl Bazeley, is now on the road to recovery after using these services to help come to terms with a traumatic car crash. *“I am supporting the #NowICan campaign because my counsellor has helped turn my life around,”* said Carl.

“Every day, therapists and counsellors help so many people, some like me. It takes just one phone call to access these free, life-changing services, but people often don’t seek the help they need. I want to help spread the message that it’s OK not to be OK. Don’t wait and don’t suffer. Be kind to yourself and call them now - it’s that easy.”

Almost 2,000 people are already being supported each month by the Trust for conditions ranging from low mood, over-worrying and panic attacks, through to depression, post-traumatic stress disorder and anxiety. However, counsellors and therapists at the Trust believe many more people may be struggling with their mental health. Through the campaign they want to raise awareness of the easily accessible services which are free and confidential and do not need GP referral.



January 2020

Work has started to develop new inpatient facilities for patients with a learning disability and/or autism at Brooklands Hospital in Marston Green.

The plans involve creating a new low secure unit dedicated for patients with autism only and a new recovery and integration facility for patients with a learning disability and/or autism.

Work is to be carried out over three phases, with the two units set to fully open in winter 2021. Patients will benefit from a self-contained apartment which includes a lounge area, bedroom and en-suite, with access to their own outside area. There will also be a day space area, kitchen, laundry, reception/waiting room, therapy and multi-faith room.



New Coventry Safe Haven launched for mental health support

A new mental health support service that aims to increase help for residents experiencing mental distress, was launched in January 2020 in Coventry, as part of a joint effort by the Council and partner agencies.

In a bid to encourage more people in the city to come forward and seek help, a brand-new Safe Haven service has been commissioned by Coventry City Council.

Mental Health Matters is a charity providing a wide range of support to people with mental health needs offering a welcoming, safe, comfortable, non-judgmental and non-clinical environment. Their mental health professionals provide one-to-one support and can help create staying well and crisis plans for visitors.



February 2020

New service in Warwickshire to help vulnerable people

A new NHS England & NHS Improvement funded service to support vulnerable people coming into contact with the criminal justice system across Warwickshire was launched in February 2020.

Warwickshire Liaison & Diversion Service is an extension to the service currently offered across Coventry and provides an all age service supporting people with a range of vulnerabilities, including mental health, learning disabilities, housing and educational needs, who come into contact with the Police.



Warwickshire Liaison & Diversion Service, which is provided by the Trust, includes qualified health professionals working alongside officers within the police custody suites to identify vulnerable individuals who are then offered an assessment to explore key vulnerabilities, and provide a timely referral into services which will meet their needs.



Trust given £3 million to develop digital technologies

Coventry and Warwickshire has been announced as a NHS England's Global Digital Exemplar (GDE), where it will become digital forefront for patient care.

The fast follower GDE status comes after the Trust successfully secured £3 million funding from NHS England as latest GDE.



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its

The announcement means services from the Trust will be harnessing the latest innovations in patient care and safety through the use of digital technology.

March 2020

March saw the Trust along with the rest of the country respond to the COVID-19 pandemic. The Trust was well prepared for the pandemic and was able to quickly put measures in place to help protect patients and staff. The situation evolved quickly and we updated our working practices and guidance in line with the national guidance as we received it.

An Incident Management Team was established since the start of the outbreak, under the leadership of the Trust's Chief Nurse and Chief Operating Officer, Mel Coombes and Medical Director, Sharon Binyon. Four incident hubs were set up to coordinate specific plans for our wide range of patients, service users and staff.

We reviewed our service portfolio and for each service, we identified those that are critical, priority and non-critical along with what the impact COVID-19 will have. As a result of this we reduced activity in a number of non-essential services to focus our efforts on more critical services and we put in place plans to redeploy staff who are in non-critical roles to support critical/priority areas where required.

Partnership working is key and we worked closely with our NHS partners, Public Health Teams, GPs, police and local authorities to monitor and respond to the situation.



1.8 Performance summary

Operational, Patient Experience and Workforce Performance

The Trust Board has continued to monitor performance against both regulatory and contractual key performance indicators. In overall terms, the Trust is maintaining sound performance against the majority of indicators, but with continued challenges in certain areas where we are not yet achieving the levels of performance we would want to see.

The Trust has continued to successfully improve performance within the Early Intervention in Psychosis service, exceeding this target since August 2019 with over 80% of patients seen within two weeks of referral in December 2019.

We have also been able to sustain positive performance for patients accessing the Improving Access to Psychological Therapy service (IAPT), exceeding the nationally mandated rate of recovery (53%) every month in 2019/20 and delivering shorter waiting times for all patients with on average 99% of patients receiving their first appointment within 6 weeks of their referral. The national target is 75%.

The core areas of under-performance relate to waiting times. Whilst the majority of our services continue to deliver against national and local waiting times, there are a small number of services where referrals to the service receive exceed the amount of service capacity available. For example, 50% of children waiting for a follow-up CAMHS appointment are seen within 12 weeks and there are 2710 children waiting for an ASD diagnostic assessment. Where appropriate, we are working with our commissioners to ensure appropriate levels of investment, but we recognise that service innovation, including supporting individuals to self-manage, is required in order to achieve sustainable performance. This is the focus of much of our transformation work, both internally and with our system partners.

The number of adult mental health patients that have had to be admitted to facilities out of area because of a shortage of bed capacity locally this year has remained higher than we would wish and above the target set by NHSE/I. During the year, we took steps to improve the clinical oversight of these placements, including reducing the number of independent hospitals that we routinely admit to, out-posting named liaison staff and supporting families and carers to maintain regular contact. Our intention is to eliminate such inappropriate out of area placements. We have plans to open more beds within our Caludon Centre and will accelerate our work to reduce our average length of stay, thereby freeing up further bed capacity.

All our services continue to work hard to review how they work to maximise the resources available to the benefits of all our patients with more than 90% of patients rating our services positively when completing the Friends and Family Test (FFT).

While we continue to show improvement in both the Staff and Patient Family Test with nearly 60% of staff (59.4%) saying they would recommend the Trust as a place to work, our workforce targets have continued to be a challenge during the year with the majority rated red or amber. However, progress has been made in continuing to reduce the percentage of work hours filled through agencies and we have significantly improved the recruitment and retention of our staff. The number of substantive staff in post has increased, and we now have a vacancy factor of



5.4%, as compared to 11% in March 2019. Staff turnover has also improved to 11.7%, compared to 14.8% in March 2019.

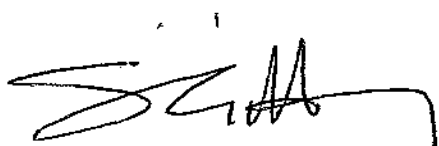
Financial Performance

We have achieved all five of our financial duties, and at the end of the year we delivered an adjusted financial performance surplus of £2.942m (compared to £4.495m in 2018/19).

The Trust has five financial duties which it must achieve each financial year. Further details can be found in the financial statements in the final section of this report.

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

Performance Report Signature:



Simon Gilby, **Chief Executive**

Date: 23 June 2020



Accountability Report



2. Accountability Report

Corporate Governance Report

Directors' Report

2.1 Trust Board Structure 31 March 2020

BoardMembers

 <p>Jagtar Singh Chair</p>	 <p>Simon Gilby Chief Executive</p>	 <p>Dianne Whitfield Vice Chair</p>	 <p>Zulfiqar Darr Non-Executive Director and Senior Independent Director</p>	
 <p>Bal Claire Non-Executive Director</p>	 <p>Jane Hodge Non-Executive Director</p>	 <p>Doreen McCollin Non-Executive Director</p>	 <p>Wayne Farah Associate Non- Executive Director</p>	
 <p>Phil Wells Non-Executive Director</p>	 <p>Mel Coombes Chief Nurse and Chief Operating Officer</p>	 <p>Sharon Binyon Medical Director</p>	 <p>Dominic Cox Director of Strategy and Development & Deputy Chief Executive</p>	 <p>Clare Hollingworth Director of Finance and Resources</p>



2.2 Meet the Trust Board members

These biographies summarise the roles and backgrounds of the Executive and Non-Executive Directors (NEDs) who make up our Trust Board as at 31 March 2020.

Non-Executive Directors

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

Chair

The Chair leads the group of Non-Executive Directors and runs all the meetings of the Trust Board.

Jagtar Singh, OBE – Chair

Background and experience:

Jagtar Singh was appointed Trust Chair in September 2014. His tenure was renewed in September 2016 and again in September 2019 for a further three years.

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



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

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

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

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

Qualifications:

MSc, BA Hons, MIFireE



Dianne Whitfield – Vice Chair

Background and experience:

Dianne was appointed as a Non-Executive Director in April 2016 for a two year term, which was extended for a further three years to March 2021. Dianne was appointed as Vice Chair with effect from 1 September 2019.



Dianne's background includes working as a Human Resource specialist in a variety of management/senior management roles. She has an MBA and has also worked for a number of years as a management consultant specialising in working with NHS organisations and its strategic partners.

In total, Dianne has over 30 years' experience of delivering public services. Her last role was Chief Officer of Coventry Rape and Sexual Abuse Centre (CRASAC), one of the biggest Rape Crisis centres in the country. She has significant experience working within a range of public sector organisations before training as a Gestalt therapist and joining the voluntary sector where she worked for approximately 15 years.

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

Dianne is a long standing Board member of Rape Crisis England and Wales and served as the national chair for 5 years. She is a clinically qualified Gestalt therapist and her clinical work focused on providing individual therapy and group counselling to survivors and victims of sexual violence.

Qualifications:

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

Jane Hodge

Background and experience:

Jane Hodge is the Non-Executive Director of our Trust nominated by Warwick University. Jane's term of office started in April 2015, and was renewed in April 2017 until 31 March 2020 and again from April 2020 for a further three years.



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

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

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

Qualifications:

MBA – Higher Education Management (UCL)



Zulfiqar Darr

Background and experience:

Zulfiqar joined the Trust as a Non-Executive Director in April 2015 and was appointed as Senior Independent Director in October 2016. He was reappointed for a further three years in April 2017, and again in April 2020 for an additional three years.



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

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

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

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

Zulfiqar has also worked in a number of senior interim public sector finance roles and is now occupying the permanent role of Deputy Chief Executive and Chief Finance Officer at Broxtowe Borough Council.

Qualifications:

Chartered Public Finance Accountant (Chartered Institute of Public Finance and Accounting)
Masters in Business Administration

Doreen McCollin

Background and experience:

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



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

Doreen's personal and professional interests include being a Fellow of the Institute of Health Service Managers, Fellow of the Royal Society for Public Health and Fellow of the Institute of Chartered Managers

Qualifications:

MA in Health Studies, Diploma in Management, Diploma in Management Studies, Diploma in Social Research Methodology, Registered Mental Nurse, Registered General Nurse. Currently enrolled on a PhD programme of study.



Phillip Wells

Background and experience:

Phillip was appointed as a Non-Executive Director and Chair of the Audit Committee from May 2019 for a two year period until April 2021.

Phillip is the Assistant Chief Officer – Finance and Business Support, with Bedfordshire Police and Chief Financial Officer for the Police and Crime Commissioner. He joined the Bedfordshire Police Force in 2000, prior to that he worked for Bedfordshire County Council. He has extensive experience within the world of Public Finance and Accountancy.



Qualifications:

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

Balbir Claire

Balbir was appointed as an Associate Non-Executive Director from July – August 2019 and was then substantively appointed as a Non-Executive Director with effect from September 2019 for a two year period until August 2021.



Background and experience:

Bal is Managing Director of his Management Consultancy company MyQonsult, helping organisations across a broad range of industry sectors to grow and succeed. In addition, Bal is an Independent Member on the Council at the University of Warwick and is Chair of the BT London Telecoms Region Amateur Sports Association Charitable Trust.

Previously Bal had a hugely successful career at BT and has a deep understanding and experience of the telecommunications industry. Starting as an apprentice he worked his way up to senior director roles holding significant accountability and leading large-scale strategic business transformation. Bal is motivated and passionate about delivering the right business outcomes that bring real value to customers.

In his spare time Bal fundraises for charity and likes walking and watching a range of sports including Rugby Union, Football and F1.

Qualifications:

MSc Telecommunications Business (UCL)

Wayne Farah

Wayne joined the Trust in September 2019 as an Associate Non-Executive Director for an initial period of six months.

Background and experience:

Wayne has over 18 years' experience as an NHS non-executive including six years as Vice-Chair of Newham CCG. At Newham CCG Wayne was the architect of the Newham community prescription which won the BT Sports Industry 2018 Community



Programme of the Year award. His contribution to improving health care for disadvantaged communities was recognised in 2015 with an HSJ Patient Leader Award. He has also worked as a social worker, a Human Resources manager, and senior policy advisor in local government, and as a lecturer.

Wayne has over 30 years' experience as a social entrepreneur and community organiser. He is a long-term associate of the Institute of Race Relations and has had leadership roles in numerous grassroots community organisations. He works with the NHS Confederation as coordinator of the national BME Leadership network. He is also a senior consultant with QK Associates which works primarily with social housing providers, where he leads the health and social care department. He was a founding member of Adcris CIC, Umoja Theatre Company, Vision Care for Homeless People, the Migrants Rights Network, and ARHAG Housing Association where he is currently a trustee. Wayne has recently joined the board of the Institute of Healthcare Management. Wayne is a full-time carer.

Qualifications:

Wayne studied theatre at Dartington College of Arts, then a postgraduate diploma in management before undertaking postgraduate study in occupational psychology researching the impact of occupational stress on health.

Executive Directors

Simon Gilby – Chief Executive

The Chief Executive is responsible for leading the development and delivery of all Trust strategy and development.

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



Background and experience:

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

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

Qualifications:

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



Clare Hollingworth – Director of Finance and Resources

The Director of Finance and Resources is responsible for ensuring robust financial and performance management across the Trust, supporting the Trust to deliver the best quality outcomes within the resources available. The portfolio also includes Contracting, Procurement, Clinical Systems, IT and Estates and Facilities.



Clare took up post as Director of Finance and Resources on 30 September 2019.

Background and experience:

Clare first joined the NHS in January 1990 and has a breadth of experience in the NHS across both commissioning and provider organisations, in a range of roles including contracting; business planning; and performance management. Clare was previously Chief Finance Officer and Deputy Chief Executive in the joint management team for Warwickshire North and Coventry and Rugby CCGs.

Clare brings a wealth of system-wide knowledge and experience established over her 12 years working on the patch.

Qualifications:

Chartered Certified Accountant (ACCA)

Sharon Binyon – Medical Director

Sharon is Medical Director, Caldicott Guardian and Executive lead for Research and Innovation with the Trust and was the Deputy Chief Executive from January 2019-December 2019.



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

Sharon is the Senior Clinical Lead responsible for the Coventry and Warwickshire Health and Care Partnership Mental Health transformation programme working with colleagues across the health and social care system to deliver the Mental Health Long Term Plan ambitions.

Background and experience:

Her clinical background is in adult mental health and she is a fellow of the Royal College of Psychiatrists. She also has a keen interest in Health Education and was appointed to the role of Associate Postgraduate Dean in February 2017, taking a particular lead in leadership development for medical trainees.

Qualifications:

B.Med.Sc BMBS MSc FRCPsych



Mel Coombes – Chief Nurse and Chief Operating Officer

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

Mel was appointed as Chief Nurse and Chief Operating Officer from 30 September 2019.



Background and experience:

Mel has more than 25 years' experience working in the NHS. A registered nurse, she was Director of Nursing and Quality and Deputy Chief Executive Officer at Cambridgeshire and Peterborough NHS Foundation Trust for seven years before joining the Trust. With a passion for improving quality, Mel has led on several developments at a national level. She is also the Chair of the National Mental Health and Learning Disabilities Nurse Directors Forum.

Qualifications:

PgdPBA, PgdLD, RNMH

Dominic Cox – Director of Strategy and Development

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



Background and experience:

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

Qualifications:

Masters of Business Administration (MBA)

Jenny Horrabin – Associate Director of Corporate Affairs

The Associate Director of Corporate Affairs is the principle advisor to the Board, the Trust Executive and the organisation as a whole on all aspects of corporate affairs, corporate governance, law and risk management.

This role includes reviewing policy, legislative, regulatory and governance developments that impact on the Trust's activities and ensures that the Board is appropriately briefed on them.



The Associate Director of Corporate Affairs facilitates the functioning of the Trust's corporate business processes, supporting the Board and the Trust Executive and ensuring that governance arrangements are 'fit for purpose' through the development and management of an integrated governance framework.



Background and experience:

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

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

Qualifications:

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

Changes to the Trust Board during 2019/20

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

- Three Non-Executive Directors left the Trust. Mike Williams left the Trust at the end of April 2019 and Alan Dodds left the Trust at the end of August 2019 at the end of their terms and Professor Guy Daly resigned from his position with effect from the end of September 2019. During the year two new Non-Executive Directors joined the Trust: Balbir Claire joined the Trust in July 2019 and Phillips Wells joined the Trust in May 2019. Wayne Farah joined the Trust as an Associate Non-Executive Director in September 2019.
- The role of Deputy Chief Executive was shared between Dr Sharon Binyon and Dominic Cox. Dr Sharon Binyon took on the responsibility from January 2019 to December 2019. Dominic Cox has held the responsibility from January 2020
- Tracey Wrench, Chief Nurse and Chief Operating Officer left the Trust at the end of May 2019. This role was covered on an interim basis by Fiona McGruer between 1 June 2019 and 29 September 2019, after which Mel Coombes was substantively appointed into the role from 30 September 2019.
- Gale Hart, Director of Finance and Resources retired from this role on 26 May 2019. This role was covered on an interim basis by Neil Mulholland between 27 May 2019 and 29 September 2019, after which Clare Hollingworth was substantively appointed into the role from 30 September 2019.

2.3 Register of Board Members' interests

The Register of Interests of Board members is published on our website at

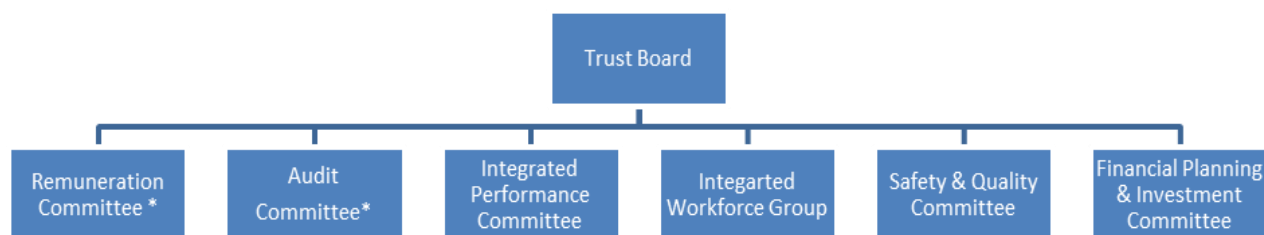
<https://www.covwarkpt.nhs.uk/conflicts-of-interest>

2.4 Committees

During the year, Trust business was conducted in six major committees, each of which is chaired by a Non-Executive Director and has Non-Executive and Executive membership (with the exception of the Audit Committee and the Remuneration Committee which have solely Non-Executive membership).



Each committee regularly reports to the Trust Board, and during the year the effectiveness of each committee was evaluated and reported to the Trust Board. The illustration shows the committee arrangements in place by the end of the year.



*Statutory Committee

Membership of the Audit Committee during 2019/20

Mike Williams (Chair)	To 30 April 2019
Phillip Wells (Chair)	From 1 May 2019
Alan Dodds	To 31 August 2019
Balbir Claire	From 1 September 2019
Zulf Darr	From 1 October 2015

Membership of other Committees as at 31 March 2020

Integrated Workforce Committee
Jane Hodge (Chair)
Dianne Whitfield
Phillip Wells
Sharon Binyon
Mel Coombes
Dominic Cox

Safety and Quality Committee
Doreen McCollin (Chair)
Dianne Whitfield
Wayne Farah (Associate NED)
Sharon Binyon
Mel Coombes

Financial Performance and Investment Committee
Zulf Darr (Chair)
Balbir Claire
Phillip Wells
Mel Coombes
Clare Hollingworth
Dominic Cox



Integrated Performance Committee
Bal Clair (Chair)
Zulf Darr
Phillip Wells
Clare Hollingworth
Dominic Cox
Mel Coombes

Remuneration Committee
Dianne Whitfield (Chair)
Jagtar Singh
Bal Claire
Zulfiqar Darr
Phillip Wells
Doreen McCollin
Jane Hodge
Wayne Farah (Associate)

2.5 Directors' statement

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

2.6 Council of Governors

For part of the year, the Trust continued to maintain a Council of Governors comprised of elected and appointed Governors who represent the wider membership. In addition, the Trust has continued to implement a programme of public and patient involvement in line with its Equal Partners Strategy that was published in 2016.

During the year, the model for engagement has been reviewed and a number of workshops have taken place with staff, Equal Partners Assembly and the Governors and collectively the decision was taken to form a new Patient and Public Involvement Group to refresh the Equal Partners Strategy for 2020 and beyond.

The Council of Governors and Equal Partners Assembly Group were dissolved with effect of 1 January 2020 and a new Patient and Public Involvement Group was formed in recognition of our commitment to strengthen patient and public engagement and co-production.

The Council of Governors met formally once between April and December 2019, in addition to attending the Annual General Meeting.

As at 31 December 2019, the Council of Governors membership was as detailed:

- **Public Governors – Coventry**
 - Rajveer Athwal, Colin Tysall, Brian Loftus
- **Public Governors – Warwickshire**
 - Keith Ward, Christine Claridge, Barry Carter
- **Public Governors - Rest of England**



- Carol Stanton
- **Staff Governors**
 - John Edwards, Phil Noyes, Terrie Edmands, Shirley Fraser
- **Appointed Governors**
 - Kamran Caan, Margaret Bell, Sarah Baxter, Katy Blunt
- **During the period 2019/20 the following Governors officially left the Trust:**
 - Deb Smith, Dr Andrew Entwistle, Shahsi Carter, Allana Watson, Daniel Lilloco, Keith Jones.



2.7 Information Governance

Personal Data Breaches

These are managed as part of the Trust's information governance processes and all incidents which have a data protection element are investigated in line with NHS Digital Guidance. These are reported in the Annual Governance Statement section of this report.

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

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust.

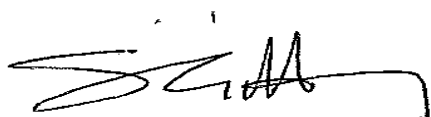
The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- There are effective management systems in place to safeguard public funds and assets, and to assist in the implementation of corporate governance.
- Value for money is achieved from the resources available to the Trust.
- The expenditure and income of the Trust has been applied to the purposes intended by Parliament and conforms to the authorities which govern them.
- Effective and sound financial management systems are in place.
- Annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs at the end of the financial year, including the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as Accountable Officer.

Signed



Simon Gilby, Chief Executive

Date: 23 June 2020



Remuneration and staff report

Salary disclosures (audited)

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

Name and title	Notes	2019/20	2018/19
		Salary (bands of £5,000)	Salary (bands of £5,000)
		£000	£000
Dr S Binyon - Medical Director		170 – 175	165 - 170
Mr B Claire - Non Executive Director	Started 1 July 2019	5 – 10	
Prof G Daly - Non Executive Director	Left 30 Sept 2019	0 – 5	5 - 10
Mr Z Darr - Non Executive Director		5 – 10	5 - 10
Mr A Dodds - Non Executive Director	Left 31 August 2019	0 – 5	5 - 10
Mr W Farrah - Non Executive Director	Started 1 Sept 2019	5 – 10	
Mr S Gilby - Chief Executive		160 – 165	160 - 165
Mrs G Hart - Director of Finance and Resources	Left 26 May 2019	20 – 25	115 - 120
Mr N Mulholland - Interim Director of Finance and Resources	27 May to 29 Sept 2019	35 – 40	
Mrs C Hollingworth - Director of Finance and Resources	Started 30 Sept 2019	60 – 65	
Mrs J Hodge - Non Executive Director		5 – 10	5 - 10
Mrs D McCollin - Non Executive Director		5 - 10	5 - 10
Mr D Cox - Director of Strategy & Development	Inward secondment from Oct 2018. Substantive post from 1 May 2019	115 - 120	55 - 60
Mr J Singh - Trust Chair		35 - 40	35 - 40
Mr P Wells - Non Executive Director	Started 1 May 2019	5 - 10	
Mrs D Whitfied - Non Executive Director		5 - 10	5 - 10
Mr M Williams - Non Executive Director	Left 30 April 2019	0 - 5	5 - 10
Mrs T Wrench - Chief Nurse and Director of Operations	Left 31 May 2019	30 - 35	115 - 120
Mrs F McGruer - Interim Chief Nurse and Director of Operations	1 June to 29 Sept 2019	35 - 40	
Mrs M Coombes - Chief Nurse and Director of Operations	Started 30 Sept 2019	65 - 70	



	(a) Salary (bands of £5000)	(b) Expense payments (taxable) total to nearest £100	(c) Performan ce pay and bonuses (bands of £5000)	(d) Long term perform ance pay and bonuses (bands of £5000)	(e) All pension related benefits (bands of £2500)	(f) TOTAL (a to e) (bands of £5000)
	£000	£00	£000	£000	£000	£000
Dr S Binyon - Medical Director	170 - 175	0	0	0	20 - 22.5	195 - 200
Mr B Claire - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Prof G Daly - Non Executive Director	0 - 5	0	0	0	0	0 - 5
Mr Z Darr - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr A Dodds - Non Executive Director	0 - 5	0	0	0	0	0 - 5
Mr W Farrah - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr S Gilby - Chief Executive	160 - 165	0	0	0	0	160 - 165
Mrs G Hart - Director of Finance and Resources	20 - 25	0	0	0	0	20 - 25
Mr N Mulholland - Interim Director of Finance and Resources	35 - 40	0	0	0	40 - 42.5	80 - 85
Mrs C Hollingworth - Director of Finance and Resources	60 - 65	0	0	0	32.5 - 35	90 - 95
Mrs J Hodge - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs D McCollin - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr D Cox - Director of Strategy & Development	115 - 120	0	0	0	37.5 - 40	155 - 160
Mr J Singh - Trust Chair	35 - 40	0	0	0	0	35 - 40
Mr P Wells - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mrs D Whitfied - Non Executive Director	5 - 10	0	0	0	0	5 - 10
Mr M Williams - Non Executive Director	0 - 5	0	0	0	0	0 - 5
Mrs T Wrench - Chief Nurse and Director of Operations	30 - 35	0	0	0	5 - 7.5	35 - 40
Mrs F McGruer - Interim Chief Nurse and Director of Operations	35 - 40	0	0	0	32.5 - 35	70 - 75
Mrs M Coombes - Chief Nurse and Director of Operations	65 - 70	0	0	0	10 - 12.5	75 - 80



Name and title	Notes	2018/19					
		(a) Salary (bands of £5000)	(b) Expense payment s (taxable) total to nearest £100	(c) Perform ance pay and bonuses (bands of £5000)	(d) Long term perform ance pay and bonuses (bands of £5000)	(e) All pension related benefits (bands of £2500)	(f) TOTAL (a to e) (bands of £5000)
		£000	£00	£000	£000	£000	£000
Dr S Binyon - Medical Director		165 - 170	0	0	0	0	165 - 170
Prof G Daly - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mr Z Darr - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mr A Dodds - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mr S Gilby - Chief Executive		160 - 165	0	0	0	0	160 - 165
Mrs G Hart - Director of Finance, Performance & Information		120 - 125	0	0	0	0	120 - 125
Mrs J Hodge - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mrs D McCollin - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mrs J Richards - Director of Strategy & Business Support	Left Sept 2018	45 - 50	0	0	0	35 - 37.5	85 - 90
Mr D Cox - Director of Strategy & Development		55 - 60	0	0	0	7.5 - 10	60 - 65
Mr J Singh - Trust Chair		35 - 40	0	0	0	0	35 - 40
Mrs D Whitfied - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mr M Williams - Non Executive Director		5 - 10	0	0	0	0	5 - 10
Mrs T Wrench - Chief Nurse and Director of Operations		120 - 125	0	0	0	22.5 - 25	145 - 150



Pension Benefits (audited)

2019/20 (audited)

Name and title	Real increase in pension at age 60 (bands of £2,500)	Real Increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Dr S Binyon - Medical Director	0 - 2.5	5 - 7.5	55 - 60	170 - 175	1380	1271	79	21
Mr S Gilby - Chief Executive	0 - 2.5	-2.5 - 0	65 - 70	195 - 200	0	0	0	0
Mrs G Hart - Director of Finance, Performance & Information	0 - 2.5	0 - 2.5	35 - 40	110 - 115	0	0	0	0
Mr N Mulholland - Interim Director of Finance and Resources	5 - 7.5	0	45 - 50	0	0	0	0	0
Mrs C Hollingworth - Director of Finance and Resources	2.5 - 5	2.5 - 5	45 - 50	110 - 115	0	0	0	0
Mr D Cox - Director of Strategy & Development	2.5 - 5	0 - 2.5	40 - 45	90 - 95	0	0	0	0
Mrs T Wrench - Director of Nursing & Quality	0 - 2.5	2.5 - 5	35 - 40	110 - 115	917	895	0	0
Mrs F McGruer - Interim Chief Nurse and Director of Operations	5 - 7.5	-2.5 - 0	35 - 40	95 - 100	626	518	33	42
Mrs M Coombes - Chief Nurse and Director of Operations	0 - 2.5	0 - 2.5	50 - 55	115 - 120	897	803	38	34



Name and title	Real increase in pension at age 60 (bands of £2,500)	Real Increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Dr S Binyon - Medical Director	0 - 2.5	0 - 2.5	50 - 55	160 - 165	1271	1111	127	8
Mr S Gilby - Chief Executive	0 - 2.5	2.5 - 5	65 - 70	195 - 200	0	0	0	9
Mrs G Hart - Director of Finance, Performance & Information	0 - 2.5	0 - 2.5	35 - 40	105 - 110	895	791	80	6
Mrs J Richards - Director of Strategy & Business Support	2.5 - 5	5 - 7.5	30 - 35	75 - 80	591	452	58	39
Mr D Cox - Director of Strategy & Development	0 - 2.5	0	35 - 40	85 - 90	660	557	43	8
Mrs J Spencer - Deputy Chief Executive/Director of Operations	10 - 12.5	22.5 - 25	65 - 70	180 - 185	1414	1053	329	237
Mrs T Wrench - Director of Nursing & Quality	0 - 2.5	5 - 7.5	30 - 35	100 - 105	716	490	212	37



Reporting of compensation schemes – exit packages 2019/20 (audited)

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	0	7	7
£10,000 - £25,000	0	1	1
£25,001 - 50,000	0	1	1
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
Total number of exit packages by type	0	9	9
Total cost (£)	£0	£96,000	£96,000

Reporting of compensation schemes – exit packages 2018/19

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



Reporting of other compensation schemes – exit packages (audited)

	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	7	26	22	90
Exit payments following Employment Tribunals or court orders	2	70	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	9	96	22	90

Of which:

Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-
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Off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months

	Number
Number of existing engagements as of 31 March 2020	
Of which, the number that have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	0
For between 2 and 3 years at the time of reporting	0
For between 3 and 4 years at the time of reporting	0
For 4 or more years at the time of reporting	0

0 as at 31 March 2020



All new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and March 2019, for more than £245 per day and that last for longer than six months

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	
Of which:	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (Via PSC contracted to department) and are on the department payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	0

0 during 2019/20

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020

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

20 board members in 2019/20



Fair pay review: Ratio of highest paid director to median pay in year (audited)

	2019/20	2018/19	2017/18	2016/17
Band of highest paid Director (£000s)	170-175	165-170	160-165	155-160
Lowest salary payscale (£s)	17,652	17,460	15,404	15,251
Median total remuneration (£s)	24,214	23,023	22,683	22,548
Ratio between the median staff remuneration and mid-point of the highest paid director	7.12	7.26	7.15	6.97

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

The banded remuneration of the highest paid director in CWPT in the financial year 2019/20 was £170-175,000 (2018/19, £165-170,000). This was 7.12 times (7.37 in 2018/19) the median remuneration of the workforce, which was £24,214 (£23,023 in 2018/19).

In 2019/20, 2 (0 in 2018/19) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17,652 to £170,000-175,000 (£17,460 to £165,000-170,000 in 2018/19)

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



Our People

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

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

In June 2019, the NHS Interim People Plan was published and places emphasis on everyone feeling they have a voice, freedom to speak up, physical and mental health and wellbeing, reducing sickness absence, improving work-life balance and offering flexible working. These aims are all consistent with the CWPT Our People Strategy and ensuring that our people feel listened to, understood and supported in their various roles.

To this end we have made good progress during 2019/20, we have:

- Developed our People Charter which sets out what it means to work for the Trust and help to ensure that we treat each other in accordance with our organisations values.
- Raised awareness of Speak Up principles and how attitudes towards speaking up are an indication of the wider culture within an organisation and the quality of care provided to patients.
- Acted upon feedback from the staff satisfaction survey to understand how it feels to work for our organisation, and worked together through our Improvement Network to do things better.
- Shown significant improvement from the 2019 staff survey with more staff saying they would recommend the Trust as a place to work, and less people saying they are thinking about leaving the Trust.
- Achieved sustained improvement on our main recruitment and retention measures, increasing the number of new people we are recruiting into the Trust, reducing the number of people leaving the organisation and limiting the amount of unfilled vacancies.
- Utilised the apprenticeship levy and through our work with the Prince's Trust ensured that there are clear entry routes for young people to pursue careers in the NHS.



- Continually reviewed our recruitment processes to reduce our time to hire, improving candidate experience to ensure we are a local employer of choice.
- Developed our existing leadership training to ensure that our offer to staff is based on the latest leadership models best suited to healthcare environments.
- Actively implemented the NHS Workforce Disability Equality Standard (WDES) which is designed to measure the extent to which the experiences of disabled and non-disabled staff differ. This will enable us to better understand the experiences of disabled staff and enable a more inclusive environment for disabled people working in our Trust.
- Established a disability network to ensure that disabled colleagues have a stronger voice in areas such as recruitment, retention, training and career development. The Trust has been recognised as a Disability Confident employer.
- Ensuring that reasonable adjustments are made for our staff undertaking internal training. These have included specialist equipment, hearing loops and ensuring individuals are able to lip read. Neurodiversity support is also given to our learners to support differences and to enhance peoples learning experiences.
- Implemented a structured reasonable adjustment process which enables managers to clearly identify any additional support required to enable a member of staff to continue to work whilst managing underlying long term health conditions. As part of this process all potential adjustments are considered whether these be adjustments to tasks, flexibility around working hours or options for appropriate redeployment etc. as required.
- Developed our BAME network which is very active in improving the experience of our black, Asian and minority ethnic staff with a particular focus on personal development and career progression. The network has recently helped to set up a Reverse Mentoring scheme, which will help improve communications, engagement and cross cultural awareness. Reverse mentoring aims to improve relationships between BAME staff and senior managers through greater understanding of people's backgrounds and experiences.
- Strengthened our commitment to challenging bullying, harassment and discrimination through our People Charter and employee relations processes. We have taken steps to ensure that these processes reach a conclusion in a timely manner by the introduction of the Investigation Team approach. Any employment relations matter that results in an impact on working relationships between colleagues benefit from being resolved at the lowest level possible. Our commitment to the approach has been strengthened as the Trust now has a pool of 12 trained mediators who facilitate early resolution.



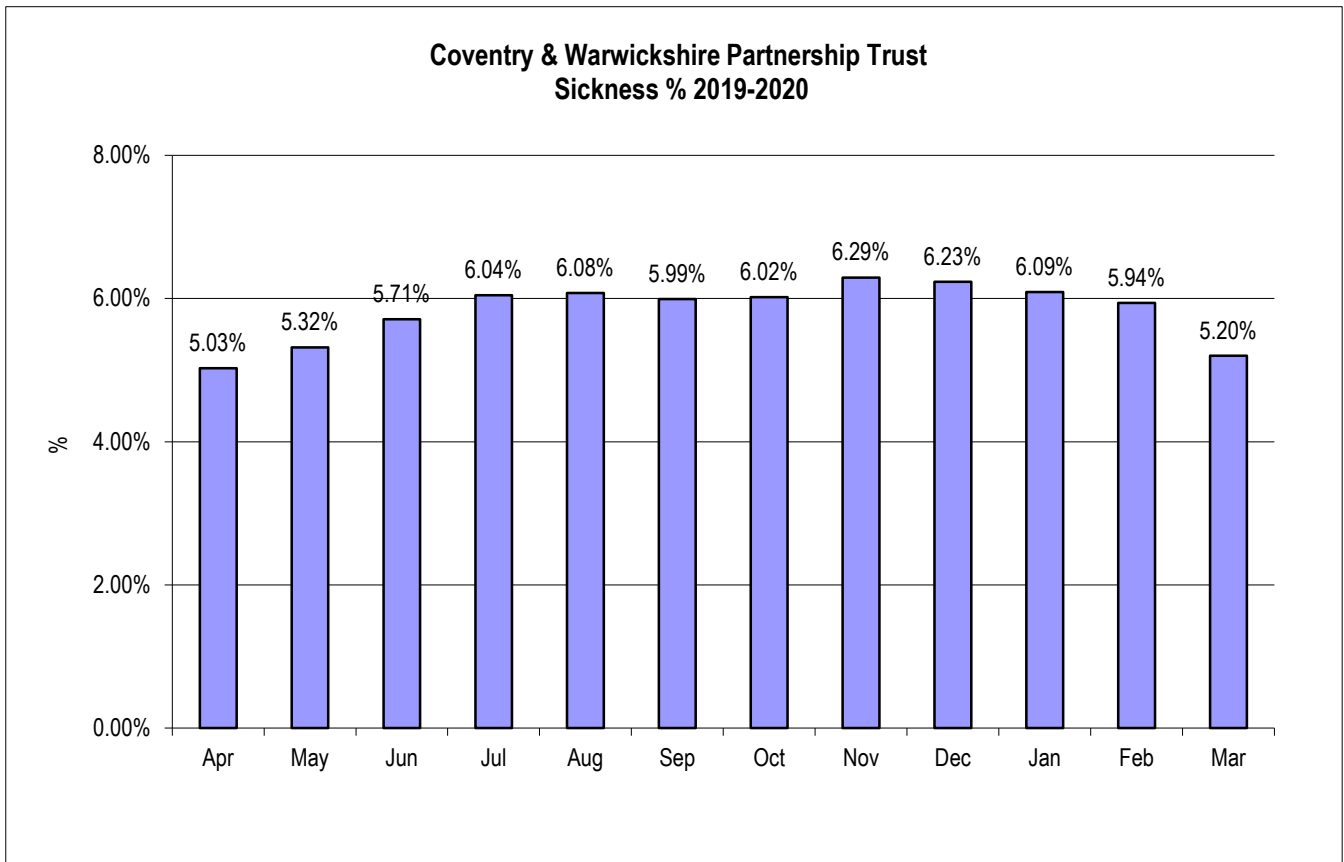
- Rolled out our introduction to coaching training and ILM 5 Conversion qualification, ensuring that we have the right foundations in place to grow a network of mentors and coaches to support personal and organisational growth and a learning culture.
- Supported staff to make healthy lifestyle choices, raising awareness of common health conditions through regular wellbeing sessions and body MOTs and enabling people to take action where needed to improve their emotional and physical health.
- Strengthened our commitment to supporting the health and wellbeing of our people by the introduction of an Employee Assistance Programme. Work in this area was completed with two of our acute Trust partners and resulted in funding being made available for an 18 month pilot around this additional resource for our workforce.
- Developed our People Hub which brings a wide variety of staff health and wellbeing support under a single umbrella with a network of peer guides in place to signpost colleagues to the most appropriate service to meet their needs.
- Worked in partnership with our staffside colleagues in all aspects of the workforce and organisational agenda. This ranges from detailed discussions at our Joint Negotiation and Consultative Committee regarding organisation change proposals, policy development to individual employment matters regarding their members. The strength of and organisational commitment to partnership working facilitated open and effective conversations to take place which resulted in significant changes to our employment relations process to support the work required during the COVID-19 pandemic response.
- The continuation of Joint Negotiation and Consultative Committee meetings via MS Teams during the pandemic response has provided a coherent and consistent forum within which staffside colleagues have had the opportunity to raise any queries or concerns raised by their members. These have involved areas such as the provision of personal protective equipment, supporting staff who are shielding due to underlying health conditions, staff testing as well as many others. The opportunity to discuss such concerns with Executive members has ensured that appropriate and timely communication has been sent out to staff in order to provide the clarity and reassurance required.

We have discovered a lot about ourselves during the COVID-19 pandemic and developed new skills. Our ability to mobilise people and resources across our Trust and deliver our core services has been impressive and inspiring. As an organisation and across the local healthcare system we are learning to do things in a variety of new and innovative ways and this will serve us well as we move forward during 2020/21.



Sickness absence

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Sickness %	5.03%	5.32%	5.71%	6.04%	6.08%	5.99%	6.02%	6.29%	6.23%	6.09%	5.94%	5.20%

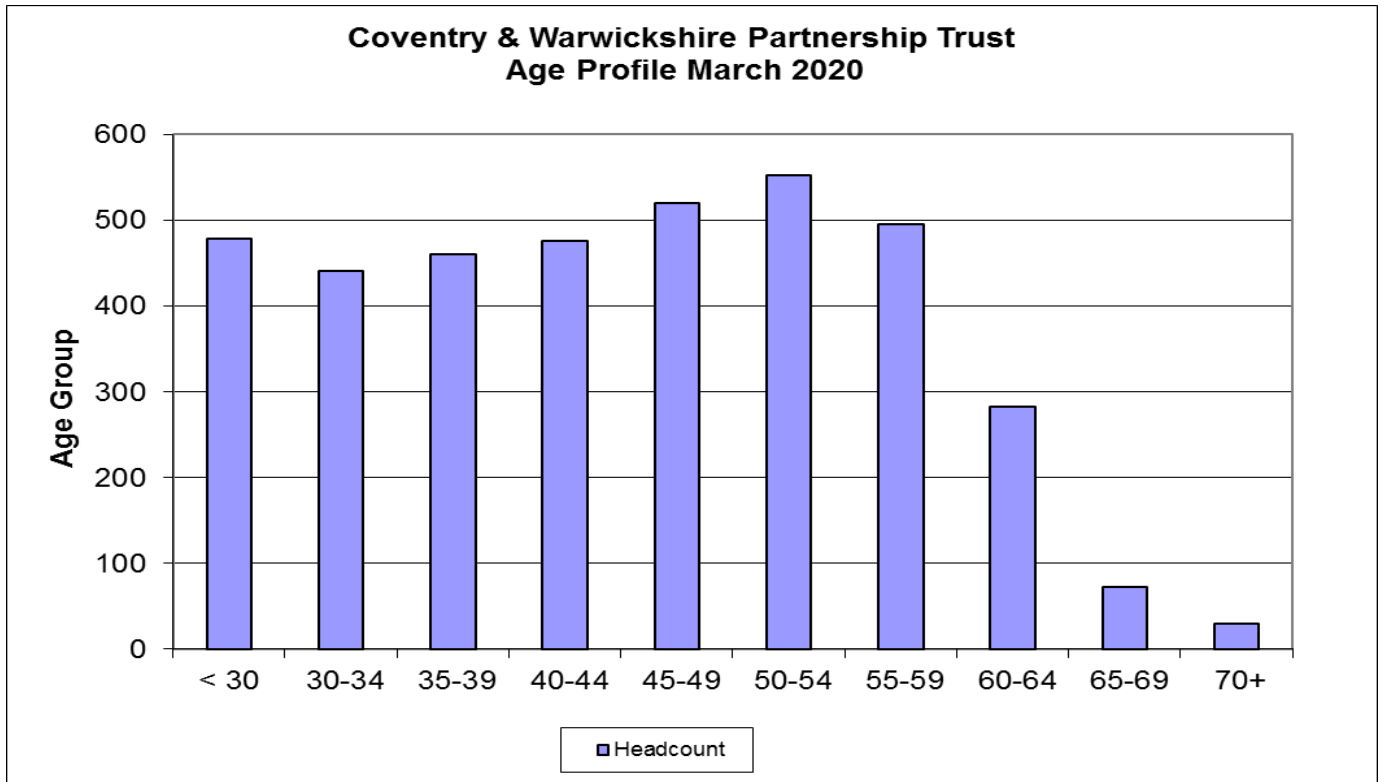


NHS Digital Sickness Absence Rates: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>



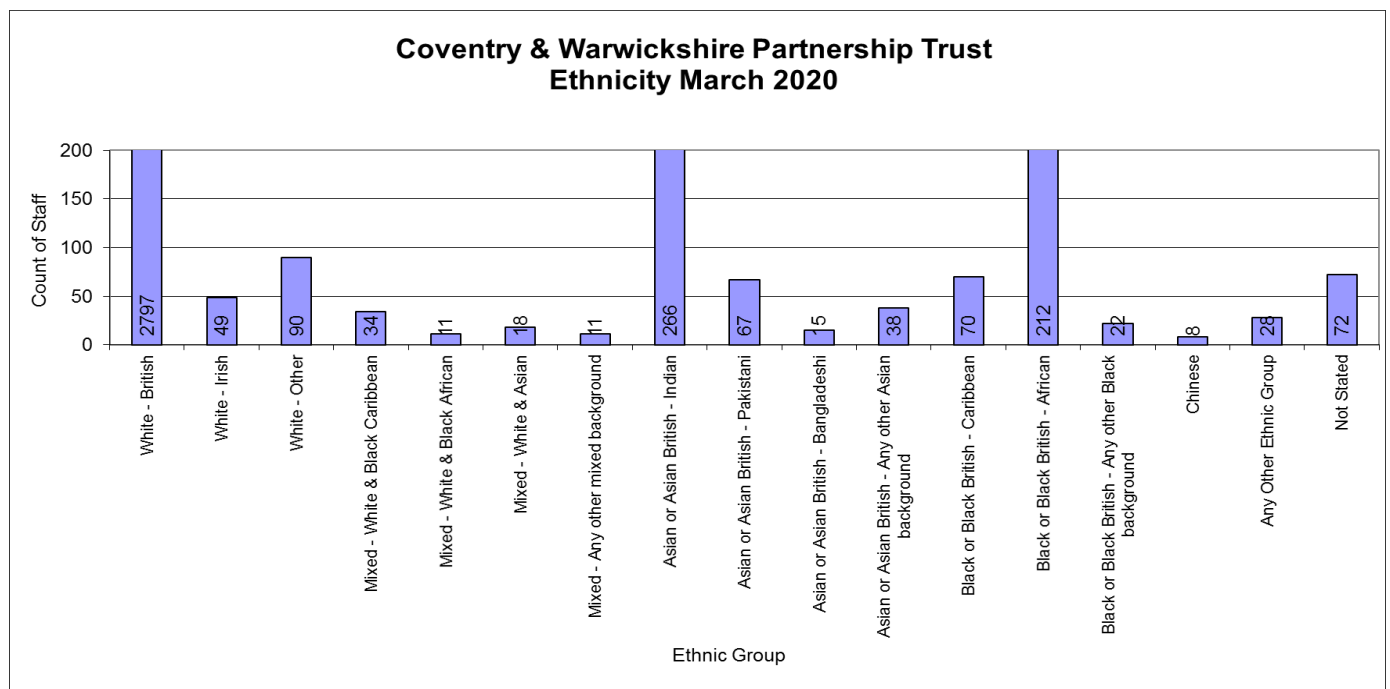
Age profile

	< 30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70+
Headcount	478	441	460	476	520	552	495	283	73	30



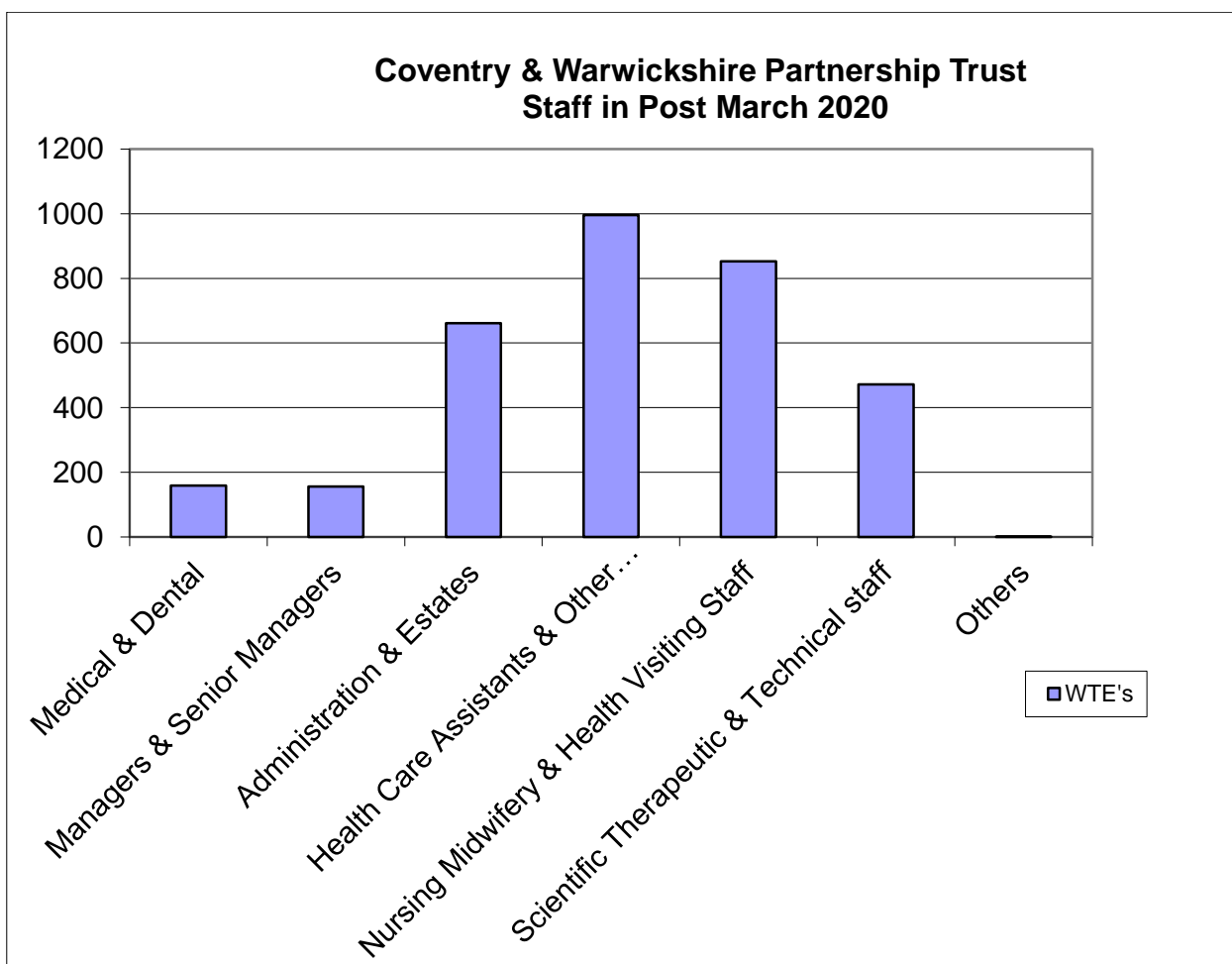
Ethnicity

Ethnic Group	Number	
White - British	2797	73.45%
White - Irish	49	1.29%
White - Other	90	2.36%
Mixed - White & Black Caribbean	34	0.89%
Mixed - White & Black African	11	0.29%
Mixed - White & Asian	18	0.47%
Mixed - Any other mixed background	11	0.29%
Asian or Asian British - Indian	266	6.99%
Asian or Asian British - Pakistani	67	1.76%
Asian or Asian British - Bangladeshi	15	0.39%
Asian or Asian British - Any other Asian background	38	1.00%
Black or Black British - Caribbean	70	1.84%
Black or Black British - African	212	5.57%
Black or Black British - Any other Black background	22	0.58%
Chinese	8	0.21%
Any Other Ethnic Group	28	0.74%
Not Stated	72	1.89%
Grand Total	3808	



Staff groups in post

Staff Group	WTE's
Medical & Dental	159.20
Managers & Senior Managers	155.78
Administration & Estates	661.67
Health Care Assistants & Other Support Staff	995.60
Nursing Midwifery & Health Visiting Staff	852.32
Scientific Therapeutic & Technical staff	471.97
Others	1.00
All Staff Groups	3297.54



Employee costs (audited)

Staff costs

	Permanent	Other	2019/20 Total	2018/19 Total
	£000	£000	£000	£000
Salaries and wages	107,853	980	108,833	106,314
Social security costs	9,403	0	9,403	9,199
Apprenticeship levy	513	0	513	502
Employer's contributions to NHS pension scheme	20,083	0	20,083	13,676
Pension cost - other	21	0	21	11
Other post employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	0	0	0	0
Temporary staff	0	22,723	22,723	21,603
Total gross staff costs	137,873	23,703	161,576	151,305
Recoveries in respect of seconded staff	0	0	0	0
Total staff costs	137,873	23,703	161,576	151,305
Of which				
Costs capitalised as part of assets	302	0	302	110

Average number of employees (WTE basis)

	Permanent	Other	2019/20 Total	2018/19 Total
	Number	Number	Number	Number
Medical and dental	154	21	175	182
Ambulance staff	0	0	0	0
Administration and estates	909	35	944	919
Healthcare assistants and other support staff	872	305	1,177	1,062
Nursing, midwifery and health visiting staff	817	124	941	1,117
Nursing, midwifery and health visiting learners	6	0	6	12
Scientific, therapeutic and technical staff	463	12	475	445
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Other	0	0	0	0
Total average numbers	3,221	497	3,718	3,737
Of which:				
Number of employees (WTE) engaged on capital projects	6	0	6	2



Management roles

Senior Managers	Number	Percentage
Female	135	74.2%
Male	47	25.8%
Grand Total	182	

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

Gender

All Staff	Number	Percentage
Female	3099	81.4%
Male	709	18.6%
Grand Total	3808	

Directors	Number	Percentage
Female	3	50.0%
Male	3	50.0%
Grand Total	6	

Band 8+ and Directors

Senior Managers	Number	Percentage
Female	135	74.2%
Male	47	25.8%
Grand Total	182	

Band 8 and Director information

Band	Count	FTE
8a	98	91.24
8b	40	37.51
8c	23	20.69
8d	16	15.06
Director	5	5.00
Grand Total	182	169.49



Annual Governance statement

1 Scope of responsibility

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

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Coventry and Warwickshire Partnership NHS Trust ('the Trust'), to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2020, and up to the date of approval of the annual report and accounts.

3 Capacity to handle risk

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

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

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



4 The risk and control framework

4.1 Risk Management Arrangements

4.1.1 The Risk Management Strategy

I am accountable for risk management across the activities within the Trust, and have delegated this responsibility to the Chief Nurse and Chief Operating Officer at Board level.

A Risk Management Strategy has been in place for the 2019/20 year ending 31 March 2020. This strategy is subject to annual review and will be reviewed in June 2020.

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

The strategy sets out:

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

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

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

Control measures are in place to ensure that all the Trust obligations under equality, diversity and human rights legislation are complied with. For example, all Trust policies are required to



include an Equality Statement and to have undertaken either impact assessment screening or full assessment as part of core business.

4.1.2 Risk Registers

The Trust identifies risks across its workforce and structures, including:

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

4.1.3 Board Assurance Framework

The Audit Committee has oversight of the Board Assurance Framework (BAF) in line with its responsibility for assessing the overall system of internal control. The Internal Audit Plan is driven by the BAF and provides an independent source of assurance around the effectiveness of the key controls that are in place. The BAF is reported to the Audit Committee and the Board on a bi-monthly basis. The Board approves any changes in scores as mitigating actions take effect during the year. Independent assurance in relation to the BAF is provided by Internal Audit. In 2019/20, an interim review and a final review were undertaken, both of which concluded that the 2019/20 BAF met its requirements (level A) and provided reasonable assurance that there was an effective system of internal control to manage the risks identified.

4.2 The Governance Framework

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



that the Board conducts its business with openness and transparency, in line with its status as a public body. The governance framework was reviewed in March 2020 in response to the COVID-19 global pandemic and any changes are detailed within this statement.

The Standing Orders, incorporating Standing Financial Instructions and the Scheme of Reservation of Powers, form the central part of this framework. The Scheme of Delegation, as set out in the Standing Orders, sets out the responsibilities reserved for the Board and those delegated to the Committees. The Standing Financial Instructions are part of the Trust's control environment for managing the Trust's financial affairs. These policies contribute to good corporate governance; internal control; and the management of risk. They also enable sound administration; reduce the risk of irregularities; and support the delivery of safe, effective, and efficient services. The Standing Orders were subject to review in 2019/20 and were approved by the Trust Board in May 2019.

4.2.1 Board Effectiveness

The Board has an ongoing role in reviewing the governance arrangements to ensure that the Trust continues to reflect the principles of good governance. The effectiveness of the system of internal control has been subject to ongoing review by the Board by the measures detailed within this section. Membership and attendance of the Board and the committees is routinely monitored and attendance for the period can be found as follows:



Attendance at Trust Board Meetings – Year Ending 31 March 2020		
Board Member Name	Title	Attendance
Sharon Binyon	Medical Director and Deputy Chief Executive*	6/6
Balbir Claire	Non-Executive Director from 1 September 2019 Associate Non-Executive Director from 1 July 2019 – 31 August 2019	5/5
Mel Coombes	Chief Nurse and Chief Operating Officer from 30 September 2019	3/3
Dominic Cox	Director of Strategy and Development and Deputy Chief Executive*	6/6
Guy Daly	Non-Executive Director to 30 September 2019	3/3
Zulfiqar Darr	Non-Executive Director and Senior Independent Director	6/6
Alan Dodds	Non-Executive Director and Vice Chair to 31 August 2019	2/2
Wayne Farrah	Associate Non-Executive Director from 1 September 2019	4/4
Simon Gilby	Chief Executive	6/6
Gale Hart	Director of Finance and Resources to 26 May 2019	1/1
Jane Hodge	Non-Executive Director	5/6
Clare Hollingsworth	Director of Finance and Resources from 30 September 2019	3/3
Doreen McCollin	Non-Executive Director	2/6
Fiona McGruer	Interim Chief Nurse and Chief Operating Officer 1 June 2019 – 29 September 2019	2/2
Neil Mulholland	Interim Director of Finance and Resources 27 May 2019 – 29 September 2019	2/2
Jagtar Singh	Chair	5/6
Dianne Whitfield	Non-Executive Director	6/6
Phillip Wells	Non-Executive Director from 1 May 2019	4/6
Michael Williams	Non-Executive Director to 30 April 2019	0/1
Tracey Wrench	Chief Nurse and Chief Operating Officer to 31 May 2019	1/1



* The role of Deputy Chief Executive was rotated on a six monthly basis during the year between the Director of Strategy and Development and the Medical Director. Sharon Binyon was Deputy Chief Executive from January 2019 – December 2019, and Dominic Cox was Deputy Chief Executive from January 2020 to date.

The Board held five meetings in public during the year (May 2019, July 2019, September 2019, November 2019 and January 2020). The Trust Board meeting on 31 March 2020 was held via video conference due to the COVID-19 pandemic. Due to social distancing measures it was not possible for members of the public to attend the meeting and the technology was not in place to allow remote access. A notice was placed on the Trust website to this effect. All agendas, papers, and minutes are published on the Trust's website. There are plans in place to ensure the next meeting of the Trust Board can be accessed by members of the public.

During the year, the agendas for the Board have been focused on the key areas of Safety and Quality and Strategy, Performance, and Governance. The Board also hears patient stories at each public Board meeting.

During 2019/20 the Board continued their regular programme of service visits. During the year, Board members undertook 32 formal service and site visits across three Directorates. Following each set of visits, a de-brief session was held to identify key themes and actions, followed up by a formal report to Board. In addition to this, ad-hoc visits to services are undertaken by board members throughout the year. Positive feedback has been received from board members and service staff regarding this programme of visits.

During the year there were a number of changes to the membership of the Board. At Executive level the Director Finance and Resources retired from the Trust and the Chief Nurse and Chief Operating Officer resigned at the end of May 2019. Interim arrangements were put in place and a process was promptly completed to appoint to both roles on a permanent basis with effect from 30 September 2019. In addition, two NEDs reached the end of their terms and a recruitment process was completed to appoint to these roles with clear succession plans and handover periods in place. A third NED resigned with effect from 30 September 2019 and a decision was made to allow a short period before recruiting to this position to allow the two new NEDs to become established and to enable the succession plans and recruitment criteria to be properly considered. During this period, there was an Associate NED in post which ensured that there continued to be an appropriate balance between executive and non-executive directors.

The smooth transition plans during this period of change ensured that Board capacity and effectiveness has not been compromised and regular updates on Board Capacity have been provided to the Board to provide this assurance.

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

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



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

Throughout the year the Board have participated in regular Board Seminars which provided the opportunity to focus on issues of strategic importance including quality improvement, strategy development and cyber security. During the year the board have also participated in a formal board development programme focussed around the Well-Led framework, strategic direction and system working.

The trust has published 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 twelve months, as required by the *Managing Conflicts of Interest in the NHS* guidance.

For part of the year the Trust continued to maintain a Council of Governors comprised of elected and appointed Governors who represented the wider membership; and the Equal Partners Assembly, comprised of patients and carers. With effect from January 2020 the Trust, in consultation with members of the Council of Governors and Equal Partners Assembly, dissolved the two groups and formed a new Patient and Public Involvement Group in recognition of our commitment to strengthen patient and public engagement and co-production. A NED has been assigned as a champion for the new group and the first meeting was held in February 2020. At least twice per annum board members will continue to meet with the group in recognition of our continued commitment to public accountability.



4.2.2 Committees Structure

The work of the Board is supported by the following formal Committees that it has established (see table). Each Committee is chaired by a Non-Executive Director, with the duties and responsibilities of each Committee clearly articulated in the Terms of Reference that include explicit accountability arrangements and reporting relationships.

The Terms of Reference are publically available on the Trust's website. During the year the effectiveness of each Committee has been evaluated, with the results reported to the Committee and the Board.

Committee	Chair as at 31 March 2020
Audit Committee *	Phillip Wells
Remuneration Committee*	Dianne Whitfield
Financial Planning and Investment Committee	Zulfiqar Darr
Integrated Workforce Committee	Jane Hodge
Integrated Performance Committee	Bal Claire
Safety and Quality Committee	Doreen McCollin

** Statutory Committee. The Audit Committee was chaired by Alan Dodds, Non-Executive Director in May 2019 and the Committee was chaired by Phillip Wells, Non-Executive Director for the remainder of the year.*

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

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

During the year a decision was made to dissolve the Integrated Performance Committee with effect of 31 March 2020 with its responsibilities incorporated into the remaining committees and a newly refreshed Finance, Performance and Investment Committee which will be in place from 1 April 2020 (previously the Financial Planning and Investment Committee). The terms of reference of all Committees have been reviewed and refreshed to reflect these changes.



4.2.3 Highlights of Board Committee Reports

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

	Met	Primary Purpose	Example Highlights of Board Committee Activity
Audit Committee	7	Provide assurance to the Trust Board on the continued effectiveness of the Trust's system of integrated governance, risk management, financial reporting, and internal control.	<ul style="list-style-type: none"> • Reviewed and supported Board approval of all required disclosure statements. • Provided assurance to the Board regarding the Board Assurance Framework (BAF). • Reviewed completeness of the risk management system. • Reviewed accounting policies, the accounts, and the management's Letter of Representation. • Reviewed and approved write off losses, special payments and waive tender documentation. • Received and considered Internal Audit Reports, the Head of Internal Audit's 'Annual Opinion' and approved the Internal Audit Plan. • Received and considered reports from External Audit on the Annual Report and Accounts and the Quality Account.
Financial Planning & Investment Committee	12	Consider in detail all aspects of financial arrangements (including investment) within the Trust and financial planning and the performance management framework providing the Board of Directors and others with assurance on financial probity and investments.	<ul style="list-style-type: none"> • Received bids against contingency reserves, contracting reports, capital reports and investment reports. • Received and considered business cases for example Integrated Care Record and Electronic Prescribing. • Received drafts of the Financial Plan and the progress of development of the plan. • Received service reports/plans and environmental reports for example the Anti-Ligature Update Report. • Received and considered financial and contracting reports. • Received and considered the CIP Report. • Received and considered the BAF risk allocated to the Committee. • Approved strategies and plans relevant to the work of the Committee.



Integrated Performance Committee	9	Receive, review and obtain assurance on service performance against agreed key performance indicators.	<ul style="list-style-type: none"> • Received monthly reports from the Executive Performance Group (EPG) and scrutinised Directorate Performance. • Received regular Trust-wide performance reports through an Integrated Performance Report and Safety and Quality Dashboards. • Received monthly reports on waiting lists performance and updates on the work of the Waiting List Delivery Group. • Received and considered reports related to capacity and demand in specific areas and the transfer of services. • Received and considered the BAF risks allocated to the Committee.
Integrated Workforce Committee	6	Provide assurance that robust workforce arrangements are in place including compliance and regulation throughout the Trust, that these are working effectively and to provide assurance that the Workforce Strategy is delivered.	<ul style="list-style-type: none"> • Received and considered regular updates on workforce systems and controls with a focus on the workforce planning, recruitment and retention and widening participation. • Received and considered regular updates on cultural improvement and leadership through the Workforce and OD programme update. • Received regular equality, diversity and inclusion updates. • Received and considered a regular report from the Freedom to Speak up Guardian. • Received and considered regular reports on the staff survey and the Staff Friends and Family Test results, including key areas of focus for improvement. • Received annual reports on the Medical Appraisal and Revalidation and the Guardian of Safer Working. • Received and considered the BAF risk allocated to the Committee.



Safety and Quality Committee	10	Scrutinise and provide assurance to the Board on the level of assurance achieved with regard to robust quality governance arrangements in place throughout the Trust and that these are working effectively.	<ul style="list-style-type: none"> • Reviewed, ratified and sought assurance on management of Serious Incidents Requiring Investigation (SIRIs) and approved associated policies. • Provided assurance to Board re clinical audit activity and the clinical audit forward programme. • Oversaw the production of the Quality Accounts. • Approved on behalf of the board, the Risk Management Strategy. • Oversight of the preparation programme, inspection and action planning process with regard to regulatory inspection (Care Quality Commission). • Received reports on compliments, PALS and complaints and Ombudsman investigation. • Received and reviewed reports on Learning from Deaths.
Remuneration and Terms of Service Committee	3	Be responsible for the review and evaluation of the structure, size and composition of the Board; to oversee Board talent management and succession planning arrangements and to consider and determine on matters of executive remuneration, other payments and Board members collective and individual evaluation.	<ul style="list-style-type: none"> • Received Chair appraisal of the Chief Executive. • Received NHSI appraisal highlights of the Chair. • Received highlights of Executive Directors appraisals by the Chief Executive. • Received approved remuneration rates for Executives. • Noted remuneration rates for Non-Executive Director pay. • Considered and authorised redundancies.

4.3 Performance Management and Quality Governance Framework

4.3.1 Performance Management and Data Quality

The Trust has a Performance Management Strategy in place. During the year the Integrated Performance Committee had responsibility for oversight of Trust-wide performance.

The committee provides an assurance report to the Board each month, providing details of where it is assured or not assured in respect of performance.

A key area of focus has continued to be operational performance and capacity and demand and a 'waiting lists report' has been provided to the committee each month.

The performance reports received by the committee and the Board have been further developed as the year has progressed and further enhancements are planned for 2020/21 to provide improved trend analysis, greater clarity of the underlying issues and planned actions to recover performance.



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

During the year, data quality audits have been undertaken in the following areas:

- DQ – Sexual Health Services (C12 & C13)
- DQ – Patient Flow Management
- DQ – Sickness Absence Follow Up
- DQ – Kite Marking Proposal
- DQ – Kite Marking Retrospective Application

4.3.2 Quality Governance

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

The Director of Strategy and Development and the Medical Director are the joint Board leads for quality improvement. Work has continued during the year to establish and embed an organisational wide approach to quality improvement using the Quality Service Improvement and Re-design (QSIR) methodology. A dedicated team has been established and a training programme has been established and a number of QSIR projects have commenced. A Board Development session on the QSIR methodology was held in January 2020 to ensure that the Trust Board understand and provide effective leadership.

4.3.3 Clinical Audit

The Trust recognises the importance of the clinical audit, and a programme of activity is agreed and monitored throughout the year. The Trust continues to participate in the required national clinical audits. The delivery of the programme is monitored by the Clinical Audit and Effectiveness Group which reports to the Safety and Quality Operational Group, with an annual report presented to the Safety and Quality Committee which provides assurance on completion of the plan. The Clinical Audit Forward Plan was presented to the Safety and Quality Committee in September 2019, with the Clinical Audit Annual Report presented in October 2019.

4.3.4 The Learning Organisation

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

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



4.3.5 Management of Serious Incidents Requiring Investigation (SIRI)

The Trust has robust arrangements in place for the identification, management, reporting and learning from SIRI's. The Trust has in place a Significant Incident Group (SIG) which manages the activity on behalf of the Trust Board via its report to the Safety and Quality Committee. Attendance at SIG is multi-disciplinary and has commissioner representation. The Trust reports all new SIRIs to Trust Board and has reported action taken where appropriate, culminating in a Trust-wide Learning Alert issued to all staff through the Core Brief process. The Trust has recorded no 'Never Events' in the year.

4.3.6 CQC Registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust was inspected in 2018 and rated as 'Good'.

4.4 Risk Profile

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

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

4.5 Strategic Risks

In the context of this statement, major risks have been identified as those that could impact on the achievement of the Trust's objectives and are detailed in the Board Assurance Framework. A new risk was added to the Board Assurance Framework in March 2020 to reflect the risk arising from COVID-19 pandemic.

These were as follows (with the risk score as at 31 March 2020):

- **SR1: Capacity and Demand:** If we do not assess and treat our patients within expected waiting times, then it will have an impact on patient safety and experience and delivery of the right outcomes for patients. (Score 16)
- **SR2: Transformation:** If we do not transform services in association with our partners, then we will not have sufficient service capacity. to deliver safe and good quality care to our patients within acceptable waiting times. (Score 12)
- **SR3: Infrastructure:** If we do not optimise the use of our existing infrastructure and effectively manage its improvement and development, then we will not be able to support the delivery of sustainable high quality patient care.(Score 12)
- **SR4: Financial Position/Resources:** If we do not maintain financial balance and address the underlying financial deficit, then we will not be able to invest our resources in quality improvement and innovative models of care. (Score 16)
- **SR5: System Working:** If we do not work collaboratively with our partners and lead service developments across the local system, then we will not be able to effectively influence the strategic agendas in Mental Health, Learning Disabilities and Community Services.(Score 8)



- **SR6: Recruitment and Retention:** If our staff are not satisfied and do not believe this is a 'Great Place to Work', then we will not be able to recruit and retain the people required to deliver high quality care to patients. Score 16
- **SR7 Anti-Ligature Environment:** If we do not provide an anti-ligature inpatient environment for our patients we cannot reduce the risk of harm due to ligation.(Score 15)
- **SR8 COVID-19:** If the Trust does not have effective measures in place to manage the containment and treatment of the Coronavirus / COVID-19 outbreak then the effectiveness of services provided to patients and the health and wellbeing of staff may be compromised. (Score 25)

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

4.6 Data Security Risks

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

4.7 Well-Led Framework

NHS Improvement encourages all providers to carry out externally facilitated, developmental reviews of their leadership and governance using the Well-Led framework. These reviews are designed to identify the areas of leadership and governance that would benefit from further targeted work to secure and sustain future performance. The Trust has adopted a structured approach to this with a self-assessment and externally facilitated review in 2018 and then a review of progress against the Well-Led development plan during 2019. The CQC undertook a Well-Led inspection in October 2018 and rated the Trust 'Good' in the Well-Led domain. The Board Development programme for 2019/20 has been designed around the domains of the Well-Led framework.

4.8 NHS Pension Scheme

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

4.9 Workforce

In October 2018, NHS Improvement published recommendations that aim to support providers to deliver high quality care through safe and effective staffing 'Developing Workforce Safeguards'. In 2018/19 the Trust undertook a gap analysis against the recommendations and standards and developed an action plan in response to this.

The board retains rigorous oversight of workforce issues through the Safety and Quality Committee, the Integrated Workforce Committee with regular reporting to the Trust Board. In particular:



- Safe staffing levels are agreed based on dependency scales informed by the principles of the SNST (Safe Staffing Nursing Tool) and discussed with matron's/ward managers who apply clinical professional judgement to support the decision making process and this is monitored by managers, matrons monthly and submitted to the Deputy Director of Nursing.
- Monitoring of safe staffing takes place daily by the nurse in charge, manager, matron and the Clinical Co-ordination Centre within Mental Health and is reported monthly to Strategic Data Collection Service (SDCS), formerly the UNIFY data by the Deputy Director of Nursing.
- Introduction of new roles or amendments to service changes have previously been agreed with operational managers based on professional judgement, impact on patient care, ability to address a supply gap and financial affordability.

The Trust has a formal escalation process to respond where staffing falls short of the agreed minimum safe staffing. The Trust Board receives a 'Safer Staffing Report' from the Chief Nurse and Chief Operating Officer at each meeting, together with a more comprehensive report every six months, both of which meet the requirements of the National Quality Board and from March 2019 the 'Safe Staffing Report' has included comparative data on staffing and skill mix against other Trusts and other identified peers.

This data has not been available in a timely manner in line with the Trust Board reporting calendar from the model hospital so has not been included in reports as planned. Areas for further development include:

- Discussion of the workforce plan at a public meeting of the Trust Board.
- Inclusion of medical staff levels in regular reporting.
- Development of a toolkit to support operational teams with the creation of localised workforce plans.
- Development of a Quality Impact Assessment template (QIA) to ensure assessments are formally recorded and signed.

Whilst there are some areas of non-compliance where we have identified areas for further development I am confident that the board retains rigorous oversight of workforce issues and the delivery of high quality care through safe and effective staffing.

4.10 Environmental

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

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

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

The Trust's Internal Auditors have undertaken a programme of work to provide independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas including those identified in the Board Assurance Framework. All



Internal Audit Reports have been reported to the Audit Committee throughout the year and are reflected in the Head of Internal Audit's 'Annual Opinion' which is included within this report. The Head of Audit's 'Annual Opinion' has concluded that:

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

The following reports received 'Limited Assurance' in the year:

- Financial Reporting and Delivery (CIP element)
- Estates – Management of Leases
- Estates – Compliance Assurance

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

NHSI/NHSE reviews the Trust in accordance with the NHS Oversight Framework. There are a series of metrics used to monitor and assess provider performance as part of the overall approach to provider oversight within the NHS Oversight Framework. The Integrated Performance Committee received a presentation on the NHS Oversight Framework in February 2020 and going forward the Trusts Integrated Performance Report will be aligned to the framework.

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

Information Governance

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

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

The 2019/20 toolkit submission has been postponed to 30 September 2020 by NHSX to support organisations in their response to COVID-19. The Data Security and Protection Toolkit is mapped to the National Data Guardian's (NDG) data security standards. Completing the Toolkit self-assessment demonstrates how the organisation is working towards or meeting the NDG standards. 100 out of 149 requirements are mandatory.



The Trust has achieved ISO/IEC 27701:2013 in regard to its Information Technology Department Information Security procedures. Personal Data Breaches are managed as part of the Trust's information governance processes and all incidents which have a data protection element are investigated in line with NHS Digital Guidance.

In the financial year 2019-20, there have been 241 incidents reported of which none required notification to the Information Commissioner's Office (ICO).

6 Annual Quality Account

The Board approves a Quality Account each year. The Quality Account supports the Board, senior clinicians, managers and the general public to assess quality across the healthcare services provided.

The Quality Account reviews the Trust's performance towards the delivery of quality priorities and demonstrates how the Trust is using its resources to drive quality improvements. As a consequence of the COVID-19 pandemic, revisions to the Quality Account deadline are now in force. While primary legislation continues to require providers of NHS services to prepare a quality account for each financial year, the amended regulations mean there is no fixed deadline by which providers must publish their 2019/20 quality account. NHS England and NHS Improvement recommends for NHS providers that a revised deadline of 15 December 2020 would be appropriate and draft quality accounts should be provided to stakeholders (for 'document assurance' as required by the quality accounts regulations) in good time to allow scrutiny and comment. The Trust will continue its work to engage with Commissioners, Local Authorities and Healthwatch to support completion of the Quality Account for the period 2019/20.

7 Review of effectiveness

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

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

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



- Whilst impacting only from March 2020 onwards, the COVID-19 pandemic impacted across all areas of our operations towards the end of the year and this will continue into 2020/21. The Trust's response to the COVID-19 pandemic has been a dynamic one in line with the rapidly changing international and national picture. In line with overarching emergency planning arrangements the Trust implemented formal Strategic (Gold), Tactical (Silver) and Operational (Bronze) response management teams and worked with key partners across the Coventry and Warwickshire Health and Care system to ensure that our response was a co-ordinated one. The trusts internal control processes continued to operate during this period.
- A key challenge we have faced during the year is the delivery of our Cost Improvement Plan (CIP). At the end of 2019/20 the Trust delivered CIP of £5.8 million against planned delivery of £13.4 million - a shortfall in CIP of £7.6 million. However, only £3.6 million was delivered recurrently. The CIP shortfall was offset through underspends against budget in other areas of the Trust, and some additional income in the year. As a result, at year-end the Trust has delivered a control total surplus of £2.9 million, including the receipt of Provider Sustainability Funding (PSF) monies of £1.6 million. Excluding PSF, the Trust made a surplus of £1.311 million against a planned surplus of £250k, largely due to additional funding of £783K for Mental Health and £361K relating to Agenda for Change pay increases. Prior to the start of the COVID-19 outbreak, the Trust was working on detailed plans to close the gap between income and expenditure on a recurrent basis. With management attention focused on the outbreak, it has not been possible to finalise these plans ahead of the start of the new financial year, but work will re-commence as part of the Trust's COVID-19 recovery programme. In the meantime, changes to the Trust's cost base resulting from service changes necessitated by the outbreak management are being analysed and this information will be used to inform the financial planning post COVID-19.
- Whilst the majority of our services continue to deliver against national and local waiting times, there are a number of services where there are excessive waiting times. Where appropriate, we are working with our commissioners to ensure appropriate levels of investment but we recognise that service innovation, including supporting individuals to self-manage, is required in order to achieve sustainable performance. This is the focus of much of our transformation work, both internally and with our system partners.
- The COVID-19 pandemic resulted in a realignment and reconfiguration of Trust capacity to sustain critical service delivery. This coincided with a fall in demand as some patients chose not to access services. A programme of work will be commenced to understand the impact of any subsequent surge (short or longer term) on the current capacity of our services throughout the stages of recovery and restoration.
- The number of adult mental health patients that have had to be admitted to facilities out-of-area because of a shortage of bed capacity locally has remained higher than we would wish and above the target set by NHSE/I. During the year we took steps to improve the clinical oversight of these placements, including reducing the number of independent hospitals that we routinely admit to, out-posting named liaison staff and supporting families and carers to maintain regular contact. Our intention is to eliminate such inappropriate out-of-area placements. We have plans to open more beds within our Caludon Centre and will accelerate our work to reduce our average length of stay, thereby freeing up further bed capacity.



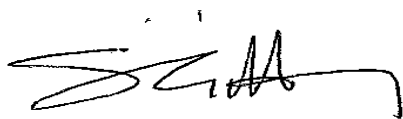
- Reviews undertaken by our Estates Team have identified that we are not utilising all of our accommodation to best effect. Increasing utilisation whilst improving the overall condition of our premises will be a key strand within our forthcoming Estates Strategy. We will also continue to work with system partners on this agenda, with the aim of ensuring that the total health and care estate is used to best effect. In terms of developing our estate to provide a safe environment for our patients, some work has recently been undertaken at our Caludon Centre to reduce ligature risk by replacing unsuitable bathroom doors and further work is planned. A ligature risk assessment of all of our in-patient facilities was undertaken at the end of 2019 to identify where further changes to the fabric of these buildings would be beneficial. In the meantime, we continue to mitigate the risk of ligature through robust individual risk assessments and the deployment of appropriate observation strategies.

The commentary above reflects those challenges that will continue into 2020/21.

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

Conclusion

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



Simon Gilby, Chief Executive

Date: 23 June 2020



Financial statements



3. Financial statements

3.1 Financial statements (audited)

Cash holding at 31 March 2020 was £68.7 million. The total value of debtors at 31 March 2020 owed for longer than three months has increased from £3.6 million at 31 March 2019 to £5.5 million at 31 March 2020. Capital expenditure at 31 March 2020 was £3.7 million, against our capital resource limit for the year of £4.9 million.

Further details of the Trust's financial performance are reported in the summary financial statements that are extracted from our accounts and published in this Annual Report. The Trust generates its income mainly from the provision of healthcare in community and acute settings from its mental health, learning disability, and community services, and due to the nature of its contracts cannot be specifically analysed by product or service.



The information provided to the Board for the period 31 March 2020 is shown in the table below:

Service	2019/20	2018/19
	£000	* restated £000
Mental Health	77,961	68,414
Community Health & Wellbeing	42,911	40,610
Learning Disabilities & Autism	29,571	29,043
Director of operations	6,000	7,790
Total patient services	156,443	145,857
Corporate services	24,888	24,184
Estates and Facilities	19,368	19,773
IT Services	5,519	5,444
Cost Improvement Programme (CIP Unallocated)	(869)	(2,220)
Reserves and capital charges	6,226	5,843
Public Dividend Capital (PDC)	1,901	2,071
Total expenditure	213,476	200,952
Total income	(219,930)	(208,722)
Operating surplus before interest	(6,454)	(7,770)

	2019/20	2018/19
	£000	£000
Operating surplus before interest	(6,454)	(7,770)
Interest payable	3,654	3,604
Interest receivable	(454)	(355)
(Profit)/loss on disposal	0	0
Impairment on revaluation	604	517
Retained (surplus)/deficit for the year	(2,650)	(4,004)

*Analysis for 2018/19 has been re-stated to reflect the change in management structure in 2019/20 and provide comparative figures.

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



3.2 Financial position for the year

Statement of Comprehensive Income for the year ended 31 March 2020

	2019/20	2018/19
	£000	£000
Operating income from patient care activities	203,043	192,877
Other operating income	14,187	15,845
Operating expenses	(209,479)	(199,398)
Operating surplus from continuing operations	7,751	9,324
Finance income	454	355
Finance expenses	(3,654)	(3,604)
PDC dividends payable	(1,901)	(2,071)
Net finance costs	(5,101)	(5,320)
Other gains / (losses)	0	0
Share of profit / (losses) of associates / joint arrangements	0	0
Gains / (losses) arising from transfers by absorption	0	0
Corporation tax expense	0	0
Surplus for the year from continuing operations	2,650	4,004
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	0	0
Surplus for the year	2,650	4,004
Other comprehensive income		
Will not be reclassified to income and expenditure:		
Impairments	(2,292)	(4,219)
Revaluations	582	581
Share of comprehensive income from associates and joint ventures	0	0
Fair value gains / (losses) on equity instruments designated at fair value through OCI	0	0
Other recognised gains and losses	0	0
Remeasurements of the net defined benefit pension scheme liability / asset	0	0
Gain / (loss) arising from on transfers by modified absorption	0	0
Other reserve movements	0	0
May be reclassified to income and expenditure when certain conditions are met:		
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0
Foreign exchange gains / (losses) recognised directly in OCI	0	0
Total comprehensive income / (expense) for the period	940	366
Adjusted financial performance (control total basis):		
Surplus for the period	2,650	4,004
Remove net impairments not scoring to the Departmental expenditure limit	604	517
Remove (gains) / losses on transfers by absorption	0	0
Remove I&E impact of capital grants and donations	7	(26)
Prior period adjustments	0	0
Remove non-cash element of on-SoFP pension costs	0	0
Remove 2018/19 post audit PSF reallocation (2019/20 only)	(319)	
Adjusted financial performance surplus	2,942	4,495



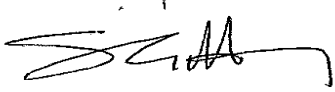
Statement of Financial Position as at 31 March 2020

As at 31 March 2020	31 March 2020	31 March 2019
	£000	£000
Non-current assets		
Intangible assets	1,606	1,375
Property, plant and equipment	101,520	104,501
Investment property	0	0
Investments in associates and joint ventures	0	0
Other investments / financial assets	0	0
Receivables	261	0
Other assets	0	0
Total non-current assets	103,387	105,876
Current assets		
Inventories	311	280
Receivables	12,133	14,669
Other investments / financial assets	0	0
Other assets	0	0
Non-current assets for sale and assets in disposal groups	281	281
Cash and cash equivalents	68,716	55,423
Total current assets	81,441	70,653
Current liabilities		
Trade and other payables	(27,617)	(20,920)
Borrowings	(557)	(538)
Other financial liabilities	0	0
Provisions	(539)	(687)
Other liabilities	(1,597)	(988)
Liabilities in disposal groups	0	0
Total current liabilities	(30,310)	(23,133)
Total assets less current liabilities	154,518	153,396
Non-current liabilities		
Trade and other payables	0	0
Borrowings	(26,758)	(27,315)
Other financial liabilities	0	0
Provisions	(446)	(1,217)
Other liabilities	(500)	0
Total non-current liabilities	(27,704)	(28,532)
Total assets employed	126,814	124,864
Financed by		
Public dividend capital	90,254	89,244
Revaluation reserve	30,261	31,976
Financial assets reserve	0	0
Other reserves	0	0
Merger reserve	0	0
Income and expenditure reserve	6,299	3,644
Total taxpayers' equity	126,814	124,864

The notes of pages 7 – 55 form part of this account.



The financial statements on pages 1 to 55 were approved by the Board on 2 June 2020 and signed on its behalf by:



Simon Gilby, **Chief Executive** Date: 23 June 2020



Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluati on reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	89,244	31,976	0	3,644	124,864
Surplus/(deficit) for the year	0	0	0	2,650	2,650
Gain/(loss) arising from transfers by mofieid absorption	0	0	0	0	0
Transfers by absorption: transfers between reserves	0	0	0	0	0
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0
Impairments	0	(2,292)	0	0	(2,292)
Revaluations	0	582	0	0	582
Transfer to retained earnings on disposal of assets	0	(5)	0	5	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0	0	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	0	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly through OCI	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	0	0
Public dividend capital received	1,010	0	0	0	1,010
Public dividend capital repaid	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0
Other reserve movements	0	0	0	0	0
Taxpayers' and others' equity at 31 March 2020	90,254	30,261	0	6,299	126,814



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

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

Information on reserves

Public dividend capital

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

Revaluation Reserve

Increases in asset values arising from revaluations are recognised in the Revaluation Reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the Revaluation Reserve to the extent that a



previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and Expenditure Reserve

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

Statement of Cashflows for the year ended 31 March 2020 (subject to audit)

	2019/20	2018/19
	£000	£000
Cash flows from operating activities		
Operating surplus	7,751	9,324
Non-cash income and expense:		
Depreciation and amortisation	4,146	4,315
Net impairments	604	517
Income recognised in respect of capital donations	0	(39)
Decrease / (increase) in receivables and other assets	2,660	(6,135)
Increase in inventories	(31)	(24)
Increase / (decrease) in payables and other liabilities	7,385	(116)
Decrease in provisions	(919)	(656)
Net cash flows from operating activities	21,596	7,186
Cash flows from investing activities		
Interest received	452	356
Purchase of intangible assets	(535)	(670)
Purchase of PPE and investment property	(2,723)	(3,402)
Receipt of cash donations to purchase assets	0	39
Net cash flows used in investing activities	(2,806)	(3,677)
Cash flows from financing activities		
Public dividend capital received	1,010	490
Capital element of PFI, LIFT and other service concession payments	(538)	(514)
Interest paid on PFI, LIFT and other service concession obligations	(3,654)	(3,604)
PDC dividend paid	(2,315)	(2,022)
Net cash flows used in financing activities	(5,497)	(5,650)
Increase / (decrease) in cash and cash equivalents	13,293	(2,141)
Cash and cash equivalents at 1 April - brought forward	55,423	57,564
Increase / (decrease) in cash and cash equivalents	13,293	(2,141)
Cash and cash equivalents at 31 March	68,716	55,423



Better Payment Practice Code

	2019/20	2019/20	2018/19	2018/19
Non-NHS Payables	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	14,516	61,503	15,169	68,689
Total non-NHS trade invoices paid within target	<u>11,794</u>	<u>55,218</u>	<u>13,960</u>	<u>65,853</u>
Percentage of non-NHS trade invoices paid within target	<u>81.2%</u>	<u>89.8%</u>	<u>92.0%</u>	<u>95.9%</u>
NHS Payables				
Total NHS trade invoices paid in the year	638	9,977	605	11,037
Total NHS trade invoices paid within target	<u>480</u>	<u>8,004</u>	<u>449</u>	<u>8,502</u>
Percentage of NHS trade invoices paid within target	<u>75.2%</u>	<u>80.2%</u>	<u>74.2%</u>	<u>77.0%</u>

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

Prompt Payments Code

The Trust has signed up to the Prompt Payments Code.

Counter fraud activity

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

Audit arrangements

The Partnership Trust's external auditor is Deloitte appointed by the Trust.

Audit Services

Total audit fees for 2019/20 are £76k, which include the provision of assurance services with respect to the Quality Account.

3.3 Principles for remedy

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

<http://www.ombudsman.org.uk/about-us/our-principles/principles-remedy>

The Trust aims to meet the Principles and relevant policies and procedures support this aim.

Charging Overseas Visitors

The Trust has been reviewing its approach to identifying overseas visitors to ensure it remains consistent with national guidance and policy. Following the Brexit decision for the UK to leave the European Union, changes to the regulations are anticipated from January 2021 and the Trust will be considering the impact of these as further information is made available during the year.



Meanwhile, during the transition period, the Trust will continue to build on the learning from the pilot project undertaken in the 'Wheelchair Service', and develop a policy which reflects best practice and consistency across our local system.

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

Following self-assessment, the Trust was able to declare substantial compliance with the EPRR Core Standards assessment for 2019/20. This was confirmed in September 2019. The Trust has a rectification plan to address the standards that are not fully compliant.

Charging for information

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

Quality Account 2019/20

A fuller account of our performance in relation to the quality of care will be provided in our Quality Account 2019/20. The deadline for publication of this has been postponed to later in 2020 due to the COVID-19 pandemic.

Further copies

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



3.4 Statement of Director's Responsibilities

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

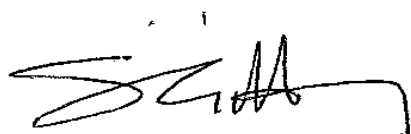
- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury.
- Make judgements and estimates which are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over being a going concern.

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

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

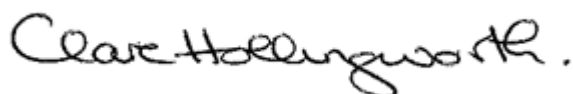
The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Trust's performance, business model and strategy.

By order of the Board



Simon Gilby, Chief Executive

Date: 23 June 2020



Clare Hollingworth, Director of Finance and Resources

Date: 23 June 2020



Glossary

Care Quality Commission (CQC)	The CQC is the independent regulator of health and adult social care services in England. It also protects the interest of people whose rights are restricted under the Mental Health Act.
Chair	The Chair is a Non-Executive Director, and not a full time NHS employee. It is the Chair's role to chair our Trust Board, and help ensure the organisation has the leadership it needs.
Clinical Commissioning Groups (CCGs)	CCGs are the organisations that buy health services on behalf of the communities they serve.
Commissioners	Commissioners have responsibility for assessing the needs of their local population and purchasing services to meet these needs. They commission services, including acute care, primary care and mental healthcare for the whole of their local population with a view to improving their health.
Commissioning for Quality and Innovation (CQUIN)	The Commissioning for Quality and Innovation (CQUIN) framework supports improvements in the quality of services and the creation of new, improved patterns of care.
Information Governance (IG) Toolkit	The IG toolkit is an online tool that allows organisations to measure their performance against information governance standards. The information governance standards encompass legal requirements, central guidance and best practice in information handling.
MERIT	Mental Health Alliance for Excellence, Resilience, Innovation and Training (MERIT). Merit is the name given to the Vanguard programme the Trust operates under.
National Institute of Health and Clinical Excellence (NICE)	NICE provides guidance, sets quality standards and manages a national database to improve people's health and prevent and treat ill health. It makes recommendations to the NHS on new and existing medicines, treatments and procedures; treating and caring for people with specific diseases and conditions and how to improve people's health and prevent illness and disease.
NHS Improvement	The body responsible for overseeing Foundation Trusts and NHS Trusts, as well as independent health providers that deliver NHS-funded care (since 1 April 2016).
Non-Executive Director	Non-Executive Directors, including the Chair, are not full-time NHS employees. They are people who live or work in the area and have shown a keen interest in helping to improve the health of local people. They are all members of the Trust Board, which meets monthly in public.



Private Finance Initiative (PFI)	A Private Finance Initiative (PFI) is a method of providing funds for major capital investments where private firms are contracted to complete and manage public projects.
Quality Impact Assessment (QIA)	Quality Impact Assessment (QIA) is an essential process for ensuring that risks and benefits of change are considered so that where necessary, risk can be mitigated.
Sustainability and Transformation Plan (STP)	NHS England has asked every local health and care system to work together to produce a multi-year Sustainability and Transformation Plan (STP), showing how local services will evolve and become sustainable over the next five years and ultimately delivering the Five Year Forward View vision for the NHS.



Our Vision

“ To improve the wellbeing of the people we serve and to be recognised for always doing the best we can. ”

Our Values



**Compassion
in action**



**Working
together**



**Respect for
everyone**



**Seeking
excellence**

Contact Us

Coventry and Warwickshire Partnership NHS Trust

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CV6 6NY

 **Tel:** 024 7636 2100

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 **Twitter:** @cwpt_nhs

Equality Statement

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



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

ANNUAL ACCOUNTS

FOR THE PERIOD APRIL 2019 TO MARCH 2020

Jagtar Singh OBE - Chair
Simon Gilby - Chief Executive



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



Coventry and Warwickshire Partnership NHS Trust

Annual accounts for the year ended 31 March 2020

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of HM Treasury as relevant to the National Health Service in England (the 'Accounts Direction').

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

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statements of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 52.

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

- the table of salaries and allowances of senior managers on pages 38 and 39
- the table of pension benefits of senior managers and related narrative notes on pages 41 and 42; and
- the disclosure of pay multiples and related narrative notes on page 46.

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

Basis for opinion

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

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

Emphasis of matter – material uncertainty related to property valuation

We draw attention to note 1.2, note 1.28 and note 19, which describe the effects of the uncertainties created by the coronavirus (COVID-19) pandemic on the valuation of the Trust's estate. The pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the valuation of properties at the balance sheet date. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters

In our opinion:

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

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

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

Conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in November 2017, we are satisfied that, in all significant respects, Coventry and Warwickshire Partnership NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

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

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

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

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

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

The Comptroller & Auditor General determined this overall evaluation criterion as that necessary for us to consider under its Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Certificate

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

Use of our report

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

Handwritten signature of Ian Howse in blue ink.

Ian Howse, CPFA (Engagement Lead)
For and on behalf of Deloitte LLP
Appointed Auditor
Cardiff, United Kingdom
24 June 2020

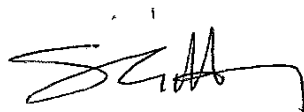
Statement of the chief executive's responsibilities as the accountable officer of the trust

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

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

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer.



Signed.....Chief Executive

Date.....23 June 2020.....

Statement of directors' responsibilities in respect of the accounts

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

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

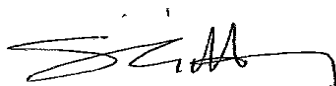
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They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

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

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

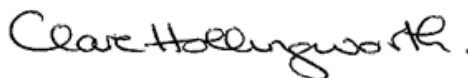
By order of the Board

23 June 2020



.....Date.....Chief Executive

23 June 2020



.....Date.....Finance Director

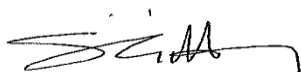
Statement of Comprehensive Income

		2019/20	2018/19
	Note	£000	£000
Operating income from patient care activities	3	203,043	192,877
Other operating income	4	14,187	15,845
Operating expenses	7, 9	<u>(209,479)</u>	<u>(199,398)</u>
Operating surplus from continuing operations		<u>7,751</u>	<u>9,324</u>
Finance income	12	454	355
Finance expenses	13	(3,654)	(3,604)
PDC dividends payable		<u>(1,901)</u>	<u>(2,071)</u>
Net finance costs		<u>(5,101)</u>	<u>(5,320)</u>
Other gains / (losses)	14	0	0
Share of profit / (losses) of associates / joint arrangements	21	0	0
Gains / (losses) arising from transfers by absorption	45	0	0
Corporation tax expense		<u>0</u>	<u>0</u>
Surplus for the year from continuing operations		<u>2,650</u>	<u>4,004</u>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	16	<u>0</u>	<u>0</u>
Surplus for the year		<u><u>2,650</u></u>	<u><u>4,004</u></u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(2,292)	(4,219)
Revaluations	19	582	581
Share of comprehensive income from associates and joint ventures	21	0	0
Fair value gains / (losses) on equity instruments designated at fair value through OCI	22	0	0
Other recognised gains and losses		0	0
Remeasurements of the net defined benefit pension scheme liability / asset	38	0	0
Gain / (loss) arising from on transfers by modified absorption	45	0	0
Other reserve movements		0	0
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI	22	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	14	0	0
Foreign exchange gains / (losses) recognised directly in OCI		<u>0</u>	<u>0</u>
Total comprehensive income / (expense) for the period		<u><u>940</u></u>	<u><u>366</u></u>
Adjusted financial performance (control total basis):			
Surplus for the period		2,650	4,004
Remove net impairments not scoring to the Departmental expenditure limit		604	517
Remove (gains) / losses on transfers by absorption		0	0
Remove I&E impact of capital grants and donations		7	(26)
Prior period adjustments		0	0
Remove non-cash element of on-SoFP pension costs		0	0
Remove 2018/19 post audit PSF reallocation (2019/20 only)		<u>(319)</u>	<u>0</u>
Adjusted financial performance surplus		<u><u>2,942</u></u>	<u><u>4,495</u></u>

Statement of Financial Position

As at 31 March 2020	31 March 2020	31 March 2019
	£000	£000
Non-current assets		
Intangible assets	16	1,606
Property, plant and equipment	17	101,520
Investment property	20	0
Investments in associates and joint ventures	21	0
Other investments / financial assets	22	0
Receivables	25	261
Other assets	26	0
Total non-current assets	103,387	105,876
Current assets		
Inventories	24	311
Receivables	25	12,133
Other investments / financial assets	22	0
Other assets	26	0
Non-current assets for sale and assets in disposal groups	27	281
Cash and cash equivalents	28	68,716
Total current assets	81,441	70,653
Current liabilities		
Trade and other payables	29	(27,617)
Borrowings	31	(557)
Other financial liabilities	32	0
Provisions	34	(539)
Other liabilities	30	(1,597)
Liabilities in disposal groups	27	0
Total current liabilities	(30,310)	(23,133)
Total assets less current liabilities	154,518	153,396
Non-current liabilities		
Trade and other payables	29	0
Borrowings	31	(26,758)
Other financial liabilities	32	0
Provisions	34	(446)
Other liabilities	30	(500)
Total non-current liabilities	(27,704)	(28,532)
Total assets employed	126,814	124,864
Financed by		
Public dividend capital		90,254
Revaluation reserve		30,261
Financial assets reserve		0
Other reserves		0
Merger reserve		0
Income and expenditure reserve		6,299
Total taxpayers' equity		126,814

The notes on pages 7 to 55 form part of these accounts.



Name	Simon Gilby
Position	Chief Executive
Date	23/06/2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	89,244	31,976	0	3,644	124,864
Surplus for the year	0	0	0	2,650	2,650
Gain/(loss) arising from transfers by morfield absorption	0	0	0	0	0
Transfers by absorption: transfers between reserves	0	0	0	0	0
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0
Impairments	0	(2,292)	0	0	(2,292)
Revaluations	0	582	0	0	582
Transfer to retained earnings on disposal of assets	0	(5)	0	5	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0
Fair value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0	0	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	0	0	0
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	0	0	0	0	0
Foreign exchange gains/(losses) recognised directly through OCI	0	0	0	0	0
Other recognised gains and losses	0	0	0	0	0
Remeasurements of the defined net benefit pension scheme liability/asset	0	0	0	0	0
Public dividend capital received	1,010	0	0	0	1,010
Public dividend capital repaid	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0
Other reserve movements	0	0	0	0	0
Taxpayers' and others' equity at 31 March 2020	90,254	30,261	0	6,299	126,814

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

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

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	2019/20	2018/19
Note	£000	£000
Cash flows from operating activities		
Operating surplus	7,751	9,324
Non-cash income and expense:		
Depreciation and amortisation	7.1 4,146	4,315
Net impairments	8 604	517
Income recognised in respect of capital donations	4 0	(39)
Decrease / (increase) in receivables and other assets	2,660	(6,135)
Increase in inventories	(31)	(24)
Increase / (decrease) in payables and other liabilities	7,385	(116)
Decrease in provisions	(919)	(656)
Net cash flows from operating activities	21,596	7,186
Cash flows from investing activities		
Interest received	452	356
Purchase of intangible assets	(535)	(670)
Purchase of PPE and investment property	(2,723)	(3,402)
Receipt of cash donations to purchase assets	0	39
Net cash flows used in investing activities	(2,806)	(3,677)
Cash flows from financing activities		
Public dividend capital received	1,010	490
Capital element of PFI, LIFT and other service concession payments	(538)	(514)
Interest paid on PFI, LIFT and other service concession obligations	(3,654)	(3,604)
PDC dividend paid	(2,315)	(2,022)
Net cash flows used in financing activities	(5,497)	(5,650)
Increase / (decrease) in cash and cash equivalents	13,293	(2,141)
Cash and cash equivalents at 1 April - brought forward	55,423	57,564
Increase / (decrease) in cash and cash equivalents	13,293	(2,141)
Cash and cash equivalents at 31 March	68,716	55,423

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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 the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Note 1.2 Going concern

The trust is deemed to have adequate resource to continue its operational activities for the foreseeable future and for this reason, the accounts have been prepared on a going concern basis.

The Trust submits an annual financial plan via its internal governance to the central NHS administration. This plan details the risks associated with the plan, including the need to achieve significant Cost Improvement Plan (CIP) savings, contracting risks inherent in the nationally challenged NHS financial framework and the need to address existing service cost pressures. While there are some significant risks, the Trust does not believe that these risks would put the Trust's going concern status in doubt. In addition, the Trust has significant cash reserves to mitigate the effect of any short term risks.

Subsequent to this process, the Covid-19 pandemic has created further risks and distorted the activities and focus of all NHS Trusts. The coordination of current activities is and will remain part of the national and international response to the pandemic until it is possible to resume business as usual. All Trusts are working to central government instructions to ensure that services continue and that they are focussed on the necessary areas of activities. This focus will be adapted appropriately as the effects of the pandemic develop and change through the different phases of its infection cycle and beyond. Meanwhile national funding variations are being put in place to ensure continuity within the NHS, and in terms of cash flow the Coventry and Warwickshire Partnership NHS Trust has the security of its substantial cash reserves. As such, the outbreak is not expected to impact the Trust's ability to continue on a going concern basis.

Note 1.3 Interests in other entities

Associates

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

Joint ventures

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

Joint operations

Joint operations are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The trust includes within its financial statements its share of the assets, liabilities, income and expenses.

The Trust has no joint operations.

Note 1.4 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.

Payment terms commence on satisfaction of the related performance obligations.

Revenue from NHS contracts

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

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

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

Revenue from research contracts

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

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.

Note 1.5 Other forms of income

Sale of non-current assets

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.

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.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension 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 the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

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

Note 1.7 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 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 cost of at least £5,000;
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control;
- IT hardware is considered interdependent if it is attached to a network and will be capitalised.

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

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.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

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

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives on a straight line basis, this in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating 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 GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Derecognition

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 ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

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

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Buildings, excluding dwellings	0	42
Dwellings	25	25
Plant & machinery	0	18
Transport equipment	0	9
Information technology	0	5
Furniture & fittings	0	10

Land is assumed to have an infinite life.

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

Note 1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the 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 where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment.

Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. 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 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.

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 on a straight line basis over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	0	5

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 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 of National Statistics.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, 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 and financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

Derecognition

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

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Note 1.14 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 a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The 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 charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

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 a lessor

Finance leases

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

Operating leases

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

Note 1.15 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:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Clinical negligence costs

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

Non-clinical risk pooling

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

Note 1.16 Contingencies

Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control. These are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Note 1.17 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated 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 a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

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

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

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

Note 1.20 Foreign exchange

The functional and presentational currency of the trust is sterling.

Note 1.21 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.

Note 1.22 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 accrual basis with the exception of provisions for future losses.

Note 1.23 Gifts

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

Note 1.24 Transfers of functions to / from other NHS bodies / local government bodies

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

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted**IFRS 16 Leases**

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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. 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 12 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.

During a review of the Trust's leases and the impact of the Standard, vehicle and property leases were identified that will be affected by the implementation. However due to the nature of the Trust's activities no equipment leases have been identified.

Note 1.27 Critical judgements in applying accounting policies

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.

The main areas which require the exercise of judgement are in accounting for:

- The PFI contract has been assessed under IFRIC 12 and is included in the Statement of Financial Position.
- Classification of non-current assets held for sale have been reviewed in line with IFRS 5 and assessed against the relevant criteria to ensure compliance with the standard.
- Leases have been reviewed in line with IAS 17 and are accounted for on the Statement of Comprehensive Income as operating leases.

Note 1.28 Sources of estimation uncertainty

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

- The Covid19 pandemic that is currently affecting the global community has required the Trust to re-align its operational activities to focus resources on the maintenance of essential services. The additional marginal costs incurred to 31 March 2020 in responding to the pandemic are being reimbursed by NHS England and both the income and expenditure are reflected in these accounts.

- Land and property valuations originally recorded at the beginning on March 2020 were revised by the appointed valuer at the end of March due to a significant fall in the property index used. This fall is attributed by the valuer to the economic impact of the Covid19 pandemic. Should the asset values fall by a further 1%, the financial impact would be a reduction of £958,000 on the value of the Trust's asset base.

- The UK decided to leave the EU as a result of the referendum held on 23 June 2016. This has created a consequential uncertainty surrounding the UK economy and its global position. The Trust continues to monitor potential impacts of the decision on its resources, income and activities, both as an individual Trust and in accordance with guidance provided by the Department of Health and Social Care.

Note 2 Operating Segments

The Trust Board, being the chief operating decision maker for the Trust receives and monitors business unit expenditure and consider these to be reportable segments under IFRS 8.

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

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

Income is analysed by commissioner due to the nature of the Trust's contracts which are largely on a block contract basis and therefore are not analysed or reported by the business units as disclosed in the table below. The majority of the Trust's income is received from Coventry and Rugby Clinical Commissioning Group £102,238,000, Warwickshire North Clinical Commissioning Group £19,597,000, South Warwickshire Clinical Commissioning Group £28,966,000 and NHS England £34,449,000 this represents 85% of the Trust's total income. *

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

The information provided to the Board for the period 31 March 2020 is shown in the table below:-

Service	2019/20 £000	2018/19 ** restated £000
Mental Health	77,961	68,414
Community Health & Wellbeing	42,911	40,610
Learning Disabilities & Autism	29,571	29,043
Director of operations	6,000	7,790
Total patient services	156,443	145,857
Corporate services	24,888	24,184
Estates and Facilities	19,368	19,773
IT services	5,519	5,444
Cost Improvement Programme (CIP Unallocated)	(869)	(2,220)
Reserves and capital charges *	6,226	5,843
Public Dividend Capital (PDC)	1,901	2,071
Total expenditure	213,476	200,952
Total income *	(219,930)	(208,722)
Operating surplus before interest	(6,454)	(7,770)

	2019/20 £000	2018/19 £000
Operating surplus before interest	(6,454)	(7,770)
Interest payable	3,654	3,604
Interest receivable	(454)	(355)
(Profit)/loss on disposal	0	0
Impairment on revaluation	604	517
Retained surplus for the year	(2,650)	(4,004)

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

* Subsequent to the report to the Board, a technical adjustment was made that reduced both income and expenditure from the 3 Clinical Commissioning Groups (CCGs) by £2.7m. The final CCG income figures are shown in the narrative.

** Income analysis for 2018/19 has been re-stated to reflect the current management structure and provide comparative figures.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Note 3.1 Income from patient care activities (by nature)	2019/20	2018/19
	£000	£000
Mental health services		
Cost and volume contract income	5,238	3,765
Block contract income	141,356	132,094
Community services		
Community services income from CCGs and NHS England	43,830	45,785
Income from other sources (e.g. local authorities)	5,894	8,724
All services		
Agenda for Change pay award central funding*		2,509
Additional pension contribution central funding**	6,103	
Other clinical income	622	0
Total income from activities	203,043	192,877

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2019/20	2018/19
	£000	£000
Income from patient care activities received from:		
NHS England	32,219	25,110
Clinical commissioning groups	156,702	148,704
Department of Health and Social Care	0	2,509
Other NHS providers	3,421	2,657
NHS other	0	0
Local authorities	10,050	13,138
Non-NHS: private patients	0	0
Non-NHS: overseas patients (chargeable to patient)	0	0
Injury cost recovery scheme	0	0
Non NHS: other	651	759
Total income from activities	203,043	192,877
Of which:		
Related to continuing operations	203,043	192,877
Related to discontinued operations	0	0

During 2019/20 the Trust ceased to provide services relating to Learning Disability Community Homes and Family Health and Lifestyle via contracts with Coventry City Council, with a reduction in income of around £3 million. This had no detrimental impact on the overall financial position of the Trust due to a similar reduction in the level of expenditure.

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

Coventry and Warwickshire Partnership NHS Trust had no income relating to charges to overseas visitors in 2019/20.

Note 4 Other operating income

	2019/20		
	Contract income	Non-contract income	Total
	£000	£000	£000
Research and development	516	0	516
Education and training	6,634	495	7,129
Non-patient care services to other bodies	624		624
Provider sustainability fund (PSF)	1,950		1,950
Income in respect of employee benefits accounted on a gross basis	1,750		1,750
Receipt of capital grants and donations		0	0
Charitable and other contributions to expenditure		45	45
Rental revenue from operating leases		318	318
Amortisation of PFI deferred income / credits		0	0
Other income	1,855	0	1,855
Total other operating income	13,329	858	14,187
Of which:			
Related to continuing operations			14,187
Related to discontinued operations			0

	2018/19		
	Contract income	Non-contract income	Total
	£000	£000	£000
Research and development	491	0	491
Education and training	6,282	263	6,545
Non-patient care services to other bodies	649		649
Provider sustainability fund (PSF)	3,761		3,761
Income in respect of employee benefits accounted on a gross basis	1,724		1,724
Receipt of capital grants and donations		39	39
Charitable and other contributions to expenditure		32	32
Support from the Department of Health and Social Care for mergers		0	0
Rental revenue from finance leases		0	0
Rental revenue from operating leases		354	354
Amortisation of PFI deferred income / credits		0	0
Other income	2,250	0	2,250
Total other operating income	15,157	688	15,845
Of which:			
Related to continuing operations			15,845
Related to discontinued operations			0

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in contract liabilities at the previous period end	868	89
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March	31 March 2019
	2020	
	£000	£000
within one year	-	90
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	<u>-</u>	<u>90</u>

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

Note 6.1 Fees and charges

HM Treasury requires disclosure of fees and charges income where income from that service exceeds £1 million and is presented as the aggregate of such income. CWPT has no disclosure to make.

Note 7.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	0	231
Purchase of healthcare from non-NHS and non-DHSC bodies	1,488	1,008
Purchase of social care	0	0
Staff and executive directors costs	160,771	150,748
Remuneration of non-executive directors	103	82
Supplies and services - clinical (excluding drugs costs)	8,173	6,567
Supplies and services - general	2,681	2,810
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	6,038	6,456
Inventories written down	0	0
Consultancy costs	169	192
Establishment	2,848	2,210
Premises	8,941	9,488
Transport (including patient travel)	2,664	2,844
Depreciation on property, plant and equipment	3,602	3,750
Amortisation on intangible assets	544	565
Net impairments	604	517
Movement in credit loss allowance: contract receivables / contract assets	30	102
Movement in credit loss allowance: all other receivables and investments	0	0
Decrease in other provisions	(939)	(266)
Change in provisions discount rate(s)	0	0
Audit fees payable to the external auditor		
audit services- statutory audit	72	63
other auditor remuneration (external auditor only)	4	13
Internal audit costs	171	171
Clinical negligence	658	909
Legal fees	821	1,044
Insurance	60	60
Research and development	539	413
Education and training	1,046	796
Rentals under operating leases	5,299	4,001
Early retirements	0	0
Redundancy	0	50
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,776	1,826
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	0	0
Car parking & security	184	164
Hospitality	19	26
Losses, ex gratia & special payments	7	18
Grossing up consortium arrangements	0	0
Other services, e.g. external payroll	200	193
Other	906	2,347
Total	209,479	199,398
Of which:		
Related to continuing operations	209,479	199,398
Related to discontinued operations	0	0
	2019/20	2018/19
	£000	£000
Other expenditure relates to:		
Provisions and stock movements		124
Risk share - Coventry & Rugby CCG/Warwickshire North CCG		874
Risk share - South Warwickshire CCG		500
Risk share - Out Of Hospital		508
Service Level Agreements	318	
Miscellaneous expenditure	588	341
	906	2,347

Note 7.2 Other auditor remuneration

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	0	0
2. Audit-related assurance services	4	13
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	0
Total	4	13

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2018/19: £1m).

Note 8 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	0	0
Over specification of assets	0	0
Abandonment of assets in course of construction	0	0
Unforeseen obsolescence	0	0
Loss as a result of catastrophe	0	0
Changes in market price	604	517
Other	0	0
Total net impairments charged to operating surplus / deficit	604	517
Impairments charged to the revaluation reserve	2,292	4,219
Total net impairments	2,896	4,736

The Trust had an optimised MEA valuation carried out on the 31 March 2020, which applied to all land and property held by the Trust, in accordance with IAS 16.

Impairments are lower this year due to having updated RICS guidance in 2018/19 which impacted asset lives and values

The Trust's MEA valuation identified £2,896k (31 March 2019 £4,736k) impairment of assets, of which £604k (£517k in 2018/19) was charged to the Statement of Comprehensive Income (SoCI) as an operating expense and £2,292k (£4,219k in 2018/19) was charged to the Revaluation Reserve.

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

	SoCI	Reserves
	£000	£000
2019/20		
Snowdon unit, total of £1,267,354 charged to:	413	854
Caludon Centre, total of £575,199 charged to:	0	575
St Michaels Main Block, total of £216,710 charged to:	0	217
Windmill Point, total of £178,262 charged to:	0	178
	413	1,824

Note 9 Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	108,833	106,314
Social security costs	9,403	9,199
Apprenticeship levy	513	502
Employer's contributions to NHS pensions	20,083	13,676
Pension cost - other	21	11
Other post-employment benefits	0	0
Other employment benefits	0	0
Termination benefits	0	0
Temporary staff (including agency)	22,723	21,603
Total gross staff costs	161,576	151,305
Recoveries in respect of seconded staff	0	0
Total staff costs	161,576	151,305
Of which		
Costs capitalised as part of assets	302	110

Note 9.1 Retirements due to ill-health

During 2019/20 there was 1 early retirement from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £28k (£99k in 2018/19).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 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 actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 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 judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

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

For 2019/20, the Trust paid over £20,749 in NEST employer contributions (£11,096 in 2018/19).

Note 11 Operating leases

Note 11.1 Coventry and Warwickshire Partnership NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Coventry and Warwickshire Partnership NHS Trust is the lessor. Rental revenue relates to income received for the following premises:

- Mulberry Crèche: tenancy at will
- The Manor GP Practice, Nuneaton: tenancy at will
- 21 Shirlett Close, Coventry: tenancy at will
- Hunter House First Floor, The Railings, Rugby: tenancy at will
- 16 Court Street, Leamington Spa: lease surrendered on 03/10/2019
- Stratford Health Care Building 2: tenancy at will

	2019/20	2018/19
	£000	£000
Operating lease revenue		
Minimum lease receipts	318	354
Contingent rent	0	0
Total	<u>318</u>	<u>354</u>

	31 March	31 March
	2020	2019
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	0	36
- later than one year and not later than five years;	0	0
- later than five years.	0	0
Total	<u>0</u>	<u>36</u>

Note 11.2 Coventry and Warwickshire Partnership NHS Trust as a lessee

Fleet vehicles are leased for a period of three or four years, not linked to RPI, and are returned to the lessor on expiry of the lease. Leased equipment relates mainly to photocopying equipment, which are leased for 3 to 5 years and are not linked to RPI.

Lease payments for equipment relate to the following assets:-

- Fleet vehicles £113,958 (standard length of lease is three or four years).
- Equipment rentals £146,613 (standard length of lease is three to five years).

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

- City of Coventry Health Centre £2.2 million (lease with NHS Property Services).
- Paybody Unit, Coventry £304,850 (lease with NHS Property Services).
- Stratford Healthcare building £691,880 (30 year lease cancellable in 2031).
- Longford Resource Centre, Coventry £249,569 (lease with NHS Property Services).
- Newfield House and Annexe, Coventry £74,340 (lease with NHS Property Services).
- Tile Hill Health Centre, Coventry £392,784 (lease with NHS Property Services).
- Willenhall Primary Care Centre, Coventry £153,923 (lease with NHS Property Services).
- Wayside House £191,269 (lease ends in 2026).

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

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

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	5,136	3,938
Contingent rents	163	63
Less sublease payments received	0	0
Total	<u>5,299</u>	<u>4,001</u>

	Land	Buildings	Other	31 March	31 March
	£000	£000	£000	2020	2019
	£000	£000	£000	£000	£000
Future minimum lease payments due:					
- not later than one year;	0	4,528	150	4,678	4,357
- later than one year and not later than five years;	0	17,995	313	18,308	2,920
- later than five years.	0	21,996	0	21,996	3,862
Total	<u>0</u>	<u>44,519</u>	<u>463</u>	<u>44,982</u>	<u>11,139</u>
Future minimum sublease payments to be received				0	(36)

Note 12 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	27	24
Interest income on finance leases	0	0
Interest on other investments / financial assets	427	331
Other finance income	0	0
Total finance income	454	355

Note 13.1 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	0	0
Other loans	0	0
Overdrafts	0	0
Finance leases	0	0
Interest on late payment of commercial debt	0	0
Main finance costs on PFI and LIFT schemes obligations	2,141	2,181
Contingent finance costs on PFI and LIFT scheme obligations	1,513	1,423
Total interest expense	3,654	3,604
Unwinding of discount on provisions	0	0
Other finance costs	0	0
Total finance costs	3,654	3,604

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

Coventry and Warwickshire Partnership NHS Trust incurred late payment interest of £179 (2018/19 £nil).

Note 14 Other gains / (losses)

Coventry and Warwickshire Partnership NHS Trust had no other gains or losses to report.

Note 15 Discontinued operations

Coventry and Warwickshire Partnership NHS Trust did not have any discontinued operations in 2019/20.

Note 16.1 Intangible assets - 2019/20

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	3,386	96	3,482
Transfers by absorption	0	0	0
Additions	95	680	775
Impairments	0	0	0
Reversals of impairments	0	0	0
Revaluations	0	0	0
Reclassifications	0	0	0
Transfers to / from assets held for sale	0	0	0
Disposals / derecognition	0	0	0
Valuation / gross cost at 31 March 2020	3,481	776	4,257
Amortisation at 1 April 2019 - brought forward	2,107	0	2,107
Transfers by absorption	0	0	0
Provided during the year	544	0	544
Impairments	0	0	0
Reversals of impairments	0	0	0
Revaluations	0	0	0
Reclassifications	0	0	0
Transfers to / from assets held for sale	0	0	0
Disposals / derecognition	0	0	0
Amortisation at 31 March 2020	2,651	0	2,651
Net book value at 31 March 2020	830	776	1,606
Net book value at 1 April 2019	1,279	96	1,375

Note 16.2 Intangible assets - 2018/19

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	3,504	0	3,504
Transfers by absorption	0	0	0
Additions	261	96	357
Impairments	0	0	0
Reversals of impairments	0	0	0
Revaluations	0	0	0
Reclassifications	0	0	0
Transfers to / from assets held for sale	0	0	0
Disposals / derecognition	(379)	0	(379)
Valuation / gross cost at 31 March 2019	3,386	96	3,482
Amortisation at 1 April 2018 - as previously stated	1,921	0	1,921
Prior period adjustments	0	0	0
Amortisation at 1 April 2018 - restated	1,921	0	1,921
Transfers by absorption	0	0	0
Provided during the year	565	0	565
Impairments	0	0	0
Reversals of impairments	0	0	0
Revaluations	0	0	0
Reclassifications	0	0	0
Transfers to / from assets held for sale	0	0	0
Disposals / derecognition	(379)	0	(379)
Amortisation at 31 March 2019	2,107	0	2,107
Net book value at 31 March 2019	1,279	96	1,375
Net book value at 1 April 2018	1,583	0	1,583

Note 17.1 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019 - b/f	20,406	79,370	95	599	2,867	235	6,868	999	111,439
Transfers by absorption	0	0	0	0	0	0	0	0	0
Additions	0	183	12	1,640	42	0	1,041	17	2,935
Impairments	0	(2,887)	(9)	0	0	0	0	0	(2,896)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,737)	(3)	0	0	0	0	0	(1,740)
Reclassifications	0	444	0	(444)	0	0	0	0	0
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	0
Disposals / derecognition	0	(5)	0	0	(7)	(5)	0	(109)	(126)
Valuation/gross cost at 31 March 2020	20,406	75,368	95	1,795	2,902	230	7,909	907	109,612
Accumulated depreciation at 1 April 2019 - b/f	0	121	0	0	1,911	70	3,913	923	6,938
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	0	2,355	3	0	172	16	1,034	22	3,602
Impairments	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,319)	(3)	0	0	0	0	0	(2,322)
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	0
Disposals / derecognition	0	(5)	0	0	(7)	(5)	0	(109)	(126)
Accumulated depreciation at 31 March 2020	0	152	0	0	2,076	81	4,947	836	8,092
Net book value at 31 March 2020	20,406	75,216	95	1,795	826	149	2,962	71	101,520
Net book value at 1 April 2019	20,406	79,249	95	599	956	165	2,955	76	104,501

Note: All additions to Assets Under Construction (£1,640K) related to Buildings.

Revaluation Reserve balance for property, plant and equipment - 2019/20

	Land £0	Buildings £0	Dwellings £0	Assets under construction £0	Plant and ma machinery £0	Transport eq equipment £0	Information tec technology £0	Furniture and fittings £0	Total £0
At 1 April 2019	3,819	27,996	91	0	47	1	0	22	31,976
Movements	0	(1,702)	(9)	0	0	0	0	(4)	(1,715)
At 31 March 2020	3,819	26,294	82	0	47	1	0	18	30,261
The movements in Revaluation Reserve balances relate to:									
Transfer in respect of modified absorption	0	0	0	0	0	0	0	0	0
Revaluation gains	0	582	0	0	0	0	0	0	582
Impairments	0	(2,284)	(9)	0	0	0	0	0	(2,293)
Transfers on disposal to retained earnings	0	0	0	0	0	0	0	(4)	(4)
Transfers on impairments to retained earnings	0	0	0	0	0	0	0	0	0
Reclassifications as held for sale and reversals	0	0	0	0	0	0	0	0	0
	0	(1,702)	(9)	0	0	0	0	(4)	(1,715)

Note 17.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 b/f	20,406	84,758	95	592	2,642	70	5,570	996	115,129
Transfers by absorption	0	0	0	0	0	0	0	0	0
Additions	0	722	0	876	185	165	1,111	16	3,075
Impairments	0	(4,736)	0	0	0	0	0	0	(4,736)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,909)	0	0	0	0	0	0	(1,909)
Reclassifications	0	535	0	(869)	48	0	286	0	0
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	0
Disposals / derecognition	0	0	0	0	(8)	0	(99)	(13)	(120)
Valuation/gross cost at 31 March 2019	20,406	79,370	95	599	2,867	235	6,868	999	111,439
Accumulated depreciation at 1 April 2018 b/f	0	99	0	0	1,750	68	2,979	902	5,798
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	0	2,508	4	0	169	2	1,033	34	3,750
Impairments	0	0	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,486)	(4)	0	0	0	0	0	(2,490)
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	0
Disposals / derecognition	0	0	0	0	(8)	0	(99)	(13)	(120)
Accumulated depreciation at 31 March 2019	0	121	0	0	1,911	70	3,913	923	6,938
Net book value at 31 March 2019	20,406	79,249	95	599	956	165	2,955	76	104,501
Net book value at 1 April 2018	20,406	84,659	95	592	892	2	2,591	94	109,331

Note: Additions to Assets Under Construction (£876K) related to Buildings (£652K) and Information Technology £224K).

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

	Land	Buildings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
At 1 April 2018	3,819	31,637	88	0	47	1	0	22	35,614
Movements	0	(3,641)	3	0	0	0	0	0	(3,638)
At 31 March 2019	3,819	27,996	91	0	47	1	0	22	31,976
The movements in Revaluation Reserve balances relate to:									
Transfer in respect of modified absorption	0	0	0	0	0	0	0	0	0
Revaluation gains	0	578	3	0	0	0	0	0	581
Impairments	0	(4,219)	0	0	0	0	0	0	(4,219)
Transfers on disposal to retained earnings	0	0	0	0	0	0	0	0	0
Transfers on impairments to retained earnings	0	0	0	0	0	0	0	0	0
Reclassifications as held for sale and reversals	0	0	0	0	0	0	0	0	0
	0	(3,641)	3	0	0	0	0	0	(3,638)

Note 17.3 Property, plant and equipment financing - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2020									
Owned - purchased	20,406	49,978	95	1,795	786	149	2,962	71	76,242
Finance leased	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts and other service concession arrangements	0	25,166	0	0	0	0	0	0	25,166
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	0
Owned - government granted	0	0	0	0	0	0	0	0	0
Owned - donated	0	72	0	0	40	0	0	0	112
NBV total at 31 March 2020	20,406	75,216	95	1,795	826	149	2,962	71	101,520

Note 17.4 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	20,406	52,890	95	599	912	165	2,955	76	78,098
Finance leased	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts and other service concession arrangements	0	26,284	0	0	0	0	0	0	26,284
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	0
Owned - government granted	0	75	0	0	44	0	0	0	119
Owned - donated	0	0	0	0	0	0	0	0	0
NBV total at 31 March 2019	20,406	79,249	95	599	956	165	2,955	76	104,501

Note 18 Donations of property, plant and equipment

In 2019/20 the Trust did not receive any donations.

Note 19 Revaluations of property, plant and equipment**Compliance with RICS valuation - Global Standards**

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

Material Valuation Uncertainty

Due to the Covid-19 pandemic market activity is being impacted in many sectors.

The valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to the valuation than would normally be the case.

Basis of valuation

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

Valuation approach

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

The DRC approach assumes that the current cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery.

The ultimate objective of the valuation is to place a value upon the asset, and in this the value of the land in providing a modern equivalent facility must be considered. The modern equivalent asset may be located on a new site out of town, or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied at current.

Existing use value

The value of the property has been assessed in accordance with the relevant parts of the current RICS Red Book. In particular, we have assessed the existing use value of the property for the purpose of their business for inclusion in financial statements in owner occupation in accordance with UK VPGA 6. Under these provisions "existing use value" is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost".

In undertaking the valuation on the basis of "existing use value", we have applied the conceptual framework of market value, which is set out in IVS 104 with the supplementary commentary which is included in UK VPGA 6.

Fair value - IFRS

The value of the property has been assessed in accordance with the relevant parts of the current RICS valuation – global standards. We have assessed the fair value as referred to in VPS4 item 7 of the RICS red book. Under these provisions, the term "fair value" means the definition adopted by the International Accounting Standards Board ("IASB") in IFRS 13, namely "the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Taxation and costs

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

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

An IFRS compliant revaluation was undertaken in March 2020 by independent valuers, Mr D Wilson (MRICS) and J Crawford (MRICS). The revaluation was applied to all land and buildings. The full impact of this change is detailed in note 17 and impairment analysed in note 7.

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

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

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

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

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

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

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

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

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

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

The value of non-specialised operational assets held by the Trust as at 31 March 2020 is £3,178,795 (31 March 2019 is £3,205,572).

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

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

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

The value of specialised operational assets held by the Trust as at 31 March 2020 is £92,137,481 (31 March 2019 is £96,184,760).

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

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

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

The value of non-operational assets held by the Trust as at 31 March 2020 is nil (31 March 2019 is nil).

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

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

Note 20.1 Investment Property

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

Note 21 Investments in associates and joint ventures

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

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

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

Note 22.1 Other investments / financial assets (current)

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

Note 23 Disclosure of interests in other entities

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

Note 24 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	0	0
Work In progress	0	0
Consumables	311	280
Energy	0	0
Other	0	0
Total inventories	311	280
of which:		
Held at fair value less costs to sell	0	0

Inventories recognised in expenses for the year were £280k (2018/19: £256k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 25.1 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	10,236	13,167
Allowance for impaired contract receivables / assets	(225)	(212)
Deposits and advances	2	2
Prepayments (non-PFI)	1,292	1,231
Interest receivable	8	6
PDC dividend receivable	383	0
VAT receivable	428	469
Other receivables	9	6
Total current receivables	12,133	14,669
Non-current		
Other receivables	261	0
Total non-current receivables	261	0
Of which receivable from NHS and DHSC group bodies:		
Current	9,272	9,692
Non-current	261	0

Note 25.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	212	0	0	117
Prior period adjustments			0	0
Allowances as at 1 April - restated	212	0	0	117
Impact of implementing IFRS 9 /15 on 1 April 2018			117	(117)
Transfers by absorption	0	0	0	0
New allowances arising	80	0	102	0
Changes in existing allowances	(48)	0	0	0
Reversals of allowances	(2)	0	0	0
Utilisation of allowances (write offs)	(17)	0	(7)	0
Changes arising following modification of contractual cash flows	0	0	0	0
Foreign exchange and other changes	0	0	0	0
Allowances as at 31 Mar 2020	225	0	212	0

Note 25.3 Exposure to credit risk

	31 March 2020		31 March 2019	
	Trade and other receivables	Investments and other financial assets	Trade and other receivables	Investments and other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	1	0	139	0
31 - 60 days	1	0	1	0
61 - 90 days	1	0	0	0
91 - 180 days	4	0	1	0
Over 180 days	218	0	71	0
Total	225	0	212	0

Ageing of non-impaired financial assets past their due date

0 - 30 days	535	0	1,685	0
31 - 60 days	46	0	215	0
61 - 90 days	15	0	197	0
91 - 180 days	66	0	773	0
Over 180 days	70	0	660	0
Total	732	0	3,530	0

The factors determining receivables being impaired include historic data on debt collection periods, combined with relevant up-to-date information specific to the debtor. Typically debts impaired relate to former staff, who had been overpaid on termination of contract. An impairment is also included where a formal dispute has been raised with another Trust.

Note 26 Other assets

Coventry and Warwickshire Partnership NHS Trust has no other assets to report.

Note 27.1 Non-current assets held for sale and assets in disposal groups

	2019/20	2018/19
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	281	281
Transfers by absorption	0	0
Assets classified as available for sale in the year	0	0
Assets sold in year	0	0
Impairment of assets held for sale	0	0
Reversal of impairment of assets held for sale	0	0
Assets no longer classified as held for sale, for reasons other than sale	0	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	<u>281</u>	<u>281</u>

The Trust did not reclassify any assets as held for sale in 2019/20.

The asset classed as held for sale, Oliver House, is a non-residential property. The sale of Oliver House was originally expected in 2018/19. As a result of delays related to planning permission, the capital receipt is now forecast to be received in 2020/21.

Note 27.2 Liabilities in disposal groups

Coventry and Warwickshire Partnership NHS Trust has no liabilities in disposal groups to report.

Note 28.1 Cash and cash equivalents movements

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

	2019/20	2018/19
	£000	£000
At 1 April	55,423	57,564
Prior period adjustments		0
At 1 April (restated)	55,423	57,564
Transfers by absorption	0	0
Net change in year	13,293	(2,141)
At 31 March	68,716	55,423
Broken down into:		
Cash at commercial banks and in hand	51	51
Cash with the Government Banking Service	68,654	55,367
Deposits with the National Loan Fund	0	0
Other current investments	11	5
Total cash and cash equivalents as in SoFP	68,716	55,423
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
Total cash and cash equivalents as in SoCF	68,716	55,423

Note 28.2 Third party assets held by the trust

Coventry and Warwickshire Partnership NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	
	2020	31 March 2019
	£000	£000
Bank balances	168	186
Monies on deposit	0	0
Total third party assets	168	186

Note 29.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	12,754	11,305
Capital payables	1,597	1,145
Accruals	10,659	5,973
Receipts in advance and payments on account	11	11
Social security costs	1,497	1,364
Other taxes payable	1,070	1,031
PDC dividend payable	0	31
Other payables	29	60
Total current trade and other payables	27,617	20,920
Total non-current trade and other payables	0	0
Of which payables from NHS and DHSC group bodies:		
Current	12,615	8,619
Non-current	0	0

Note 29.2 Early retirements in NHS payables above

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

	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	0		0	
- number of cases involved		0		0
- Outstanding pension contributions	1,926		1,815	

Note 30 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	1,597	988
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	0	0
Total other current liabilities	<u>1,597</u>	<u>988</u>
Non-current		
Deferred income: contract liabilities	500	0
Deferred grants	0	0
Deferred PFI credits / income	0	0
Lease incentives	0	0
Other deferred income	0	0
Net pension scheme liability	0	0
Total other non-current liabilities	<u>500</u>	<u>0</u>

Note 31.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from DHSC	0	0
Other loans	0	0
Obligations under finance leases	0	0
Obligations under PFI, LIFT or other service concession contracts	557	538
Total current borrowings	<u>557</u>	<u>538</u>
Non-current		
Loans from DHSC	0	0
Other loans	0	0
Obligations under finance leases	0	0
Obligations under PFI, LIFT or other service concession contracts	26,758	27,315
Total non-current borrowings	<u>26,758</u>	<u>27,315</u>

Note 31.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	0	0	0	27,853	27,853
Cash movements:					
Financing cash flows - payments and receipts of principal	0	0	0	(538)	(538)
Financing cash flows - payments of interest	0	0	0	(2,141)	(2,141)
Non-cash movements:					
Transfers by absorption	0	0	0	0	0
Additions	0	0	0	0	0
Application of effective interest rate	0	0	0	2,141	2,141
Change in effective interest rate	0	0	0	0	0
Changes in fair value	0	0	0	0	0
Early terminations	0	0	0	0	0
Other changes	0	0	0	0	0
Carrying value at 31 March 2020	0	0	0	27,315	27,315

Note 31.3 Reconciliation of liabilities arising from financing activities - 2018/19

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

Note 32 Other financial liabilities

Coventry and Warwickshire Partnership NHS Trust have no other financial liabilities to disclose.

Note 33 Finance leases

Coventry and Warwickshire Partnership NHS Trust had no finance lease obligations in 2019/20 as a lessor or lessee.

Note 34.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Re- structuring £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Clinician Pension Tax Reimbursement £000	Other £000	Total £000
At 1 April 2019	0	0	126	34	0	0	0	1,744	1,904
Transfers by absorption	0	0	0	0	0	0	0	0	0
Change in the discount rate	0	0	0	0	0	0	0	0	0
Arising during the year	0	0	171	5	0	0	261	498	935
Utilised during the year	0	0	(95)	0	0	0	0	(146)	(241)
Reclassified to liabilities held in disposal groups	0	0	0	0	0	0	0	0	0
Reversed unused	0	0	(40)	(29)	0	0	0	(1,544)	(1,613)
Unwinding of discount	0	0	0	0	0	0	0	0	0
At 31 March 2020	0	0	162	10	0	0	261	552	985
Expected timing of cash flows:									
- not later than one year;	0	0	162	10	0	0	0	367	539
- later than one year and not later than five years;	0	0	0	0	0	0	261	0	261
- later than five years.	0	0	0	0	0	0	0	185	185
Total	0	0	162	10	0	0	261	552	985

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

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

The restructuring provision relates to a number of team restructures. These relate to the Integrated Neighbourhood Team and the Research and Innovation Team.

The main other provisions relate to:

£261,000 relating to Clinicians Pension Tax, this is a provision broadly equal to the tax charged owed by clinicians relating to work undertaken in 2019/20, above their pensions savings allowance. This will be funded by the government and NHS England as payments to clinicians arise.

£201,000 relating to three potential employment tribunals

£185,000 relating to property dilapidations

£90,000 relating to potential employee pay claims

£41,000 relating to legal costs regarding potential negligence cases

Note 34.2 Clinical negligence liabilities

At 31 March 2020, £27,684k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Coventry and Warwickshire Partnership NHS Trust (31 March 2019: £17,668k).

Note 35 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(101)	(106)
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
Gross value of contingent liabilities	<u>(101)</u>	<u>(106)</u>
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	<u>(101)</u>	<u>(106)</u>
Net value of contingent assets	<u>0</u>	<u>0</u>

Note 36 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	2,658	86
Intangible assets	125	35
Total	<u>2,783</u>	<u>121</u>

Note 37 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2020 £000	31 March 2019 £000
not later than 1 year	0	0
after 1 year and not later than 5 years	0	0
paid thereafter	0	0
Total	<u>0</u>	<u>0</u>

Note 38 Defined benefit pension schemes

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

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

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

Note 39.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2020 £000	31 March 2019 £000
Gross PFI, LIFT or other service concession liabilities	58,702	61,381
Of which liabilities are due		
- not later than one year;	2,656	2,679
- later than one year and not later than five years;	10,132	10,400
- later than five years.	45,914	48,302
Finance charges allocated to future periods	(31,387)	(33,528)
Net PFI, LIFT or other service concession arrangement obligation	27,315	27,853
- not later than one year;	557	538
- later than one year and not later than five years;	2,175	2,269
- later than five years.	24,583	25,046

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

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

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	181,080	192,289
Of which payments are due:		
- not later than one year;	6,004	5,948
- later than one year and not later than five years;	25,555	25,656
- later than five years.	149,521	160,685

Note 39.3 Analysis of amounts payable to service concession operator

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

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	5,987	5,963
Consisting of:		
- Interest charge	2,141	2,181
- Repayment of balance sheet obligation	538	514
- Service element and other charges to operating expenditure	1,776	1,826
- Capital lifecycle maintenance	19	19
- Revenue lifecycle maintenance	0	0
- Contingent rent	1,513	1,423
- Addition to lifecycle prepayment	0	0
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	0	0
Total amount paid to service concession operator	5,987	5,963

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

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

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

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

There have been no changes in the arrangement occurring during the reported period. The Trust remains in control of the services provided at the Caludon Centre, which are wholly provided to NHS staff and service users. The contract specifies the base price with a mechanism to increase the unitary payment by the movement in RPI in February of each year. At the end of the contract, ownership of the Caludon Centre infrastructure asset will transfer to the Trust.

Under IFRIC 12, the Caludon Centre is recognised as an asset of the Trust at a net carrying value at 31 March 2020 of £25.2 million (31 March 2019 £26.2 million). The substance of the contract is that the Trust has a finance lease and payments are comprised of service charges and imputed finance lease charges, detailed above.

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

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

Note 41 Financial instruments

Note 41.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As a result of the nature of the relationship between NHS providers, NHS commissioners and central government funding, the NHS Trust is not exposed to the degree of financial risk faced by commercial business entities. Financial assets and liabilities are a product of operational activities rather than a risk management tool.

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 auditor.

Currency risk

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

Interest rate risk

The Trust operates within a controlled framework of government funding, and can only borrow from government for capital expenditure, subject to checks and approval by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The great majority of the Trust's income is earned from contracts with other public sector bodies, and as a result the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers, disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks.

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

Price risk

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

Note 41.2 Carrying values of financial assets

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2020				
Trade and other receivables excluding non financial assets	10,011	0	0	10,011
Cash and cash equivalents	68,716	0	0	68,716
Total at 31 March 2020	78,727	0	0	78,727

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2019				
Trade and other receivables excluding non financial assets	12,955	0	0	12,955
Cash and cash equivalents	55,423	0	0	55,423
Total at 31 March 2019	68,378	0	0	68,378

Note 41.3 Carrying values of financial liabilities

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020			
Obligations under PFI, LIFT and other service concession contracts	27,315	0	27,315
Trade and other payables excluding non financial liabilities	25,021	0	25,021
Total at 31 March 2020	52,336	0	52,336

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019			
Obligations under PFI, LIFT and other service concession contracts	27,853	0	27,853
Trade and other payables excluding non financial liabilities	17,527	0	17,527
Total at 31 March 2019	45,380	0	45,380

Note 41.4 Maturity of financial liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	25,578	18,065
In more than one year but not more than two years	578	557
In more than two years but not more than five years	1,597	1,712
In more than five years	24,583	25,046
Total	52,336	45,380

Note 42 Losses and special payments

	2019/20		2018/19	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	5	0	2	0
Fruitless payments	5	4	5	11
Bad debts and claims abandoned	50	18	37	7
Stores losses and damage to property	0	0	2	1
Total losses	60	22	46	19
Special payments				
Compensation under court order or legally binding arbitration award	3	70	3	1
Extra-contractual payments	0	0	0	0
Ex-gratia payments	19	2	31	5
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	22	72	34	6
Total losses and special payments	82	94	80	25
Compensation payments received		0		0

Note 43 Gifts

Disclosure of gifts is only required if the total value of gifts made exceeds £300,000. The Trust received some low value gifts in 2019/20. These did not exceed £300,000.

Note 44 Related parties

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

During the year, none of the Department of Health and Social Care Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any transactions with the Trust.

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

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. The most significant transactions with related parties are detailed in the table below.

	2019/20			
	Amounts owed	Amounts due from	Receipts from	Payments to
	to related party	related party	related party	related party
	£000s	£000s	£000s	£000s
Arden and Greater East Midlands CSU	47	0	624	47
Birmingham and Solihull CCG	0	753	6,105	0
Community Health Partnerships	403	41	28	3,299
Coventry and Rugby Clinical Commissioning Group	1,579	2,697	102,238	36
Coventry City Council	156	410	4,282	490
Health Education England	0	134	6,659	0
HM Revenue and Customs	2,568	0	7	9,916
National Health Service Pension Scheme	1,926	35	0	20,083
NHS Business Services Authority (incl student bursaries)	0	0	0	15
NHS England Core	87	759	2,253	111
NHS Professionals	1,811	48	0	23,615
NHS Property Services	4,077	152	23	2,737
NHS Resolution	1	0	0	649
NHSE - Midlands Regional Office	0	349	6,291	0
NHSE - South West Regional Office	0	392	1,604	0
NHSE - West Midlands Specialised Commissioning Hub	0	809	17,880	0
South Warwickshire Clinical Commissioning Group	2,566	0	28,966	0
South Warwickshire NHS Foundation Trust	1,091	2,349	3,437	632
University Hospitals Coventry and Warwickshire NHS Trust	2,801	90	210	4,297
Warwickshire North Clinical Commissioning Group	145	0	19,597	0
Warwickshire County Council	214	22	5,891	159

	2018/19			
	Amounts owed	Amounts due from	Receipts from	Payments to
	to related party	related party	related party	related party
	£000s	£000s	£000s	£000s
Arden and Greater East Midlands Commissioning Support Unit	0	89	666	0
Birmingham and Solihull Clinical Commissioning Group	0	310	5,538	0
Community Health Partnerships	177	0	0	3,114
Coventry and Rugby Clinical Commissioning Group	1,963	2,058	97,352	1,244
Coventry City Council	279	2,083	7,828	539
Health Education England	16	33	6,365	13
HM Revenue and Customs	2,395	469	119	9,701
National Health Service Pension Scheme	1,855	0	0	13,676
NHS England Core	352	2,638	3,761	251
NHS Professionals	2,174	134	0	22,419
NHS Property Services	2,154	143	116	1,238
NHS Resolution (formerly NHS Litigation Authority)	1	0	0	892
NHSE - North Midlands Local Office	0	0	670	0
NHSE - South West North Local Office	0	227	988	0
NHSE - West Midlands Local Office	11	755	5,142	0
NHSE - West Midlands Specialised Commissioning Hub	973	1,044	18,576	0
South Warwickshire Clinical Commissioning Group	1,427	132	27,712	500
South Warwickshire NHS Foundation Trust	659	1,508	2,707	807
University Hospitals Coventry and Warwickshire NHS Trust	1,034	57	149	2,752
Warwickshire North Clinical Commissioning Group	137	148	18,625	137
Warwickshire County Council	85	542	5,457	204

Note 45 Transfers by absorption

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

Note 46 Prior period adjustments

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

Note 47 Events after the reporting date

The effects of the COVID-19 pandemic before the financial year-end, but the implications and response are on-going. The pandemic is impacting on the Trust's service and financial arrangements, however this is not expected to significantly impact on these 2019/20 accounts. In a letter on 17 March 2020, the NHS Chief Executive and Chief Operating Officer announced the government response and next steps within the NHS, which included financial measures to ensure stability and continuity within the sector. These measures include additional funding and a move to block contract payments to maintain cash flows.

Note 48 Better Payment Practice code

	2019/20	2019/20	2018/19	2018/19
Non-NHS Payables	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	14,516	61,503	15,169	68,689
Total non-NHS trade invoices paid within target	<u>11,794</u>	<u>55,218</u>	<u>13,960</u>	<u>65,853</u>
Percentage of non-NHS trade invoices paid within target	<u>81.2%</u>	<u>89.8%</u>	<u>92.0%</u>	<u>95.9%</u>
NHS Payables				
Total NHS trade invoices paid in the year	638	9,977	605	11,037
Total NHS trade invoices paid within target	<u>480</u>	<u>8,004</u>	<u>449</u>	<u>8,502</u>
Percentage of NHS trade invoices paid within target	<u>75.2%</u>	<u>80.2%</u>	<u>74.2%</u>	<u>77.0%</u>

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

Note 49 External financing limit

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

	2019/20	2018/19
	£000	£000
Cash flow financing	(12,821)	2,117
Finance leases taken out in year	0	0
Other capital receipts	<u>0</u>	<u>0</u>
External financing requirement	(12,821)	2,117
External financing limit (EFL)	<u>(763)</u>	<u>2,269</u>
Under / (over) spend against EFL	<u>12,058</u>	<u>152</u>

Note 50 Capital Resource Limit

	2019/20	2018/19
	£000	£000
Gross capital expenditure	3,710	3,432
Less: Disposals	0	0
Less: Donated and granted capital additions	0	(39)
Plus: Loss on disposal from capital grants in kind	<u>0</u>	<u>0</u>
Charge against Capital Resource Limit	<u>3,710</u>	<u>3,393</u>
Capital Resource Limit	<u>4,945</u>	<u>3,503</u>
Under / (over) spend against CRL	<u>1,235</u>	<u>110</u>

Note 51 Breakeven duty financial performance

	2019/20	2018/19
	£000	£000
Adjusted financial performance surplus / (deficit) (control total basis)	2,942	4,495
Remove impairments scoring to Departmental Expenditure Limit	0	0
Add back income for impact of 2018/19 post-accounts PSF reallocation	319	0
Add back non-cash element of On-SoFP pension scheme charges	0	0
IFRIC 12 breakeven adjustment	<u>253</u>	<u>493</u>
Breakeven duty financial performance surplus / (deficit)	<u>3,514</u>	<u>4,988</u>

Note 52 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		3,690	2,936	4,589	6,701	6,798
Breakeven duty cumulative position	2,343	6,033	8,969	13,558	20,259	27,057
Operating income		147,353	148,200	207,689	205,782	206,256
Cumulative breakeven position as a percentage of operating income		4.1%	6.1%	6.5%	9.8%	13.1%

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	3,378	3,873	6,072	5,262	4,988	3,514
Breakeven duty cumulative position	30,435	34,308	40,380	45,642	50,630	54,144
Operating income	203,958	204,038	207,857	213,700	208,722	217,230
Cumulative breakeven position as a percentage of operating income	14.9%	16.8%	19.4%	21.4%	24.3%	24.9%