Essex Partnership University
NHS Foundation Trust

Annual Report and Accounts 2019/20

"Working to improve lives"

Essex Partnership University NHS Foundation Trust
Annual Report and Accounts 2019/20

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Foreword by the Chair and Chief Executive

Towards the end of the year covered by this Annual Report, the NHS was responding to the global COVID-19 pandemic and this continued into the current year. On behalf of the Trust Board, we extend our grateful thanks to our outstanding staff for delivering care to patients and service users during an unprecedentedly challenging time. Their professionalism and dedication was exemplary. The Report was prepared in the midst of the pandemic. Our thoughts were, and will remain, with those people across the world that have lost loved ones during this time.

This is the Annual Report of our third year as an NHS Foundation Trust. In the light of the NHS responding to the COVID-19 pandemic, the Department of Health and Social Care amended the guidance on the content of Annual Reports for NHS Trusts this year. In line with these revised regulations, the Trust is not including a Quality Report within its Annual Report, but is preparing its annual Quality Account for publication as a separate document and to a later timescale. Following the new guidance, we intend publishing a draft Quality Account on our website at the end of July 2020, with the final version to be published on NHS Choices and our website in mid-December. Apart from that difference, this Annual Report includes all the requirements of Annual Reports.

Our quality services

During 2019/20, the Care Quality Commission (CQC) carried out inspections of our services. As a result, we have retained our 'Good' overall rating, which we have held since our first Trust-wide CQC inspection was carried out just nine months after we launched as a brand new Trust. We are delighted to have improved on our previous inspection, as the Trust is now rated as 'Outstanding' overall for Caring. It is very pleasing that two of our services, namely our End of Life care and our Inpatient Child and Adolescent Mental Health Service, are now rated as 'Outstanding' overall. We are delighted that these services have been recognised by the CQC in this way and, as ever, we are extremely proud of the staff providing them.

The Trust Board takes their visibility within services and direct connections with staff and service users seriously. Prior to the COVID-19 pandemic, Trust Directors undertook a comprehensive range of visits right across the organisation to our clinical and corporate support services. These visits were complemented by our Governors, who joined Board Directors to do structured fifteen-step quality visits to services. As CEO, I visited many Trust services at all times of the day and night and was always made to feel at home on the frontline of our care provision, even when I startled staff by popping into their wards unexpectedly in the early hours!

Our aim is to be rated by the CQC as an 'Outstanding' organisation by 2022. We also retain our firm determination as a Trust Board that all our services will be improved sufficiently to be rated by the CQC as at least 'Good' overall for Safety at our next Trust-wide CQC inspection.

In line with this, our top quality priority for 2019/20 was to provide harm-free care and we set a number of key targets to help our services to meet this priority, including:

- reducing pressure ulcers and falls;
- patients missing fewer doses of their medication;
- improving the physical health of our mental health patients;
- introducing new ways to support our staff in picking up early warning signs that a patient's condition may be deteriorating;
- reducing use of restrictive practices in our mental health services;
- rolling out comprehensive suicide prevention training to our community mental health teams; and
- improving the care we provide for people at the end of their lives.

These quality priorities were achieved. Additionally, throughout this year, a number of our services devised and introduced innovative quality initiatives to improve their patients' experience of care. Our Quality Account gives more detail about our performance in terms of the quality of our services, how well we met our quality priorities this year and lists our quality priorities for 2020/21.

Service transformation

This year, a new NHS long-term implementation plan (2019/20 to 2023/24) was published, setting out proposals to transform services nationally.

Mental Health Services Transformation

This long-term implementation plan for the NHS set out proposals to transform mental health services. A ring-fenced local investment fund, worth nationally at least £2.3 billion a year in real terms by 2020/24, aims to ensure the NHS provides high quality, evidence-based mental health services to an additional two million people nationwide.

For our Trust, this translated into five key strands this year:

- **Perinatal services** – increased staffing and aiming to provide better quality services by working closely with midwifery services and building integrated physical and mental health pathways.
- **Community (primary) care** – in West Essex, EPUT is an early implementer of whole system working between physical and mental health services, including local GPs.
- **Personality disorders' services** – a Business Case was agreed for an Essex system-wide model to reduce admissions and provide effective care locally, rather than patients having to be placed outside Essex.
- **Urgent and emergency care** – three new services have been launched across Essex, involving 50 staff, and we have a 24-hour crisis helpline in place which enables people to receive mental health assessments and safe tele-coaching.
- **Older people and dementia/frailty** – our new fully-integrated health and social care and frailty models in Mid and South Essex are having a positive impact on hospital admission rates.

Community Health Services Transformation
The Trust is a partner in the evolving West Essex One Health and Care Partnership, which is developing a joint approach to a 5-year system-wide Transformation Plan. Our strength as a major partner in this stems from our integration of community health and mental health services and our integrated leadership with Essex County Council. During the year, we contributed to the goal of reducing future demand on our neighbouring acute hospital Trust by transforming out-of-hospital local services at pace in four key areas:

- our integrated community teams;
- the community hospitals;
- our specialist services; and
- our end of life care.

We have demonstrated our commitment to, and leadership of, a range of transformational initiatives within the local emergency care, frailty and long-term conditions programmes of work.

We expect our strong links with local partners, including Essex County Council and its emerging relationships with newly-formed Primary Care Networks, to provide opportunities for us to further support the health and care needs of local communities in West Essex in coming years.

In South East Essex, our community health services have liaised throughout the year with local Clinical Commissioning Groups and Local Authorities on plans to strengthen joint working across the area, including boosting public engagement in health and care services planning. An example of this system-wide planning is our involvement in the Newton Europe work. More information on this can be found in the Quality Account.

We are pleased that our local commissioners regard the Trust's community health services in South East Essex as having a crucial part to play, alongside the newly-formed Primary Care Networks, in preventing the condition of local people with health issues deteriorating to the point of requiring crisis or acute hospital intervention. We look forward to playing a key role in developing a new plan for community services responding to health crises and implementing a recovery model for people who have needed a crisis / acute hospital intervention.

Supporting our staff

The wellbeing and safety of our staff are top priorities for us. Our staff are provided with a Trust-wide counselling service, access to psychological support, a dedicated staff engagement team and a national 'Freedom to Speak Up' service Principal Guardian and local guardians for all staff to use for help with raising any concerns. Additionally, staff can raise concerns using our 'Ask a Director' function on the Intranet. We also have a range of wellbeing online toolkits for staff.

We have a dedicated 'Looking After You' page on our Intranet for staff and a wealth of information and opportunities for all staff to get involved with a variety of networks including BAME (Black, Asian and Minority Ethnic), Carers, Faith, Disability and LGBTQ+. We value the diversity of our workforce and are proud of the work achieved by our equality networks, who embrace their role of providing pastoral support to staff.

While the COVID-19 pandemic has prevented our usual programme of visits to services, this has not stopped our senior leaders staying connected with our staff. For example, making use of newly-available technology, the Executive Team holds weekly briefings online which have been well attended and appreciated by staff.

Our response rate to the 2019 NHS Staff Survey was 48% (an improvement on 2018's 43%). In 2019 we improved in two areas; 'Quality of Staff Appraisals' and 'Quality of Care'. Two main areas that now require our attention are 'Equality, Diversity & Inclusion' and 'Safe Environment – Bullying & Harassment' which, although our scores are no lower than 2018, still remain below the National Average for Trusts of our type. Work continues on implementing actions following our Staff Survey results and we will continue to engage with all staff to further explore any concerns and issues.

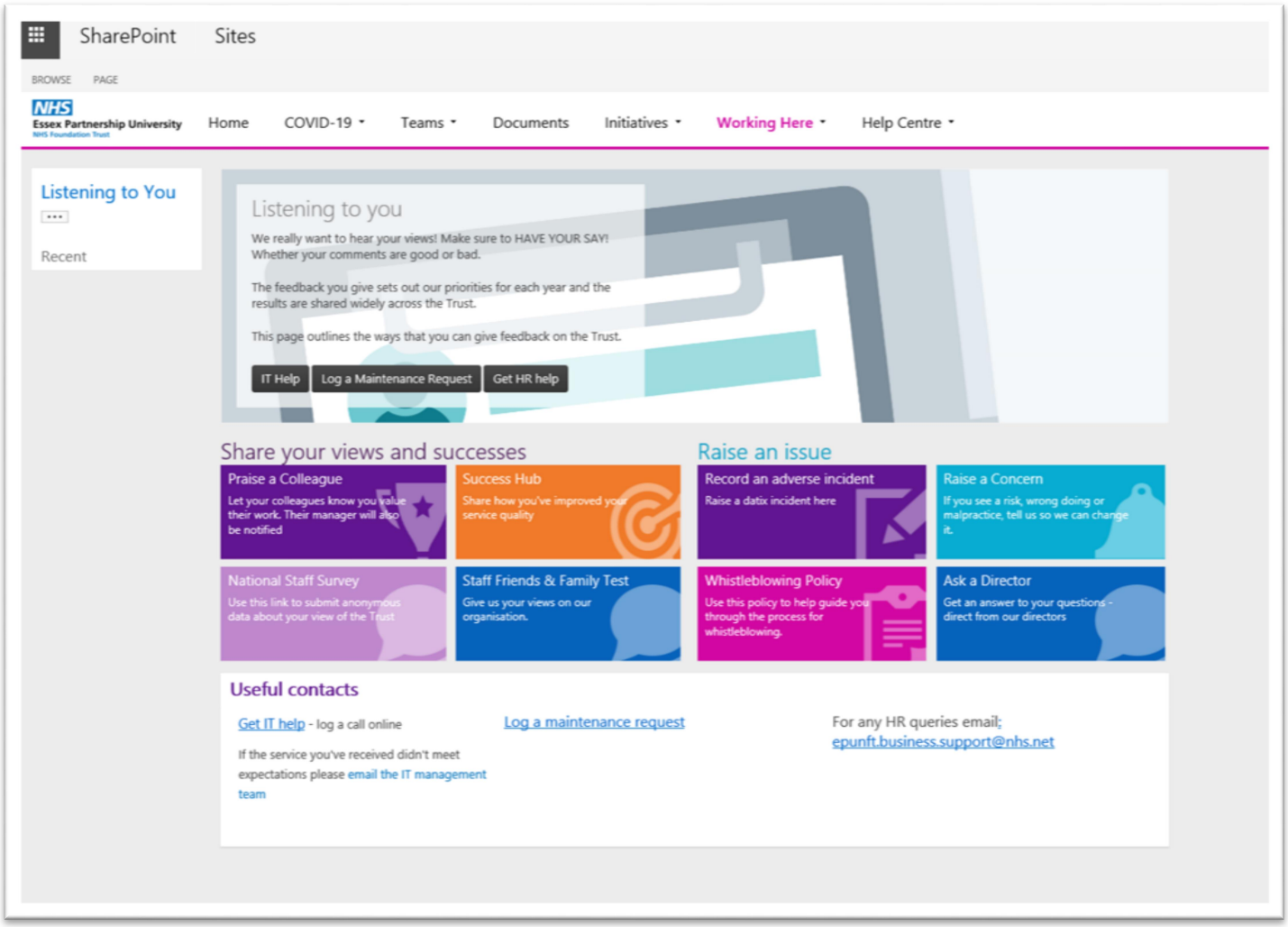
This year, the Trust was formally recognised for the positive commitment we make to help staff experiencing mental ill health or who are diagnosed with a mental health condition. The Trust signed the Charter for Employers Positive about Mental Health in January 2020 and, in March, we were pleased to be accredited by Mindful Employers UK as a Mindful Employer for the third year running. In February 2020, we received bronze award accreditation from the Ministry of Defence Employer Recognition Scheme (ERS), which recognises the Trust formally as a forces-friendly employer that supports the recruitment of ex-armed forces personnel and their partners.

We were delighted that so many of our excellent staff were recognised nationally during this year. A number of staff received major awards, including the Queen's Nurse Award, the Learning Disability Nurse of the Year Award, an NHS@70 Excellence accolade and a Mentor of the Year Award. Others were nominated for Nursing Times honours and NHS Parliamentary Awards. The nurse in charge of our Transition, Intervention and Liaison Service (TILS) for military veterans in East Anglia was shortlisted for one of the Armed Forces' most prestigious awards, Role Model of the Year, at the English Veterans Awards. Our South East Essex Community Heart Failure team won a national award from The Pumping Marvellous Foundation, one of the UK's leading heart failure charities, in December for the quality of their care and treatment.

Involving people and acting on their feedback

As a partnership NHS Foundation Trust, we remain firmly committed to working with our local partners (our staff, service users and their carers, governors, members, commissioners and voluntary sector organisations) to deliver the services our local communities need. During 2018/19 the Board assigned an Executive Director and Non-Executive Director lead to each of the three Sustainability and Transformation Partnership (STP) areas in which the Trust operates (West Essex; Mid and South Essex; and North Essex and Suffolk). This arrangement continued throughout 2019/20 and has ensured a strong Trust presence at top decision-making STP meetings, ensuring mental health and community health services remains a high priority in system-wide considerations.

We believe firmly that receiving and acting on feedback from our service users is crucial to us maintaining high quality standards of care delivery. There is a section in the Quality Account on how we gain feedback from people using our services and examples of changes we have made as a result of listening carefully to this vital information. We also involve service users directly in our work as a Trust, including training our staff and co-producing our service plans. More details on this can be found in our Quality Account.



Leadership

During the past year, our Board of Directors and Council of Governors have continued to work hard to provide a clear vision and leadership across the organisation. This has been tested to the maximum in the latter part of the year, by the requirement to lead the organisation through an unprecedented global health emergency. Once again, we would like to record our thanks to all the leaders among our staff for rising so well to the challenges of the COVID-19 pandemic. We would also like to thank our Council of Governors for their steadfast support throughout the year. They are a real asset to our Trust and we appreciate their efforts.

During the year, the Trust has remained compliant with corporate and clinical governance regulations and with the quality targets set by our external regulator, NHS England/ Improvement. We are not forecasting any risk to continuing to achieve these targets.

NHS Improvement's Well Led Framework identifies several characteristics of good organisations that ensure quality services. One is 'leadership capacity and capability'. In this regard, and in line with our core value 'Empowering', throughout this year we focussed particularly on empowering our clinical leaders and held a number of successful leadership events for them and our other leaders.

In accordance with NHS Improvement guidance (which states that organisations should ideally commission an externally facilitated review against the well-led framework every three years), the Trust commissioned Deloitte LLP, via a competitive selection process, to undertake such a review at the end of 2018/19. Their report was delivered in July 2019. It provided the Trust with positive assurances and with no significant areas of concern identified. Many areas of good practice and several areas that exceeded good practice were identified, including:

- Board and leadership visibility;
- governance arrangements;
- Trust vision and values; and
- risk and concern reporting.

The report also made developmental recommendations for action in three key areas: quality improvement frameworks, risk management oversight and Board reporting. Actions to address these were taken forward during 2019/20 and will be continued into 2020/21. You can read more about this review in this Annual Report.

During this year we were very sorry to say farewell to Malcolm McCann, one of the Trust's longest serving and most esteemed Executive Directors. Malcolm and his family re-located abroad and the Trust wishes them all the very best in their new ventures. We took the opportunity to re-organise our Executive Team this year and were very pleased to welcome Sean Leahy into the new post of Executive Director of People and Culture. This Board-level post was created in recognition of the importance of our staff in delivering first class quality care.

At the end of November 2020, Sally Morris will be retiring as our Chief Executive. Sally has given the Trust sterling service for many years and led us successfully through several challenges, including the merger and a global pandemic. We have appointed a new Chief Executive who will inherit a thriving Trust, with outstanding staff and excellent services.

In conclusion

This Annual Report and our Quality Account together contain further detail about the organisation and our services and we urge you to read them at your leisure.

Everyone at our Trust makes a significant contribution to the health and wellbeing of the people we serve. This has come into sharper focus during the COVID-19 pandemic. We would like to conclude our foreword by paying tribute to our outstanding staff for their excellent response to this unprecedented global health emergency. They are true heroes of our time.

Professor Sheila Salmon
Chair
Essex Partnership University NHS FT
24 June 2020

Sally Morris
Chief Executive
Essex Partnership University NHS FT
24 June 2020

Performance Overview

Purpose of Overview

In this section we introduce our organisation, Essex Partnership University NHS Foundation Trust (EPUT). We tell you about our services, where we provide them, the population we serve and how many staff care for our patients and service users. We also highlight our vision and values, our performance and some of our achievements for the past year.

Introduction

EPUT was formed on 1 April 2017 following the merger of South Essex Partnership NHS Foundation Trust (SEPT) and North Essex Partnership NHS Foundation Trust (NEP). During 2019/20 EPUT provided community health, mental health and learning disability services for a population of approximately 1.3 million people across Bedfordshire, Essex, Luton and Suffolk; employing circa 5000 staff across 200 sites.

Our Vision, Values and Strategic Objectives

Our Strategic Objectives for 2019/20 were:

- ***Strategic Objective 1:*** To continuously improve service user experience and outcomes through the delivery of high quality, safe, and innovative services.
- ***Strategic Objective 2:*** To be a high performing health and care organisation and in the top 25% of community and mental health Foundation Trusts.
- ***Strategic Objective 3:*** To be a valued system leader focused on integrated solutions that are shaped by the communities we serve.

Our services include:

Mental Health Services: Our mental health services provide a wide range of treatment and support to young people, adults and older people experiencing mental illness both as inpatients and within the community. This includes treatment in hospitals, care homes and secure and specialised settings.

Community Health Services: Our community health services provide support and treatment to both adults and children. We deliver this care in community hospitals, health centres and in our patients' homes.

Learning Disabilities Services: We provide crisis support and inpatient services, and our community learning disability teams work in partnership with local councils to provide assessment and support for adults with learning disabilities.

Social Care: We provide personalised social care support to people with a range of needs, including people with learning disabilities or mental illness, supporting people to live independently.

What makes NHS foundation trusts different from NHS trusts?

EPUT is a foundation trust. NHS foundation trusts are not-for-profit, public benefit corporations. They are part of the NHS and provide over half of all NHS hospital, mental health and ambulance services and were created to devolve decision making from central government to local organisations and communities. They provide and develop healthcare according to core NHS principles - free care, based on need and not ability to pay.

NHS foundation trusts have a framework of local accountability through members and a Council of Governors, which replaced central control from the Secretary of State for Health. They have greater freedom to make financial and strategic decisions, with their governors and members, than NHS Trusts; with the goal of maximising benefit to patients and service users. For example, they can decide their own strategy and the way services are run as well as retain their surpluses and borrow to invest in new and improved services for patients and service users.

They are accountable to:

- their local communities through their members and governors;
- their commissioners through contracts;
- Parliament (each foundation trust must lay its annual report and accounts before Parliament);
- the CQC (Care Quality Commission); and
- NHS Executive / Improvement through the NHS provider licence.

NHS foundation trusts can be more responsive to the needs and wishes of their local communities – anyone who lives in the area, works for a foundation trust, or has been a patient or service user there, can become a member of the Trust and these members elect the Council of Governors. You can find out more about becoming a governor or member by visiting our website www.eput.nhs.uk

How we got to where we are today

The merger of the former North Essex Partnership University NHS Foundation Trust (NEP) and the former South Essex Partnership University NHS Foundation Trust (SEPT) to create Essex Partnership University NHS Foundation Trust (EPUT) was completed on 1 April 2017.

Trust's Strategic Plan

As detailed above, we identified three strategic objectives that would drive our activities as part of our one year Operational Plan for 2019/20. All of the strategic objectives for 2019/20 confirmed our commitment to providing the best quality services; with the best possible leadership and workforce and sustaining EPUT and the health care delivery systems in which we operate. Our third strategic objective also confirmed our commitment to work with system partners, commissioners and service users to co-produce and co-design service improvement plans. In 2019/20 each strategic objective was underpinned by corporate objectives to support achievement.

***Strategic Objective 1**:* To continuously improve service user experience and outcomes through the delivery of high quality, safe, and innovative services.

- **Corporate Objectives**
  - Drive our quality agenda
  - Advance our Research and Innovation Strategy
  - Maintain a 'Good' CQC rating and progress towards 'Outstanding'

Strategic Objective 2: To be a high performing health and care organisation and in the top 25% of community and mental health Foundation Trusts.

- **Corporate Objectives**
  - Be an employer of choice
  - Deliver the Trust's financial plan and control total for 2019/20
  - Achieve contract targets and objectives

***Strategic Objective 3**:* To be a valued system leader focused on integrated solutions that are shaped by the communities we serve.

- **Corporate Objectives**
  - Participate as a valued partner in the Sustainability and Transformation Partnerships
  - Transform services through the use of new clinical models and pathways and technology
  - Drive our Commercial Strategy

A requirement of the merger of NEP and SEPT was that a full business case was submitted to NHS Improvement for approval. In 2019/20 the Trust undertook engagement with staff, members of the public, stakeholders and the Council of Governors to develop a Five Year Strategic Plan for EPUT. In October 2019 this was ratified by the Trust Board.

Each year the Trust develops an operational plan to support delivery of the Five Year Strategic Plan. These operational plans are developed in consultation with our partners and key stakeholders. The same process has been followed this year to develop the Trust's Operational Plan for the coming year 2020/21. This has been produced with input from the Board, the Trust's Leadership Team, health economy partners and the Council of Governors (CoG). In addition, a number of economy wide discussions have been held with partners at Board and Executive level on the delivery of the NHS Long Term Plan and system wide Sustainability and Transformation Partnerships (STPs).

Innovation during the past year

As highlighted in the Foreword, this year our Annual Report and Accounts does not include a Quality Report. Nationally, NHS Trusts have been given permission to publish their Quality Reports as a separate "Quality Account" document due to the capacity that has been necessarily focused on the response to the coronavirus pandemic. Our Quality Account, which will be published later in 2020, highlights examples of the many quality developments that have taken place throughout 2019/20. We are intending to make a copy of our draft Quality Account for 2019/20 available on our website from July 2020 and to publish the final version by mid-December 2020 in line with the national timescales. However, to provide a flavour of the service innovations / quality developments (both large and small) that have taken place in 2019/20, we have included some examples in the Performance Analysis section of this Annual Report.

Principle risks and uncertainties

We define risk as uncertain future events that could influence the achievement of the Trust's aims and objectives. The Trust has a comprehensive Risk Management and Assurance Framework in place which enables informed management decisions in the identification, assessment, treatment and monitoring of risk. The Risk Management and Assurance Framework was subject to full review in July 2019.

At the start of the year the organisation identified 8 corporate objectives for 2019/20 and assessed the potential risks that may have prevented their achievement. The Trust's Directors considered each risk in terms of its potential impact taking into account financial, safety and reputational risk and the likelihood of occurrence during the financial year.

The high and extreme potential risks to achieving the corporate objectives if they were not achieved provided the basis for the Board Assurance Framework and governance systems. 25 potential significant risks were escalated to the Board Assurance Framework during the period 2019/20. These risks included:

- fire safety systems and processes;
- learning from incidents;
- restrictive practice;
- providing high quality services from safe premises;
- agency spend;
- cost improvement programme;
- sustainability;
- HSE investigation;
- dormitory accommodation;
- leadership;
- inpatient capacity;
- inpatient shifts;
- key performance indicators;
- European Union exit;
- Quality Committee capacity;
- maintaining good CQC rating;
- skills and capacity;
- quality improvement;
- Child and Adolescent Mental Health Services Psychiatric Intensive Care beds;
- staffing for transformation programmes;
- culture of fairness and learning;
- female patients with personality disorder;
- COVID-19 initial response;

- full emergency response to COVID-19; and
- availability of Personal Protective Equipment for COVID-19.

14 risks remaining open at end of March 2020 have been carried forward into the 2020/21 Board Assurance Framework.

Going Concern Statement

The definition of going concern within the NHS, relates to the continued provision of services by the public sector rather than by an individual organisation. As such, the financial statements of all NHS Providers are expected to be prepared on a going concern basis unless there are exceptional circumstances or the Provider is being wound-up without the services transferring to another public sector organisation.

The Directors have considered whether it is appropriate, taking into account current performance and best estimates of future activity, cashflow and the ongoing service provision by the Trust, for the accounts to be prepared on the basis of the Trust being a 'going concern'.

This included a review of the assumptions on which the financial plan for 2020/21 is based, including the delivery of the underlying savings plan. The Trust has considered various downside sensitivities including the non-achievement of cost savings, and under all possible scenarios the Trust remains a going concern and cash balances remain at an appropriate level. The Trust has an excellent track record of delivering its financial targets and will continue to closely monitor performance. The impact of the financial regime in operation for 2020/21 has also been considered, including the ongoing mandate issued to NHSE by the Government for the continued provision of services in England and the assumption around future funding levels for NHS providers.

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis for preparing the accounts continues to be adopted.

Performance Analysis

Strategic priorities

The Trust's strategic priorities are detailed in the Performance Overview section above.

Our performance

Because we deliver a wide range of services commissioned by different Clinical Commissioning Groups (CCGs) and specialist commissioners, we have a great number and wide variety of mandated, contractual and locally identified key performance indicators (KPIs) that are used to monitor the performance and quality of services delivered.

In this section we have provided a summary of 2019/20 performance against the key operational metrics, quality of care metrics and organisational health metrics that NHS Executive / Improvement (NHSE/I) set out in the NHS Oversight Framework.

In our Quality Account for 2019/20 (to be published later in 2020) we provide further details on our performance against a range of mandated and locally agreed quality related performance metrics. However, we have included information of performance against a range of targets below to provide an overview of the performance of the Trust. We have also included some examples of quality innovations that have taken place throughout 2019/20 at the end of this section.

Full details of performance against all KPIs were presented to the Finance and Performance Committee each month during 2019/20 and any areas of significant under-achievement were advised to the Board of Directors as 'hotspots' each month.

Table 1: Summary of 2019/20 performance against key quality of care and outcomes metrics, operational metrics and leadership and workforce metrics that NHS Improvement set out in its NHS Oversight Framework (NHS OF)

Quality of Care and Outcomes	NHS OF Target	Year End Position
CQC rating of Good or above	Good or above	Achieved overall "Good" with Outstanding for Caring Oct 2019
Written Complaint Rate per 100 WTE	No Target Set	5.7
Staff Friends and Family Test recommend the Trust as place to receive treatment	No target set	Suspended over COVID-19
Never Events	No target set	0
CQC community mental health patient survey	No target set	EPUT achieved the same or better in all 11 domains in the 2019 Survey (Published 2020)
Community health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)	No target set	Suspended over COVID-19

Quality of Care and Outcomes	NHS OF Target	Year End Position
Mental health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)	No target set	Suspended over COVID-19
People on Care programme approach (CPA) are followed up within 7 days of discharge from hospital	95%	ACHIEVED 98.6%
Clients in settled accommodation	No target set	70.9% (LA Target 70%)
Clients in employment	No target set	35.8% (LA Target 7%)
Potential under-reporting of patient safety incidents	No target set	38.6 (MH benchmark 44.3)
Admissions to adult facilities of patients under 16 years old	No target set	1

Operational Metric	NHS OF Target	Year End Position
Maximum time of 18 weeks from point of referral to treatment (CHS)	Target 92%	ACHIEVED SE CHS 97.5% WE CHS 93.0%
People with a first episode of psychosis (FEP) begin treatment with a NICE-recommended care package within two weeks of referral	56%	ACHIEVED 57.1%
Data Quality Maturity Index (DQMI) – MHSDS dataset	95%	ACHIEVED 96.8%
Improving Access to Psychological Therapies (IAPT) / talking therapies a) 50% of people completing treatment who move to recovery	50%	ACHIEVED CPR 53% SOS 53%
Improving Access to Psychological Therapies (IAPT) / talking therapies b. waiting time to begin treatment: i) 75% within 6 weeks ii) 95% within 18 weeks	75% 95%	ACHIEVED 100% 100%
Continued reduction in Out of Area Bed days (OBDs) to 0 by 2020/21	Year on Year Reduction	NOT ACHIEVED 673 OBDs

Leadership and Workforce	NHS OF Target	Year End Position
Staff Sickness Rates	No target set	5.3% (Feb 20) (MH benchmark of 6%)
Staff Turnover	No target set	11.1% (Local target based on national benchmarking <12%)
Proportion of Temp Staff	No target set	6.3%
Staff Survey - Place to Work or Receive Treatment	No target set	⅔ indicators scored below or worse than average
Staff Survey - Harassment, Bullying and Abuse	No target set	⅓ indicators scored below average
Staff Survey – Team Work	No target set	½ indicators scored below average
Staff Survey – Inclusion	No target set	½ indicators scored below average

In addition to the performance against the NHS Oversight Framework detailed above, the following bullet points summarise our performance against a small number of other targets over 2019/20. Further information on these, and a range of other indicators, is contained within the Trust's Quality Account 2019/20.

- Under the national **"safer staffing"** guidelines, all Trusts are required to publish information on nursing staffing levels in ward based clinical areas, along with the percentage of shifts filled. The Trust monitors the actual levels of staffing compared to the established levels on a shift by shift basis. In 2019/20, the Trust consistently surpassed its 90% target for four indicators the Trust measures itself against (ie day and night shifts for both qualified and non-qualified clinical staff).

- The Trust measures the **patient environment** of each inpatient ward in the Trust and assigns monthly scores following these audits. In 2019/20, the Trust achieved its target score of 95% for each month in the year. In addition, no individual area fell below this target. In 2019/20, a review was also undertaken of all Trust cleaning schedules in accordance with the National Standard of Cleanliness 2019; this review concluded that the Trust is meeting all National standards.

- The Trust monitors the percentage of adults and older adults who are **readmitted to the Trust within 28 days of discharge** from a mental health inpatient unit. There is no set national target for readmission rates therefore the mental health benchmarking average has been used by the Trust to set appropriate targets. The percentage of adults readmitted within 28 days was consistently below the target of less than 9.3% for all months of 2019/20 with the exception of a surge in August 2019 (9.9%). However, the percentage of older adults readmitted within 28 days unfortunately exceeded the target of less than 3.1% for all months with the exception of April 2019 and March 2020. Analysis has been undertaken to look at why older adult readmission rates are above national average; this found that a high proportion of the discharges and readmissions were found to be for acute hospital care. Performance on this indicator will continue to be routinely monitored and reported as part of our Quality and Performance reporting.

Care Quality Commission Inspections

During the year, the Care Quality Commission (CQC) completed 2 inspections of the Trust:

An unannounced and unrated Focused Inspection of Adult Acute Mental Health Inpatient services in April 2019 - the outcomes report provided positive assurance in relation to the areas inspected and acknowledged that there were robust and detailed discharge plans and that staff had completed detailed individualised risk assessments and care plans with patients. The report identified 5 'Must Do' and 2 'Should Do' actions that the Trust needed to address. An action plan was developed and by the end of December 2019 all actions had been addressed.

A Well Led Inspection in July/August 2019 – this covered inspection of six core services within the Trust and a review of our corporate and clinical governance arrangements. The report confirmed that the Trust had upheld the overall rating of "Good" and had achieved a rating of "Outstanding" for the Caring domain and "Good" in the Effective, Responsive and Well-Led domains. The "Safe" domain remained with a rating of "Requires Improvement". Out of the 6 core services inspected, both the Child and Adolescent Mental Health Services (CAMHS) and End of Life Service have improved to an overall 'Outstanding' rating.

The CQC report confirmed that inspectors had found a number of examples of outstanding practice across the Trust. They concluded that staff respected and valued patients as individuals and empowered them to be partners in their care. Staff promoted people's dignity and offered care that was compassionate, supportive and person centred and staff went the extra mile to care for patients and feedback from families and carers indicated that the care exceeded their expectations.

The CQC report contained a number of positive themes throughout the inspection, including:

- leadership in the Trust was strong and had a clear sense of direction. The leadership and governance of the Trust promoted the delivery of high quality, person centred care;
- the Trust took opportunities to improve services and provide better care and outcomes for people using services;
- the Trust had a clear and robust governance structure to oversee performance, quality and risk; and
- the Trust valued feedback on the services they received from patients and carers.

The CQC inspection report identified 4 key areas for improvement in the Trust as follows:

- learning lessons;
- equalities;
- data quality; and
- restrictive practice.

All of the above are being addressed through a detailed action plan developed in response to the inspection findings with the aim to resolve the issues identified; to ensure action has been fully embedded in practice and facilitates change.

Examples of quality innovations

The following are just a few examples of some quality innovations, large and small, which have been delivered during 2019/20:

- Significant work has been undertaken to **transform mental health services locally** in line with the national long-term implementation plan for the NHS 2019/2024. Further details are included in the Foreword to this Annual Report. Significant **transformation work has also been progressed within our Community Health Services** in South and West Essex. Again, further details are included in the Foreword to this Annual Report.

- A **new employment support service** was launched by the Trust, in partnership with Employ-Ability a specialist employment support charity working with people experiencing mental health problems, in Suffolk in October 2019 to help patients receiving secondary mental health care settle into employment. Since then the team of 10 employment specialists has been working alongside clinical teams to help people set career goals, write CVs, prepare for interviews and build confidence. By March 2020, fifteen people referred to the service had secured employment in areas including retail, administration, health and landscaping.

- A new care package was launched in March 2020 for young people living with eating disorders, enabling them to receive specialist treatment more quickly. **FREED (First episode Rapid Early intervention for Eating Disorders)** means that patients will receive a first contact from a specialist within 48 hours of referral and a face-to-face appointment within two weeks. Launching in west Essex, in national Eating Disorders Awareness Week, FREED aims to reduce the length of time people aged 18 to 25 live with untreated eating disorders and increase the likelihood of them making a full recovery.

- **People with lung disease in West Essex were encouraged to take part in free activity and advice sessions run** by the Trust using a new national health campaign aimed at people with long-term health conditions. People with diagnoses such as chronic obstructive pulmonary disease (COPD), asthma and bronchiectasis were urged to ask their GPs to refer them to the local pulmonary rehabilitation programme. Newly improved and now open to more people, the programme offers each person 12 two-hour sessions of tailored physical exercise and information that will help them feel better. It also helps people understand and manage their condition(s) and symptoms – including feeling short of breath – along with providing valuable lifestyle support. The twice-weekly sessions, held at Saffron Walden Community Hospital, St Margaret's Hospital in Epping and Latton Bush near Harlow, also include beginning and end-of-programme physical health checks and a mental health assessment.

- The Occupational Therapy team at Basildon Mental Health Unit worked with a Trust volunteer to turn an unused outside space into a **garden** for patients to look after and visit. The space has been transformed into a calming environment in which patients can relax and take part in therapy sessions. The garden is now home to raised flower beds, bird baths, windmills, a picnic bench, shed and a host of shrubs, flowers and fruit and vegetable plants.

- A new **sensory garden** was created at Clifton Lodge, a care home run by the Trust for adults living with dementia and challenging behaviour which aims to ensure residents receive the support they need to live as full a life as possible. Staff, patients and their relatives worked together to transform the outdoor space in preparation for the summer months. It is now home to colourful flowers, solar lights and windmills, beds of aromatic herbs and lavender, feeding stations for visiting birds and a number of seating areas for residents to enjoy with their relatives.

- A **cancer support group** was set up on Facebook by the West Essex Cancer Support Team, open to anyone affected by cancer. The private and confidential closed Facebook page offers:
    - Support and information to people affected by cancer in the local area
    - A place where issues can be shared and discussed with other members of the group
    - Online support with all stages of cancer; from diagnosis, through treatment, after treatment, living with cancer and beyond

- The Learning Disability Service has come together as a multidisciplinary team, to improve their service users' quality of life, when experiencing long term side effects of medication. This innovative project developed a multi-disciplinary **STOMP (STopping Over-Medication of People with learning disability, autism or both)** framework to deliver safe and high quality outcomes, by reducing the potential harm of inappropriate psychotropic drugs. This includes clinics led by Physiotherapy & Nursing Non-medical prescribers, offering holistic assessment, analysis and bespoke goal setting, with the aim of finding and addressing the cause for the behaviour which challenges, reducing isolation and promoting greater integration into local community life. Training was delivered to GPs, Practice Nurses, staff in social care, care homes, day centres and Adult Learning Disability service, in order to increase awareness of non-pharmacological approaches and optimised use of medication in managing behaviour which challenges. Pilot clinics have been set up, to trial the new STOMP pathway and to evaluate its benefits.

- The Trust's **SWIFT** team, set up in south east Essex in April 2018, continued to evolve and make a significant system impact during 2019/20. SWIFT is a physical health community crisis response service set up to deliver specialist, nurse-led care for patients in their own homes to facilitate avoidance of unnecessary hospital admission. The team's input accelerates the recovery process and return to independence whilst also preventing unnecessary GP appointments and home visits. Since their creation, they have avoided almost 3,000 unnecessary hospital admissions and patient experience feedback is extremely positive.

Important events since year end affecting the foundation trust

Along with all other NHS trusts, the Trust has been significantly impacted by responding to the Coronavirus (COVID-19). The impact commenced in 2019/20 and continues into 2020/21. Details in terms of the impact in 2019/20 are included on page 25 - 26 of this report and full details of the impact in 2020/21 will be included in the Trust's Annual Report and Accounts 2020/21.

Clearly, COVID-19 has had (and continues to have in 2020/21) a significant immediate impact on operational services, workforce and finances. The Trust is also mindful of the need to have a planned organisational restoration / recovery from managing the pandemic, to prepare for a potential surge in demand for mental health services following the pandemic and to ensure that the innovation and transformation operationalised during our COVID-19 response is harnessed on an on-going basis to improve the quality of services and efficiency of operations.

Overseas Operations

The Trust did not undertake any overseas operations during the year 2019/20.

Modern Day Slavery

The Trust is committed to ensuring there is no modern slavery or human trafficking in any part of our business and, in so far as possible, to requiring our suppliers to hold a similar ethos. We adhere to the NHS Employment Checks standards which include the right to work and suitable references. Human trafficking and modern slavery guidance is embedded into Trust safeguarding policies. The Trust's full Modern Day Slavery Statement is available on the Trust's website.

Sustainability and Environmental Stewardship

Leadership and Engagement

The Trust is pursuing a strategy to be a sustainable organisation and strives to ensure that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The commitment is to focus on carbon reduction, transport and travel policies, procurement processes, energy efficient properties, waste management and recycling, community engagement and workforce issues including diversity and inclusion. Details of some of our work in these areas are outlined below.

We will be using the Sustainable Development Assessment tool in 2020 to support our work in this area and, by March 2021 (at the latest), the Trust will be developing a compliant Sustainable Development Management Plan and undertaking an explicit high level risk assessment that takes account of UK Climate Projections 2018 (UKCP).

One of the ways we embed sustainability is through the use of a Sustainable Development Management Plan, which is currently being updated.

EPUT's Board level lead for sustainability is Mark Madden, Executive Chief Finance Officer. The principle person responsible for implementing Sustainable Development is Paul Bailey, Sustainable Development Manager.

As part of the NHS, public health and social care system, we recognise our duty to contribute towards the target set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline). This is equivalent to a 28% reduction from a 2013 baseline by 2020. Since the

establishment of EPUT, we have reduced our Carbon Footprint (CO2e/m2) by 39% and our water consumption by 3%.

Our People

Staff engagement in sustainability agenda

The Trust is committed to ensuring staff, patients, visitors, suppliers and contractors are able to effectively engage with and support our carbon reduction plan.

An environmental awareness training module and test is available in our online training site for staff, and an environmental awareness section has been included in new staff inductions.

Employment practices and supporting the workforce

Details of the actions the Trust takes to support the workforce and ensure their health and wellbeing are detailed in the Staff Report section of this Annual Report.

Resources, Purchasing and Waste

Many high value changes have been made by EPUT and predecessor organisations over the past 10 years that are producing reductions and mitigating rising energy costs as well as emissions. This year we carried out boiler upgrades in the order of £100,000 and have started phase 1 of an LED lighting upgrade funded from an NHS Improvement grant.

Further capital funding will be made available in the Trust's five year plan to achieve further efficiencies and opportunities for reducing carbon emissions.

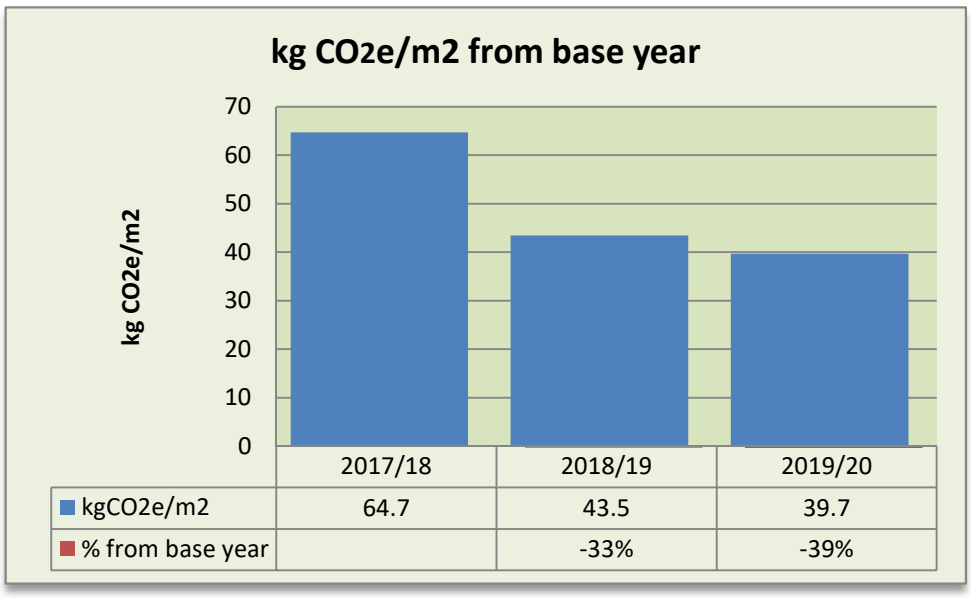
Energy – direct consumption

Carbon emissions associated with our buildings account for approximately 20% of our carbon footprint. In the baseline year of 2017/18 the reported emissions were 9,774 tonnes of CO_2e and during 2019/20 there were 5,607 tonnes CO_2e; a pleasing reduction of our total Carbon Footprint of 63% since the baseline year due to efficiencies and to more renewable electricity being purchased. This year there is however a slight upward trend on our kWh consumptions, due mainly to the head office reverting to the grid after being on generator the previous year and lower average temperatures. It is worth noting that some estimated projections have been used for the 2019/20 figures below as most recent consumptions and final billing for the year are not available at the time of preparing this report.

Table 2: Energy – direct consumption

Collection	2018/19	2019/20
	EPUT	EPUT
Occupied Floor area (m²)	146,180	141,254
Electricity Consumed (kWh)	7,319,779	7,773,231
Gas consumed (kWh)	16,651,433	17,122,441
Renewable Energy - Electricity (kWh)	4,121,485	6,745,958
Site energy consumed per occupied floor area (kWh/m²)	164	176

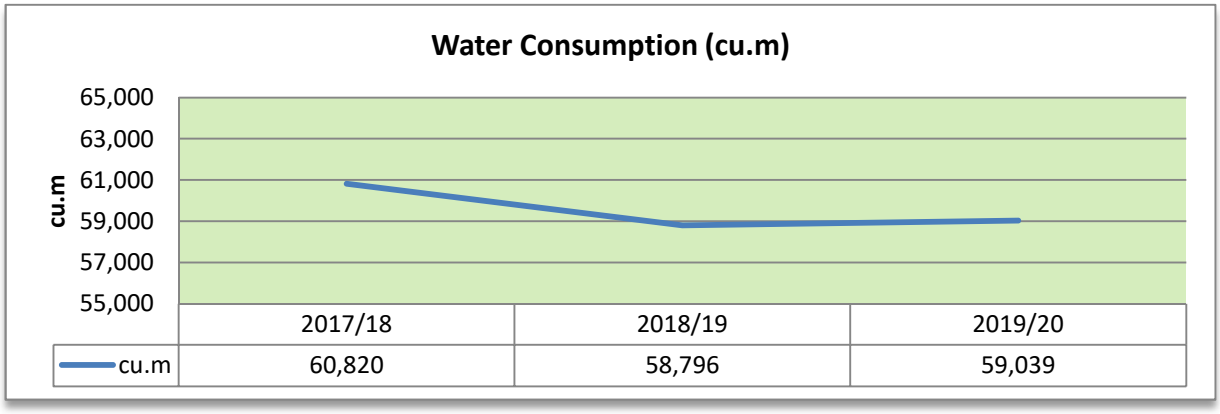
Table 3: kg CO2e per m2 occupied



Water – direct consumption

Since the baseline year 2017/18 there has been a modest reduction (2.93%) in consumption, due in part to monitoring and repair of any reported leaks and installation of water saving devices where possible. This is however a very slight increase since last year. More technical measures are required to reduce consumption further.

Table 4: Water – direct consumption



Waste

Efforts to reduce waste and increase recycling are ongoing, and measures are in place to improve this further by the introduction of identified waste bins and training to encourage staff to separate waste at source. A recent review of the primary waste contract encouraged decentralised operations and, where appropriate, the use of more local contractors who naturally use less fuel and improve our Scope 3 carbon footprint. Another contractor initiative encourages them to take away packaging materials. Internally initiatives have been introduced to recycle more waste.

Supply chain impact

The carbon impact from the supply chain is considered in purchasing choices and supplier engagement. We are investigating how to engage with and monitor and report on CO_2 from our supply chain using Sustainability Development Unit methodology and carbon factors.

For each new request to tender, we include weighted questions on the tenderer's sustainable behaviour, working practices and aspirations in order to assess their environmental commitment and credentials.

The capital projects team manages a budget dedicated to environmental improvements which are considered for incorporation in every building related project. The team will also favour local over national contractors to reduce third party travel emissions.

Social value

We are looking to explore how we can embed social accounting within the Trust to enable us to demonstrate and measure the impact we make socially on the community we serve.

Travel

We promote and support active travel to reduce unnecessary journeys during the work commute. We publicise the bike purchase scheme annually to encourage a healthier and greener way to commute to our sites.

The Trust logs significant mileage associated with its leased and grey travel fleet. Last year we travelled approximately 4,915,065 business miles, producing a carbon footprint of 1,370 tCO2e. We will continue to monitor this and expect a significant decrease for the next period as a result of the change in working practices brought about by the current pandemic.

We are exploring ways to reduce our travel footprint by reducing the miles covered and encouraging more carbon friendly travel where travelling is necessary. Amongst other ideas, we are considering the possible installation of Plug in Electric Vehicle (PHEV) points to encourage the take up of personal electric cars for staff and enabling the conversion of the fleet to more sustainable vehicles.

Increased productivity is being driven through the encouragement of agile working where appropriate with the issue of internet enabled laptops, mobile phones, teleconferencing and 'Touchdown' hot desking facilities. We also encourage contractors and potential contractors to use web conferencing for meetings and presentations, reducing miles driven.

Future Proof

Adaption to climate change

Climate change increasingly poses a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that it is considered when planning how we will best serve patients. For example, we continue to consider the potential need to adapt the organisation's buildings as a result of the potential risks posed by climate change.

Sustainable care models

The Trust will seek to develop ways to ensure that sustainability and the achievement of sustainable models of care support the reduction of carbon emissions associated with service delivery methods.

Biodiversity and green space

While some of the estate is dispersed and rural or semi-rural, much of it is located in urban areas. It has always been the policy to provide safe green spaces that are maintained within the confines of our premises for their therapeutic value to patients and the health and wellbeing of staff and visitors. The Trust will continue with this policy and will endeavour to introduce more biodiversity into these spaces.

Impact of Coronavirus (COVID-19) on Trust performance

Preparation for and response to the coronavirus (COVID-19) has been and continues to be hugely significant for the NHS and for individual trusts.

The aim of the Annual Report and Accounts 2019/20 is to summarise key events and activities for the trust during the year. As detailed in the Foreword to this Annual Report, we have thus been mindful that the document should present a balanced report covering the entirety of 2019/20. Priorities set and delivered on prior to COVID-19 still form a major part of our achievements.

The preparation for and response to the coronavirus (COVID-19) only impacted on the Trust towards the end of the 2019/20 financial year (mainly in terms of the preparations), with the most significant impact continuing into 2020/21.

In the latter part of 2019/20, the Trust took significant action to ensure robust preparedness for the anticipated impact of COVID-19 to ensure it was as strongly placed as possible to continue to deliver the highest possible quality of care to our patients in the circumstances and support the whole system response to the pandemic.

Actions taken included (this list is intended to provide an overview of activity in this regard and is not exhaustive):

- establishing internal governance arrangements for managing the response and timely decision making;
- establishing communications channels internally and externally to ensure timely and appropriate briefings;
- reviewing all national guidance being issued and its application to the Trust;
- where appropriate, developing local guidance / clinical protocols;
- establishing staff support mechanisms;
- reviewing business continuity plans for all services;
- reviewing clinical service considerations (eg working with families to consider discharge of patients from in-patient units where safe and appropriate to do so to increase available in-patient capacity, reviewing essential service delivery etc);
- considering how resources may be re-focused to support the delivery of services system wide;
- preparing for the possibility of re-purposing some inpatient facilities eg to support acute care capacity;
- collaborative working with system partners to strengthen the whole system approach (eg acute trusts, hospices for end of life care etc);
- planning workforce considerations (eg potential sickness / self-isolation rates; staff with childcare / other carer responsibilities; possibility of redeploying staff internally / to other NHS organisations to strengthen capacity where most needed; considering training / retraining needs and how these would be delivered);
- implementing working from home where appropriate and possible and virtual rather than face to face meetings;
- strengthening IT systems due to increased reliance on IT – eg bandwidth / cyber security / system back ups / use of new technology to continue patient consultants where not possible face to face; and
- working with supply partners to manage risk and ensure resilience in supply chains (eg equipment, catering etc).

The above activity in the latter part of 2019/20 necessarily impacted on the capacity of the leadership team across the Trust and on certain teams within the Trust particularly. As a result, a review of internal governance processes / structures was undertaken and all non-essential meetings temporarily suspended to maximise capacity available to plan for and deliver the Trust's response to the pandemic. On 28 March, the NHS issued guidance to Trusts in relation to "reducing the burden, releasing capacity" which provided helpful direction in terms of prioritisation of non-clinical tasks. At the time of collating this Annual Report, the Trust considers that the preparations and actions undertaken were appropriate and proportionate to the risk identified and have enabled the Trust to deliver a robust response to the pandemic.

Financial impacts of the COVID-19 response in 2019/20 are detailed at the relevant part of the financial accounts / financial review throughout this document. The impact of COVID-19 has also been given consideration in the drafting of and approvals of the Trust's Annual Governance Statement on pages (iv) – (ix) of the Annual Accounts 2019/20.

The Trust's response to COVID-19 is still on-going at the time of preparing this Annual Report and Accounts and details of the impact in 2020/21 will be included in the Trust's Annual Report and Accounts for 2020/21. In the meantime, we have declared this as an "**Important event since year end affecting the foundation trust"** on page 21 of this document.

Financial Review

Overview

This part of the Performance Report provides a commentary on the financial position of the Trust. The Trust's annual report and accounts cover the period of 1 April 2019 to 31 March 2020, and have been prepared in accordance with directions issued by NHS Improvement under the National Health Service Act 2006. They are also prepared to comply with International Financial Reporting Standards (IFRS) and are designed to give a true and fair view of the Trust's financial activities.

Financial Performance

The Trust submitted an operational plan for the 2019/20 financial year which included a planned surplus of £2.1 million. The plan included a recurrent efficiency requirement of £11.7 million and the receipt of £2.5 million of non-recurrent core Provider Sustainability Funding (PSF). The Trusts plan for the year excluding the receipt of non-recurrent PSF funding was a deficit of £0.4 million.

As in previous financial years, the Board was required to confirm its agreement to the delivery of a control total for the year. NHS Improvement (NHSI) set this for the year at a surplus of £1.6 million which include the receipt of PSF core funding and acknowledged that the Trust was planning to exceed its control total for the year by £0.5 million to help support the wider system and in particular the Cambridge and Peterborough STP.

During the year, the Trust received £0.8 million of PSF funding relating to the previous financial year and a further £1.2 million of central funding allocated to help all mental health providers and which was required to be used to improve the Trusts financial performance. The receipt of this unplanned income improved the Trusts performance for the year by £2 million. During the year after discussion with our STP, it was agreed to further improve our forecast by £2 million to support system wide achievement of the control total and to ensure system wide PSF / FRF was payable. This was agreed with NHSI and increased the Trust's year end forecast to a surplus of £5.6 million.

Against this year end forecast, the Trust reported an overall surplus of £5.9 million. This further improvement was due in the main to deferment of expenditure due to the COVID-19 pandemic. However, when a number of accounting adjustments relating to the receipt of non-recurrent PSF core funding, the impairment of land and buildings and the non-cash element of the Local Government Pension Scheme are excluded, the Trust's underlying performance reduces to a deficit of £0.3 million.

The tables below provide a summary of the Trust's performance on its Statement of Comprehensive Income and the Statement of Financial Position.

Table 5: Summary of Statement of Comprehensive Income

	2019/20 £m	2018/19 £m
Total Income	325.4	318.7
Operating Expenses	(312.5)	(305.3)
Finance Costs / Other Gains and Losses	(7.0)	(7.8)
Reported Surplus / (Deficit) for the year	**5.9**	**5.6**
Exclude: PSF Core Funding	(2.5)	(3.3)
Exclude: 2018/19 PSF Reallocation	(0.8)	(5.5)
Exclude: Non Recurrent Central Funding for Mental Health	(1.2)	0.0
Exclude: Non Recurrent Savings to provide System Support	(2.0)	0.0
Exclude: Impairment of Land and Buildings	0.1	0.1
Exclude: Local Government Pension Scheme (non-cash element)	0.2	0.1
Underlying Surplus / (Deficit)	**(0.3)**	**(3.0)**

Table 6: Summary of Statement of Financial Position

Summary of Statement of Financial Position	2019/20 £m	2018/19 £m
Non-Current Assets	221.4	219.9
Current Assets (excluding cash)	19.0	21.8
Cash and Cash Equivalents	67.7	63.3
Current Liabilities	(43.3)	(43.6)
Non-Current Liabilities	(48.7)	(53.1)
Total Assets Employed	**216.1**	**208.3**
Total Taxpayers Equity	**216.1**	**208.3**

Income from Health Care Activities

The Trust's income received for the purposes of the health service in England totalled £301.3 million in 2019/20, which is greater than the income received from the provision of goods and services for any other purposes of £24.1 million. This is in line with the requirement of section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

In line with the government's pledge, the Trust has included income of £1.1 million relating to costs incurred as a result of the COVID-19 pandemic within healthcare income. In addition, this includes £8.7 million of notional income relating to the increase in employers pension contributions from 14.3% to 20.6% from April 2019 which were paid over by NHS England on the Trust's behalf.

Income from Non Health Care Activities

The Trust provided an Information and Communications Technology service to other NHS organisations during the 2019/20 financial year, as well a car leasing service to a number of local NHS organisations and housing associations.

Operating Expenditure

The total operating expenditure of the Trust for 2019/20 was £312.5 million. The largest area of spend relates to staff costs of £234.9 million. This includes £8.7 million of notional costs for the employers pension contributions paid over on behalf of the Trust by NHS England.

Efficiency and Income Generation Initiatives

Against the total efficiency requirement for the year of £11.7 million, the Trust successfully achieved the full target through a combination of both recurrent and non-recurrent measures. On a recurrent basis, the Trust identified savings of £6.6 million, with the residual £5.1 million being factored into the 2020/21 plan.

As part of the Trust's planning for annual efficiency requirements, the Trust aims to minimise the impact of generating savings on front line services and maximise savings from corporate and back office functions. During 2019/20, the Trust delivered savings from corporate and back office functions of £4.8 million.

Finance Costs

The Trust is required to pay the Treasury dividends in respect of the Public Dividend Capital held by the Trust and which was historically given by Treasury for capital financing. Dividends are paid to Treasury twice a year during September and March, and are payable at a rate determined by Treasury (currently 3.5%) on the average relevant net assets of the Trust. Average relevant net assets are based on the opening and closing balances of the Statement of Financial Position, and therefore a debtor or creditor arrangement may exist at year end between the Treasury and the Trust.

In addition, the Trust is required to pay finance costs in respect of PFI obligations for the Trust's three PFI-funded locations at Rawreth Court in Rawreth, Clifton Lodge at Westcliff and Brockfield House in Wickford. The Trust also holds loans with the Department of Health which incurred interest costs of £0.2 million.

Local Government Pension Scheme (LGPS)

The Trust is required to obtain an actuarial valuation on the Local Government Pension Scheme (LGPS) on an annual basis, which relates to social workers employed by the Trust under Section 75 agreements. This is based on figures provided by the actuary at Essex Pension Fund, with the figures subsequently verified by the Trust's External Auditors.

The operational cost, finance income and finance costs of the scheme for 2019/20 have been reflected in the Trust's Statement of Comprehensive Income and reduced the Trust's surplus by £0.2 million. In addition, the Trust is required to account for an actuarial gain of £1 million resulting from a reduction in the value of scheme assets has been reflected as a reduction in reserves within the Statement of Comprehensive Income.

Revaluation of Investment Property

In accordance with accounting guidelines, the Trust has opted to undertake an annual revaluation of its investment properties. This has resulted in a net increase in the overall value of the Trusts investment properties of £0.2 million in 2019/20. This increase is reported as part of the Statement of Comprehensive Income.

Impaired Value of Land and Property

The Trust has undertaken an assessment of the value of its land and building assets as at the end of 2019/20, and confirmed that these have not materially increased since the full revaluation of the estate undertaken for the 2018/19 financial year. The Trust has therefore not incurred any impairments on its main land and buildings during 2019/20.

Transfers by Absorption

The Trust did not undertake any significant transactions during 2019/20 and therefore did not have to account for any 'transfers by absorption'.

Capital Expenditure

Within non-current assets on the face of the Statement of Financial Position, the Trust held intangible assets, plus property, plant and equipment totaling £203.9 million as at the end of March 2020.

During the year, the Trust invested £8.7 million on items of capital expenditure, of which £0.9 million was funded from Department of Health Public Dividend Capital. The total capital spend for the year included the following:

- £0.8 million on the development of single bedded accommodation at the Basildon Mental Health Unit;
- £2.4 million on patient safety and CQC related works;
- £3.4 million on IT related projects;
- £0.3 million on carbon reducing lighting schemes;
- £0.8 million on backlog maintenance of Trust properties;
- £0.2 million on medical equipment;
- £0.2 million on the roll out of Digital Care Assistant technology; and
- £0.6 million on improvements to other Trust facilities.

Investment Property

The Trust holds a number of investment properties within the classification of non-current assets totaling £17.5 million. These properties are leased out to various organisations including other NHS organisations, housing associations and private individuals.

During the year, one investment property was disposed of following a successful option to purchase by the tenant. This related to the Coach House in Grays, Essex.

Assets Held for Sale

As at the end of the 2019/20 financial year, the Trust held one asset in preparation for disposal. This relates to number 4 The Glades based in Bedfordshire. This was revalued during the year, and an impairment of £50,000 was charged to the Statement of Comprehensive Income.

Working Capital and Liquidity

The Trust has robust cash management and forecasting arrangements in place, which are further supported by a Finance and Performance Committee. This Committee was chaired by a Non-Executive Director, and included a further Non-Executive Director, the Chief Executive and the Executive Chief Finance Officer.

The Trust invests surplus cash on a day-to-day basis in line with the Operating Cash Management Procedure, and generated interest from cash management activities of £0.5 million in 2019/20. The interest earned is used to offset the associated costs of banking and cash transit services. The Trust ended the financial year with a strong working capital position of positive £43.4 million.

Policy and Payment of Creditors

The Non NHS Trade Creditor Payment Policy of the NHS is to comply with both the CBI Prompt Payment Code and government accounting rules. The government accounting rules state: "The timing of payment should normally be stated in the contract. Where there is no contractual provision, departments should pay within 30 days of receipt of goods and services or on the presentation of a valid invoice, whichever is the later". As a result of this policy, the Trust ensures that:

- a clear consistent policy of paying bills in accordance with contracts exists and that finance and purchasing divisions are aware of this policy;
- payment terms are agreed at the outset of a contract and are adhered to;
- payment terms are not altered without prior agreement of the supplier;
- suppliers are given clear guidance on payment terms;
- a system exists for dealing quickly with disputes and complaints; and
- bills are paid within 30 days unless covered by other agreed payment terms.

The Trust's performance on its creditor payments for the 2019/20 financial year is detailed below:

Table 7: Performance on creditor payments 2019/20

	NHS		Non-NHS	
	Number of Invoices	**Value £000**	**Number of Invoices**	**Value £000**
Invoices paid within 30 days	1,198	16,577	64,379	129,764
Invoices paid in excess of 30 days	970	26,988	10,402	17,884
Total invoices that were or should have been paid in 30 days	**2,168**	**43,565**	**74,781**	**147,648**
	55.3%	**38.1%**	**86.1%**	**87.9%**

The Trust's performance on the payment of non-NHS invoices of 86.1% for 2019/20 (based on number of invoices) is an increase on the previous financial year of 83.5%. However, as a result of the settlement and processing of historic invoices relating to previous years with NHS Property Services and Community Health Partnerships, our performance on the payment of NHS invoices has reduced from 60.2% last financial year to 55.3% for 2019/20.

During the year, the Trust incurred actual interest charges on the late payment of invoices of £239 compared to £91 in 2018/19. This compares to a potential interest charge on those invoices not paid within the 30 day period of £324,000 (2018/19: £352,000), using an interest rate of 8% plus Bank of England base rate in accordance with the Late Payment of Commercial Debts (Interest) Act 1998.

Taxpayers Equity

As at the end of 2019/20, the Trust holds Public Dividend Capital of £128.5 million, plus reserves relating to income and expenditure surpluses generated over the year, and from asset revaluations arising from the impact of the valuations of the Trusts estate. The total of these represents the level of taxpayers' equity in the Trust.

Accounting Policies

The Trust has detailed accounting policies which comply with the NHS Foundation Trust Annual Reporting Manual. These have been thoroughly reviewed by the Trust and agreed with External Auditors. Details of the policies are shown on pages 6 - 23 of the 2019/20 Annual Accounts.

Cost Allocation and Charging Requirements

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury.

NHS Pensions and Directors Remuneration

The accounting policy in relation to employee pension and retirement benefits and the remuneration report is set out on page 18 of the Annual Accounts 2019/20 and pages 50 - 63 of this Annual Report.

Charitable Funds

The Trust has a registered charity in the name of Essex Partnership University NHS Foundation Trust Charities (number 1053793) which has resulted from fund raising activities, donations and legacies received over many years. It consists of a number of restricted funds which are used to purchase equipment and other services in accordance with the purpose for which the funds were raised or donated, as well as unrestricted (general purpose) funds which are more widely available for the benefit of patients and staff.

The Trust is extremely grateful for all donations and further details around the charity and how to donate can be found at www.eput.nhs.uk/get-involved/charitable-funds/

The Board of Directors act as Corporate Trustee for the Charity and is further supported by the Charitable Funds Committee. The Committee is chaired by a Non-Executive Director and includes two further Non-Executive Directors, the Executive Chief Finance Officer and the Executive Director of Corporate Governance. The Audit Committee considered and approved the non-consolidation of the charity accounts into the Trust's main accounts on the grounds of materiality for the 2019/20 financial year.

A copy of the charity's Annual Report and Accounts for 2019/20 will be available from January 2021 upon request to the Executive Chief Finance Officer.

Political Donations

The Trust did not make any political donations from its exchequer or charitable funds during 2019/20.

Financial Risk Management

The Trust's financial performance is assessed by NHS Improvement, based on the Single Oversight Framework. This measure includes five themes, of which one is the Trust's performance on finance and use of resources rating.

The Trust has a robust risk management process into which any identified financial risks are included and monitored on a regular basis.

Sally Morris
Chief Executive
24 June 2020

Accountability Report

Directors' Report

Introduction

Our Board of Directors provides overall leadership and vision to the Trust. It is ultimately and collectively responsible for the Trust's strategic direction, its day to day operations and all aspects of performance, including clinical and service quality, financial and governance. The powers, duties, roles and responsibilities of the Board are set out in the Board's Standing Orders and Scheme of Reservation and Delegation.

The main role of the Board is to:

- provide active leadership of the Trust within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the Trust's strategic objectives taking into consideration the views of the Council of Governors, ensuring that financial resources and staff are in place for the Trust to meet its objectives and review management performance;
- ensure the quality and safety of healthcare services, education and training delivered by the Trust and to apply the principles and standards of clinical governance set out by the Department of Health, the Care Quality Commission, and other relevant NHS bodies;
- ensure compliance by the Trust with its provider licence, its constitution, mandatory guidance issued by NHS England / Improvement, relevant statutory requirements and contractual obligations; and
- regularly review the performance of the Trust in these areas against regulatory requirements and approved plans and objectives.

The Board believes that its membership is balanced, complete and appropriate and that no individual group or individuals dominate the Board meetings. The Board has also agreed a clear division of responsibilities between the Chair and Chief Executive which ensures a balance of power and authority.

The Board has a wide range of skills and a significant number of members have a medical, nursing or other health professional background. Non-Executive Directors have wide-ranging expertise and experience with backgrounds in clinical fields (Allied Health Professional, Medical and Nursing), finance, audit, business and organisational development, commercial, risk and governance, equality and diversity, law and workforce. The Board has demonstrated a clear balance in its membership through extensive debate and development.

Our Board of Directors

The descriptions below of each Director's expertise and experience demonstrates the balance and relevance of the skills and knowledge that each of the Directors bring to the Trust.

Executive Directors

Sally Morris, Chief Executive

As Chief Executive of SEPT Sally saw through the successful merger between SEPT and NEP – the first Foundation Trust to Foundation Trust merger – and was appointed as the Chief Executive of the EPUT Board of Directors in August 2017 having previously been appointed as the Chief Executive of the Interim Board.

Sally first joined SEPT in 2005 as the Executive Director with operational leadership responsibility for all mental health and learning disability services across South Essex and subsequently Bedfordshire and Luton. During this time, Sally was pivotal in establishing a dedicated contracting function and led subsequent contract acquisitions. She was appointed Chief Executive of SEPT in September 2013, having previously been Deputy Chief Executive with the portfolio for Specialist Services and Contracts; a role which was operationally accountable for forensic, child and adolescent mental health services (CAMHS) and psychological and therapy services across Bedfordshire, Luton and Essex.

Previous roles included being the Director of Finance and Specialist Commissioning for Southend Primary Care Trust, as well as being involved with mental health and learning disability services for a number of years, ranging from consultancy work when in the private sector to Director of Mental Health Commissioning at South Essex Health Authority and lead for mental health at the Essex Strategic Health Authority. With a history of successful partnership working with local authorities, the voluntary sector and other NHS Trusts, Sally has a proven track record of managing major change in complex environments and where key stakeholders have polarised views.

A chartered accountant by profession and a keen sailor in her leisure time, Sally also represented Wales in lacrosse.

Andy Brogan, Executive Director Mental Health and Deputy Chief Executive (to 30 June 2019) and Executive Chief Operating Officer / Deputy Chief Executive (from 1 July 2019)

Andy has a wealth of experience within the NHS initially in direct care. Over the past 20 years he has held a variety of Nursing Director and Governance posts as well as spending time at Care Services Improvement Partnership (CSIP) and the Department of Health. His Executive Director experience has been a mixture of clinical leadership, operational and strategic management and policy development.

Andy first joined SEPT in September 2009 as the Interim Executive Nurse and then to the substantive post of Executive Director Clinical Governance and Executive Nurse in February 2014; and later included the role of Deputy Chief Executive to his responsibilities. He was a key member of the Project Board that managed the successful merger between SEPT and NEP and he provided support to NEP in the role of Director of Operations from January 2017. Andy was appointed as the Executive Director Mental Health and Deputy Chief Executive on the EPUT Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board.

From 1 July 2019, Andy's role became Executive Chief Operating Officer / Deputy Chief Executive in which he is responsible for mental health services (including specialist mental health), community physical health services and learning disability services across the Trust.

In previous posts Andy led the clinical workstream in the merger of two mental health trusts in Cheshire and Wirral. He supported the transfer of a mental health directorate from an acute trust to a mental health trust. At SEPT he supported the Trust in the acquisition of the Bedfordshire and Luton Trust, the transition of Transforming Community Services and the disaggregation of services in Bedfordshire and Luton.

Andy has been heavily involved in national leadership work being a founding member of the Mental Health Nurse Directors Group and participated in national working groups including NICE Expert Reference, as a member of the National Intensive Care Group and, until the end of May 2019, was an Associate National Clinical Director for Mental Health for NHS Improvement. His experience at national level has enabled him to gain valuable insights into development of national policy and how this is translated into operational practice.

Andy's portfolio includes:

- Specialist Operational Services
- Mental Health Services
- Physical Care
- Learning Disabilities
- Psychology and Therapy Services
- Carers
- Locality Clinical Administration
- Recovery College
- Community Services
- Children's Services
- Local Section 75s

Professor Natalie Hammond, Executive Nurse

Natalie was appointed as Executive Nurse on EPUT's Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board. She has responsibility for the professional leadership of the nursing, allied health professionals and psychology workforce ensuring care is delivered with compassion and safely meeting the high quality standards provided to our patients and service users. Natalie has specific responsibility for safety, service user experience and outcomes, and executive responsibility for safeguarding and infection control. She is also the Trust lead for End of Life services.

Natalie has a wealth of experience and has been involved with research in mortality, addictions, service design, reducing restrictive practice and police liaison. She was involved in the development of National Guidance for Reducing Restrictive Practice at the Department of Health; and Independent Police Commission Mental Health Deaths in Custody.

Natalie was previously a Consultant Nurse for the Promotion of Safe and Therapeutic Services specifically aimed at reducing harm to patients in South London and Maudsley Trust, Deputy Director of Nursing and Quality in North London and the Executive Nurse at NEP.

Natalie's portfolio includes:

- Clinical Governance
- Clinical Audit
- Nurse Leadership
- Clinical Risk

- Infection Control
- Safeguarding
- MHA Office
- Pharmacy
- Mortality

Dr Milind Karale, Executive Medical Director FRCPsych, MSc (Forensic Psychiatry), DNB, DPM, MBBS

Milind is a Consultant Psychiatrist at the Trust's Mental Health Assessment Unit, Caldicott Guardian and Executive Medical Director for the Trust. Milind was appointed as the Executive Medical Director for the EPUT Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board.

Milind trained in Cambridge and Eastern Deanery to attain membership of the Royal College of Psychiatrists and later completed a Masters in Forensic Psychiatry (merit) at the Institute of Psychiatry, Maudsley. His areas of interest include patient safety, clinical governance, liaison psychiatry and mood disorders. He chairs the Trust's Physical Health and Learning Oversight Sub-Committees.

He has been involved in medical management for a number of years, working as Clinical Director for Clinical Governance, Deputy Medical Director and most recently Medical Director from 2012. He has a keen interest in teaching and has written several chapters in books for MRCPsych examination. He is on the Board of Examiners for The Royal College of Psychiatrists and was previously the Chair of the Anglia Ruskin University Health and Wellbeing Academy. Milind was awarded a fellowship by The Royal College of Psychiatrists in 2017 in acknowledgement of his dedication and commitment to improving the lives of patients.

Milind's portfolio includes:

- Medical Staff
- Caldicott Guardian
- Research
- Physical Health

Sean Leahy, Executive Director of People and Culture (from 6 August 2019)

Sean joined EPUT in August 2019 in the newly created role of Executive Director of People and Culture, bringing with him more than 20 years' experience as a Human Resources Director.

A Fellow of the Chartered Institute of Personnel and Development, Sean has held senior positions with Key Criteria Group, Netstore PLC and Fidelity International Investments Ltd.

He has been described as a modern influencer who is "approachable and hands-on" with the "ability to quickly build strong internal and external relationships at all levels of an organisation".

Sean's portfolio includes:

- Communications
- Human Resources
- Organisational Development
- Payroll

- Medical Staffing
- Training and Development
- Workforce Planning
- Freedom to Speak Up - F2SU (Senior Responsible Officer - SRO)
- Complaints
- Equality and Diversity
- Faith Communities

Nigel Leonard, Executive Director Corporate Governance and Strategy (to 30 June 2019) and Executive Director of Strategy and Transformation (from 1 July 2019)

Nigel is the Executive Director of Strategy and Transformation at EPUT. Nigel joined SEPT as the Executive Director Corporate Governance in February 2014. He was the Merger Project Director for the first successful merger of two Foundation Trusts – SEPT and NEP – in April 2017. He was appointed as the Executive Director Corporate Governance and Strategy on EPUT's Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board. In July 2019 he became the Executive Director of Strategy and Transformation.

Nigel has worked in the NHS for over 20 years in a variety of planning, governance and project management roles in acute, community and mental health organisations. He has worked as a Programme Director delivering changes in mental health services in Essex and Berkshire and, more recently, was the Director of Planning and Corporate Affairs at West London Mental Health NHS Trust before joining SEPT.

Nigel is a qualified Company Secretary and has an MSc in Project Management. He is also a member of the Association for Project Management.

Nigel's portfolio includes:

- Strategy and Planning
- Transformation / PMO (Programme Management Office)
- Business Development
- Commercial Contracting
- Emergency Planning (Senior Responsible Officer - SRO)
- Enable East
- Public Health
- Patient Experience

Mark Madden, Executive Chief Finance Officer

Mark was appointed as the Executive Chief Finance Officer for EPUT in August 2017. He first joined SEPT in April 2014 in the same role and was appointed as the Executive Chief Finance Officer for the Interim Board. He was a key member of the Project Board that managed the successful Foundation Trust to Foundation Trust merger between SEPT and NEP. Mark is also the Trust's Senior Information Risk Owner (SIRO).

A qualified accountant, Mark has worked in a variety of NHS and non NHS financial roles.

Mark is married and has two children and is a passionate sportsman. He formerly played rugby for Norwich and his hobbies include running, cycling and keeping up with his children.

Mark's portfolio includes:

- Finance
- Purchasing
- IM&T
- Performance
- Records Management
- Senior Information Risk Owner
- Information
- Information Governance
- Estates & Facilities
- Security Management (Senior Responsible Officer - SRO)

Malcolm McCann, Executive Director Community Services and Partnerships (to 30 June 2019)

Malcolm studied Nursing at the University of Manchester and worked for more than 25 years in the NHS. During this time, he gained a wealth of experience, at senior management level, managing a wide range of different services across various sectors including in-patient and community services for adults, older people and children and working at Board level since the late 1990s.

As Chief Executive of Castle Point and Rochford Primary Care Trust (PCT) from 2001 to 2006, he led the organisation from its inception through its development into a highly successful PCT. He then worked as a Chief Operating Officer in both South West Essex and South East Essex, joining SEPT as Director of Acute and Community Services in June 2010.

Malcolm was appointed as the Executive Director Community and Partnerships on EPUT's Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board. His partnership portfolio whilst with EPUT involved working collegiately with commissioning organisations, acute hospitals and local authorities, together with a range of third sector and other stakeholders, and particularly with the Sustainability and Transformation Partnerships.

Malcolm's portfolio included:

- Children's Services
- Community Services
- Equality and Diversity
- Faith Communities
- Partnership Working
- Recovery College

Non-Executive Directors

Professor Sheila Salmon, Chair

Professor Sheila Salmon was appointed as the Chair of EPUT with effect from 1 November 2017. She previously chaired Mid Essex Hospitals NHS Trust from 2010 - 2017 and was also the Founding Chair of the Joint Working Board (2016/17) forged through the collaboration of Mid Essex Hospitals with Basildon and Thurrock University Hospital Foundation Trust and Southend University Hospital University Foundation Trust within the Mid and South Essex Sustainability and Transformation Partnership (STP).

Sheila was previously Chair of the North East Essex Primary Care Trust from 2006 to 2010 and prior to that, chaired the Essex Ambulance Service, before being appointed to the Board of the East of England Ambulance Regional Service. Coming with a strong clinical background, she has built significant and diverse senior leadership experience in health and social care and in the University sector. She was the Executive Dean of Health at Anglia Ruskin University, where she led the establishment of a Regional Faculty of Health and Social Care, and has represented the Nursing and Midwifery Council on numerous quality and standards visits to British universities and their partner NHS Trusts.

Sheila has served as a quality partner with the Postgraduate Medical Education and Training Board (PMETB) and the General Medical Council (GMC). She holds a government appointment as an Equality and Diversity Ambassador and has worked internationally as a developmental consultant and strategic advisor. She is an experienced executive coach and leadership mentor and actively supports the East of England Coaching Network operated through Health Education England.

Sheila is the Emeritus Professor of Health Services Development at Anglia Ruskin University and advised on the establishment of the new Medical School. She also has considerable previous experience both as an appointed Foundation Trust Governor and as a Non-Executive Director.

As well as chairing the Board of Directors and Council of Governors meetings, Sheila also currently chairs the Board of Directors Remuneration and Nominations Committee and the Council of Governors Nominations Committee meetings and is currently a member of the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). She is currently the Non-Executive Board champion / lead for organisational development, culture and education and training. Sheila is also the current Chair of the Mid and South Essex Sustainability and Transformation Partnership (STP) Chairs Advisory Group.

Alison Davis, Non-Executive Director and Senior Independent Director

Alison started her career as a State Registered Nurse, working in both acute and community settings. She later qualified as a solicitor, focusing on family and mental health law. She has been an NHS Chair for 11 years across mental health, learning disability and community services, and a Non-Executive Director for 18 years. She has broad experience in governance, patient safety and quality, with a strong focus on service user, staff and stakeholder engagement.

Alison has a track record leading major organisational change having successfully taken Bedfordshire and Luton Partnership Trust (BLPT) through the first competitive tendering process in the NHS in 2009/10. Alison chaired Luton Community Services through their transfer out of NHS Luton in April 2011.

Alison is a company director of Looking After Mum and Dad, a web-based community interest company, providing information, support and a forum for people caring for elderly relatives. She is also a Non-Executive Director of ImpactMH, a mental health social enterprise run by and for people who have experienced or are experiencing mental ill health.

Alison joined SEPT as a Non-Executive Director in January 2012. Alison was appointed as a Non-Executive Director on the Interim Board of Directors of EPUT and subsequently as Non-Executive Director on the substantive Board of Directors. She was appointed as the Senior Independent Director in December 2017. Alison is currently a member of the Audit Committee and the Board of Directors Remuneration and Nominations Committee. She is currently the Non-Executive Director Board champion / lead for Guardian of Safe Working, Mental Health Act, safeguarding vulnerable adults and safeguarding children.

Dr Rufus Helm, Non-Executive Director

Rufus Helm originally trained as a doctor, specialising in Obstetrics and Gynaecology before making the transition to management consultancy. Starting his consultancy career with Arthur Andersen Consulting, he helped establish Andersen's Consultancy offering in healthcare before moving on to commercial roles with Serco and Circle Health. Here he concentrated on the design and implementation of new service models focusing on improving the management of long term conditions and, in particular, the interface between acute and community settings.

Rufus joined the British Medical Journal (BMJ) as their Head of Business Development in 2012 where he focused on how digital resources can drive clinical improvements in areas such as clinical decision support, shared decision making and the delivery of evidence based medicine. More recently, he helped Health Navigator implement its innovative tele-coaching model as their Chief Operating Officer / Chief Medical Officer and now provides freelance consultancy to healthcare organisations country-wide.

Rufus was appointed as a Non-Executive Director onto the substantive Board of Directors for EPUT from July 2018. Rufus is currently Vice-Chair of the Quality Committee and a member of the Board of Directors Remuneration and Nominations Committee, the Charitable Funds Committee and the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). He is currently the Non-Executive Director Board champion / lead for innovation and research and for dementia.

Manny Lewis, Non-Executive Director (and Vice Chair from 6 September 2019)

Manny began his career at the Inner London Education Authority, following completion of an LLB Honours degree at University College London. He then gained a Masters degree in Manpower Planning and shortly afterwards became a corporate member of the Institute of Personnel and Development (CIPD) specialising in Human Resources in the public sector.

In 1988 he became Head of Education Personnel at Waltham Forest Council followed by promotions to senior jobs as Assistant Director for Education in Birmingham (1990), Head of Personnel and Democratic Services at Thurrock Council (1997) and Executive Director, Corporate Services at the Greater London Authority (2001) where he helped develop the structures and operations for the new London Government. He was then appointed as Chief Executive of the London Development Agency in 2004 where he successfully led the land assembly for the London Olympics.

In 2008 he was awarded an Honorary Doctorate of Business Administration for services to regeneration and development in London.

Manny became Managing Director of Watford Borough Council in 2009. As a Non-Executive Director, he held the role of Deputy Chair of Mid-Essex Hospital Trust for two terms and chaired its Finance and Performance Committee. With a strong commitment towards disability rights, he is a trustee at Golden Lane Housing, a charity providing housing for people with a learning disability and also the Chair of Habinteg, a regulated housing association providing accessible homes for people with a physical disability.

Manny was appointed as a Non-Executive Director at EPUT in February 2018. Manny is currently the Chair of the Finance and Performance Committee and a member of the Board of Directors Remuneration and Nominations Committee and the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). He is currently the Non-Executive Director Board

champion / lead for bullying and harassment, energy and sustainability, equality and diversity, learning disability, older people / age equality and procurement.

Dr Alison Rose-Quirie, Non-Executive Director

Dr Alison Rose-Quirie began her career as a Prison Governor, the first operational female into Wandsworth Prison and youngest Governor of a male prison on transfer to the independent sector. Alison was also the Managing Director of GSL (now G4S) prisons and immigration and advised on international development projects.

She changed career path to Secure Mental Health as Managing Director for the Priory Group and later Care UK where she led the development of innovative rehabilitation services and a unique philosophy of care, always putting the service user at the very heart of the business. She was, twice, elected to Chair the Independent Mental Health Alliance and championed the cause of the sector and service users. Alison is involved in Parliamentary Groups, Ministerial Advisory Groups and co-authored 'The Pursuit of Happiness, a new ambition for our Mental Health services in 2014'.

Until taking the decision to step out of operational management, Alison was the CEO of the multi award winning Swanton Care and Community. Alison is on the Board of Care England and was a founder trustee of Learning Disability England. She is a Non-Executive Director of Nottinghamshire Healthcare NHS Foundation Trust, an Independent member of One Housing Group, Chairs an architectural practice and her son's event management business, and has been a visiting Chair for the Care Quality Commission (CQC).

Alison holds a Law Degree, a Masters of Business Administration and a PhD.

Alison was appointed as a Non-Executive Director onto the substantive Board of Directors for EPUT from July 2018. Alison is currently the Chair of the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020) and a member of the Board of Directors Remuneration and Nominations Committee. She is currently the Non-Executive Director Board champion / lead for Freedom to Speak Up (F2SU) and whistleblowing.

Amanda Sherlock, Non-Executive Director

Amanda started her career as an Occupational Therapist before moving into a variety of NHS general management and director roles working across acute, mental health and community services. She spent time at the Department of Health leading the strategy and performance portfolio for Eastern Region and steering through the transition programme of Primary Care Group to Primary Care Trust status.

Moving into care regulation to set up the first national regulator for care, Amanda spent several years in regulation culminating in holding the role of Director of Operations for the Care Quality Commission. Now working for a large commercial organisation she is responsible for quality, risk and governance for health and social care services.

Amanda was formerly appointed as a Non-Executive Director at NEP and was appointed as a Non-Executive Director on the Interim Board of Directors, then subsequently to the EPUT substantive Board of Directors.

Amanda is currently the chair of the Quality Committee as well as being a member of the Audit Committee, Board of Directors Remuneration and Nominations Committee and Charitable Funds Committees. She is the Non-Executive Director Board champion/lead for quality, patient safety and end of life care.

Nigel Turner, Non-Executive Director

Nigel is a senior financial executive (to Chief Finance Officer / Finance Director level) with over 30 years of general, financial, strategic and cross-national management experience in both the new economy and traditional business environments. He has practical hands-on experience of start-ups, business creation and development, and fund raising.

Since 2001, Nigel has been providing management consultancy support to the NHS, including four foundation trust applications. He has worked with the full spectrum of NHS organisations, including acute and mental health trusts, and clinical commissioning groups. Projects include financial planning and modelling, financial turnaround, Sustainability and Transformation Plans, funding applications, IFRS implementation, cash flow forecasting, options appraisal, financial control and budgeting, plus advising NHS boards on strategy and business development.

Prior to working with the NHS, Nigel was Chief Finance Officer of e-exchange plc, a B2B platform for the computer industry, where he raised more than US$14 million in post-seed finance and a US$50 million private placement for a pre-NASDAQ IPO funding. He joined e exchange after spending five years with Sun Chemical Corporation, the world's largest supplier to the graphical arts industry, as a European financial controller. From 1991 to 1993 Nigel worked for the German chemical and consumer goods group, Henkel KGaA, as their UK financial controller, and prior to that he was a manager at Coopers & Lybrand (PwC).

Nigel is a fellow (FCA) of the Institute of Chartered Accountants in England & Wales and holds an Executive MBA from the London Business School and the Financial Times' Non-Executive Director Diploma.

Nigel was appointed as a Non-Executive Director of EPUT in October 2017. He is currently the chair of the Charitable Funds Committee, Deputy Chair of both the Finance and Performance Committee and the Audit Committee and a member of the Board of Directors Remuneration and Nominations Committee. He is currently the Non-Executive Director Board champion / lead for security management (LSMS) and counter fraud.

Janet Wood, Non-Executive Director

Janet has a degree in Business Studies and Accountancy from Edinburgh University and is a member of the Institute of Chartered Accountants of Scotland, having trained with Deloittes. She joined the NHS in 1992, working for Redbridge Healthcare and then South Essex Health Authority, initially as chief accountant. Janet took a career break in 1999 to spend time with her family. At this point she was Finance Manager at Southend and Billericay, Brentwood and Wickford Primary Care Groups (the forerunners to PCTs). During her career break she undertook consultancy work for HFMA (Healthcare Financial Managers Association) covering a wide area of NHS finance issues and in particular assurance and governance. She was appointed a Non-Executive Director for SEPT in November 2005.

Janet had a very successful career as an NHS accountant and, therefore, is fully conversant with all NHS finance issues. She was involved in getting the Essex PCTs up and running and putting in place finance and early governance structures. Through her work with HFMA she helped run successful training events and has contributed to several publications explaining NHS finance and governance issues.

Janet was the former Vice-Chair and a Non-Executive Director of SEPT. When EPUT was established, Janet was appointed as Vice-Chair of the Interim Board and undertook the role of Acting Chair until 31 October 2018. She was appointed as the Vice-Chair of the substantive Board with effect from 1 October 2018, a role which she held until 31 March 2019.

Janet is currently the chair of the Audit Committee and a member of the Board of Directors Remuneration and Nominations Committee; and an ex officio member of the Finance and Performance Committee, the Quality Committee and the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). She is also currently the Non-Executive Director Board champion / lead for emergency planning and for data and cyber security and represents the Trust on the Suffolk & North East Essex STP/ICS Chairs Group.

Board Directors Contact Details

Board Directors can be contacted by telephone via the Trust's main switchboard on 0300 123 0808 or by email. Direct email addresses for Directors can be obtained from the Trust Secretary at epunft.trust.secretary@nhs.net

Board Directors (and other "decision making staff") Register of Interests

All members of the Board of Directors (and staff identified as "decision making staff" for the purposes of the Trust's Conflicts of Interest Policy) have a responsibility to declare relevant interests. Information in relation to those staff required to declare relevant interests and the process for obtaining and publishing declarations is contained within the Trust's Conflict of Interests Policy, available on the Trust website. The declarations are made known to the Trust Secretary and entered onto a register which is available to the public.

The Register of Interests for "decision making staff", including Board members, is published on the Trust website. Alternatively, details can be requested from the Trust Secretary at The Lodge, Lodge Approach, Wickford SS11 7XX or email epunft.trust.secretary@nhs.net.

Responsibilities of Directors for Preparing the Annual Accounts and Report

The Directors are required under the NHS Act 2006, and as directed by NHS Improvement, to prepare accounts for each financial year. NHS Improvement, with the approval of HM Treasury, directs that these accounts shall show, and give a true and fair view of the NHS FT's gains and losses, cash flow and financial state at the end of the financial year.

NHS Improvement further directs that the accounts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* that is in force for the relevant financial year, which shall be agreed with HM Treasury. In preparing these accounts, the Directors are required to:

- apply on a consistent basis, for all items considered material in relation to the accounts, accounting policies contained in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement;

- make judgements and estimates which are reasonable and prudent; and ensure the application of all relevant accounting standards, and adherence to UK generally accepted accounting practice for companies, to the extent that they are meaningful and appropriate to the NHS, subject to any material departures being disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Trust. This is to ensure proper financial procedures are followed, and that accounting records are maintained in a form suited to the requirements of effective management, as well as in the form prescribed for published accounts.

The Directors are responsible for safeguarding all the assets of the Trust, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are required to confirm that:

- as far as they are aware, there is no relevant information of which the Trust's auditor is unaware; and
- they have taken all steps they ought to have taken as a Director in order to make themselves aware of any such information and to establish that the auditor is aware of that information.

The Directors confirm, to the best of their knowledge and belief, they have complied with the above requirement in preparing the accounts.

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

NHS Improvement's Well Led Framework

Overview

NHS Improvement's Well Led Framework identifies the characteristics required of good provider organisations that ensure quality services are provided – these are:

- leadership capacity and capability;
- clear vision and credible strategy;
- culture of high quality care;
- clear responsibilities, roles and systems of accountability;
- clear and effective processes for managing risks, issues and performance;
- robust and appropriate information effectively processed and challenged;
- people using services, the public, staff and partners are engaged and involved; and
- robust systems and processes for learning, continuous improvement and innovation.

In 2017/18, its first year, the Trust invested heavily in taking action to create the corporate and quality governance infrastructure required to consistently deliver high quality services. As reported in our Annual Report last year, during 2018/19 the outcomes of internal comprehensive self-assessments against the framework as well as the outcomes of the CQC Comprehensive Inspection in April / May 2018 were used to identify and take forward a range of actions to assist the Trust to meet criteria associated with 'outstanding' rated organisations in the future.

In accordance with NHS Improvement guidance (which states that organisations should ideally commission an externally facilitated review against the well-led framework every three years), the Trust commissioned Deloitte LLP via a competitive selection process to undertake an externally facilitated developmental well-

led review at the end of 2018/19. Deloitte LLP had not undertaken any audit or governance-related work at the Trust or predecessor organisations within the past three years, and there were deemed to be no conflicts of interest.

Deloitte LLP undertook its fieldwork for the review during March and April 2019 and issued its report of findings against the eight characteristics listed above in July 2019. Their report provided the Trust with positive assurances with no significant areas of concern identified. Deloitte LLP did however make some developmental recommendations for action in terms of learning from other organisations to further strengthen the Trust's leadership and governance arrangements. An action plan was developed by the Board to take forward these recommendations; and its implementation has been overseen and monitored by the Board in developmental sessions since issue of the report.

During their work, Deloittes LLP identified many areas of good practice and several areas that exceeded good practice, including:

- Board and leadership visibility;
- governance arrangements;
- Trust vision and values; and
- risk and concern reporting

The three key areas that Deloitte LLP identified for focus for developmental action were strengthening of the Trust's quality improvement framework and approach, risk management oversight and Board reporting.

Actions taken in response to the developmental recommendations during 2019/20 include:

- amendment of the Board of Director meeting schedule to reduce the number of public Board meetings to bi-monthly and increase the frequency of Board developmental sessions to provide enhanced opportunities for strategic transformation / development discussions. Revision of the focus of the Board's Strategy and Planning Committee, updating its terms of reference and agreeing a changed title to the People, Innovation and Transformation Committee to more closely reflect the new focus (to be implemented from 2020/21);
- participation by the Board of Directors in all four modules of the NHSI Leadership for Quality Board Development Programme (covering quality, data, governance and culture);
- development and agreement of an EPUT Quality Improvement Framework and associated implementation plan;
- revision of the format of the finance and performance reports to the Board of Directors to ensure greater clarity of information and efficiency; and
- formalisation of receiving and acting on partner feedback at the Executive Operational Sub-Committee.

Developmental actions which will be progressed during 2020/21 include:

- review and refresh of the Trust's Talent Management Strategy;
- development of a Performance Management and Accountability Framework; and
- introduction of assurance reports relevant to risks identified in the Board Assurance Framework within each Board of Directors meeting agenda (from May 2020).

The Annual Governance Statement (pages (iv) – (ix) of the Annual Accounts 2019/20) provides details of the systems of internal control that have been established and examples are cited throughout this Annual Report of the systems and processes in place within the organisation to ensure that quality services are delivered by the Trust.

There are no material inconsistencies between our Annual Governance Statement and this Annual Report.

Stakeholder Relations

As a partnership Trust we remain firmly committed to working with all of our partners (our staff, our service users and their carers, our governors, members, clinical commissioning groups, local authorities and the voluntary sector) to deliver services that our local communities need. We work with all of our partners to develop shared proposals to improve health and care designed around the needs of whole areas, not just individual organisations.

During 2018/19 the Board assigned an Executive Director and Non-Executive Director lead to each of the three Sustainability and Transformation Partnership (STP) areas in which the Trust operates (West Essex; Mid and South Essex; and North Essex and Suffolk). This arrangement continued throughout 2019/20 and has ensured a strong Trust presence at all Executive and Chair STP meetings. Feedback from stakeholders indicates that the Trust's contribution at STP meetings is felt to be insightful and making a positive impact; with the Trust being a valued full system partner. As part of this, the Trust has played a key role in STP discussions and developments (including sustainability and transformation partnership plans), ensuring that mental health and community service provision is high priority in system-wide considerations.

In recognition of the importance of stakeholder relations, the Trust asked Deloitte LLP to give specific focus in their review to the effectiveness of stakeholder engagement. Deloitte found positive examples of engagement both internally and externally; and made some suggestions for further strengthening which the Trust has pursued.

Patient and Public Involvement

The Trust believes that receiving and acting on feedback from our service users is crucial to maintaining the high quality standards we set ourselves and work has continued throughout 2019/20 to increase the feedback received and actions taken. There is a detailed section in the Trust's Quality Account 2019/20 (to be published later in 2020) that outlines some of the ways in which feedback is captured from people who use our services together with examples of changes that have been made and outcomes resulting from that feedback.

The Trust uses a range of mechanisms to gather feedback from our service users, including:

- organisational and national patient surveys;
- "Your Voice" meetings giving service users, carers, members of the Trust and Governors as well as the public a chance to speak directly to the Chief Executive about the services provided by EPUT;
- Community Mental Health Forums providing the opportunity for service users, carers and staff to discuss services in their area and share feedback with the Trust;
- a Stakeholder Reference Group set up to involve service users in transformation work within the Trust; and
- open inpatient meetings allowing managers the opportunity to gather feedback from patients and relatives to improve services.

Some other examples of work service users are also involved in include training provision to staff, co-production and a buddy scheme. Further details of all of the above are included in the Quality Account 2019/20.

During 2019/20 the Patient Experience Team undertook a project to engage with people who have lived experience in order to co-produce the Trust's new Patient Experience Framework for 2020-2023. This work is on-going at the time of collating this Annual Report.

NHS Improvement's NHS Oversight Framework

Overview

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

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

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

Segmentation

EPUT has been placed in Segment 2. Regular performance review meetings have taken place in year between the Trust and NHSE/I. NHSE/I has not taken any enforcement action in respect of the Trust.

The segmentation information is the Trust's position as at Quarter 4. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Finance and Use of Resources

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

Table 8: Finance and use of resources scoring

Area	Metric	2019/20			
		Q1	Q2	Q3	Q4
Financial Sustainability	Capital Service Capacity	2	2	2	2
	Liquidity	1	1	1	1
Financial Efficiency	I & E Margin	1	1	1	1
Financial Controls	Distance from financial plan	1	1	1	1
	Agency Spend	1	1	2	2
Overall Scoring		**1**	**1**	**1**	**1**

Area	Metric	2018/19			
		Q1	Q2	Q3	Q4
Financial Sustainability	Capital Service Capacity	2	3	3	2
	Liquidity	1	1	1	1
Financial Efficiency	I & E Margin	1	1	1	1
Financial Controls	Distance from financial plan	1	1	1	1
	Agency Spend	2	2	2	2
Overall Scoring		**1**	**2**	**2**	**2**

Sally Morris
Chief Executive
Essex Partnership University NHS FT
24 June 2020

Remuneration Report

Introduction

This section covers the remuneration of the most senior managers of the Trust – those people who have the authority and responsibility for controlling the major activities of the Trust. In effect this means the Board of Directors, including both Executive Directors (including the Chief Executive) and Non-Executive Directors (including the Chair).

Information is also provided about the Remuneration Committees, the policy on remuneration and detailed information about the remuneration of the Executive and Non-Executive Directors of the Trust.

Annual Statement on Remuneration

Executive Directors (including the Chief Executive)

The Board of Directors Remuneration and Nominations Committee has delegated responsibility to review and set the remuneration, allowances and other terms and conditions of the Executive Directors (including the Chief Executive) who are the Trust's most senior managers. The Trust's Executive Directors have the authority and responsibility for directing and controlling major activities of the Trust.

The remuneration policy for the Trust's Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity. It also takes into account the performance of the Trust, comparability with employees holding national pay and conditions of employment, pay awards for senior roles elsewhere in the NHS and pay / price changes in the broader economy, any changes to individual roles and responsibilities, as well as overall affordability. Decisions regarding individual remuneration are made with due regard to the size and complexity of the senior managers' portfolios of responsibility. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors of the quality required.

The Executive Director salary is a 'spot' salary within an agreed remuneration framework. The current remuneration policy is not to award any performance related bonus or other performance payment to Executive Directors. The Trust follows the NHS Improvement guidance on pay for very senior managers (VSMs) in NHS trusts and foundation trusts issued in March 2018. Thus, for any new appointments above the threshold of £150k per annum, the provisions within that guidance relating to "earn-back" and performance pay bonuses aligned to achievement of objectives agreed by the Board would be enacted.

The Trust does not make termination payments to Executive Directors which are in excess of contractual obligations, and there have been no such payments during the past year.

The Committee refers to the NHS Providers' annual salary benchmarking survey analysis together with publicly available information about trends within the NHS and broader economy.

Non-Executive Directors (including the Chair)

The Council of Governors Remuneration Committee currently has delegated responsibility to recommend to the Council of Governors the remuneration levels for the Chair and all Non-Executive Directors, including allowances and the other terms and conditions of office in accordance with all relevant legislation and regulations. The remuneration levels for all future appointments will take into account the NHSE/I "Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts" implementation document issued in September 2019.

In reviewing the remuneration of the Chair and Non-Executive Directors, the Committee balances the need to attract, retain and motivate directors of the quality and with the appropriate skills and experience required on the Board to meet current and future business needs without paying more than is necessary and at a level which is affordable to the Trust.

The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking survey analysis. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment and responsibilities of Non-Executive Directors and Chair, as well as succession planning requirements.

The Chair and Non-Executive Directors are entitled to receive remuneration only in relation to the period for which they hold office; there is no entitlement to compensation for loss of office.

Decisions made during 2019/20

During the year, the Board of Directors Remuneration and Nominations Committee agreed (in respect of remuneration business):

- an annual pay uplift of 1.32% and 0.77% for Executive Directors for 2019/20, both paid as non-consolidated lump sum payments as all posts were above the upper quartile value in line with the recommendation from NHS Improvement for staff on Very Senior Manager contracts. This uplift was awarded to all Executive Directors with the exception of the Medical Director who is employed on a Consultant Contract and thus received their annual uplift through the Medical and Dental annual pay increase;
- remuneration for the new post of Executive Director of People & Culture;
- proposed remuneration for the Chief Executive post (for recruitment purposes); and
- proposed remuneration for the Executive Chief Finance Officer post (for recruitment purposes).

During the year, following recommendation by the Council of Governors Remuneration Committee, the Council of Governors agreed:

- a pay uplift of 1.55% for 2018/19 for all Non-Executive Directors, backdated to 1st April 2018; and
- the performance review process for the Chair and Non-Executive Directors for performance year 2019/20.

Professor Sheila Salmon
Trust Chair and Chair of the Board of Directors Remuneration and Nominations Committee and Council of Governors Remuneration Committee
Essex Partnership University NHS FT
24 June 2020

Senior Managers Remuneration Policy

Future Policy

Remuneration Package Components	The Executive Directors' (including the Chief Executive) remuneration package consists of salary and the entitlement to NHS pension benefits or a Retention Bonus Scheme should they have reached their Life Time Allowance and opted to withdraw from the NHS Pension Scheme. Non-Executive Directors (including the Chair) are remunerated for an agreed number of days work per month. There is no entitlement to the NHS pension scheme.
Remuneration Package	The Executive Director salary is a 'spot' salary within an agreed remuneration framework. The salary levels are set to attract and retain appropriately skilled executives. The Trust believes that by setting an appropriate salary then no additional components are necessary to drive forward the Trust's strategic objectives. The Trust has two Executive Directors on Very Senior Manager (VSM) terms and conditions who are currently paid more than £150,000. The salaries for these individuals were set to match the current market rates at the time of their appointment to the Trust. Yearly objectives are set and monitored internally to ensure the continuation of these salaries. We believe they are a fair and competitive salary rate to support succession planning.
Remuneration Package Framework	**Executive Directors (including the Chief Executive)** The current remuneration policy is not to award any performance related bonus or other performance payment to Executive Directors. The Trust follows the NHS Improvement guidance on pay for Very Senior Managers (VSMs) in NHS trusts and foundation trusts issued in March 2018. Thus, for any new appointments above the threshold of £150k per annum, the provisions within that guidance relating to "earn-back" and performance pay bonuses aligned to achievement of objectives agreed by the Board would be enacted. Executive Director contracts stipulate that if monies are owed to the Trust the post-holder will agree to repay them by salary deduction or by any other method acceptable to the Trust. The Trust may withhold payment in circumstances of unauthorised absence. This policy applies to all Executive Directors. For the 2019/20 financial year, there are no instances of monies owed to or by the Trust in respect of Executive Directors. The Trust's Retention Bonus Scheme remains available and is in place where an individual has reached their Lifetime Allowance based on his/her NHS Pension entitlement and after seeking financial advice, and ceases to be an active member of the NHS Pension Scheme. The Trust will make a retention payment equal to 7.5% of an individual's annual basic salary (no allowances, on call supplements or other

	additional payments will be taken into account). This retention payment will be taxable and paid [in two instalments of 3.75%] six months in arrears of the 30 September and 31 March in each financial year ("a Qualifying Date") in the next payroll run after a Qualifying Date. Also as part of the Scheme the Trust will award an additional five days paid annual leave earned in arrears for each six months of continued employment (ten days maximum per financial year). This annual leave cannot, under any circumstances, be converted in to a cash payment; it must be taken and/or before the individual's employment ends. It should be noted that this scheme is available for all staff who may have reached their Life Time Allowance, not just Executive Directors. The key difference between the Trust's policy on Executive Directors' remuneration and its general policy on employees' remuneration are: • Salary: the Trust appoints Executive Directors on a range of spot salaries within an agreed remuneration framework, i.e. salaries with no incremental progression; • Notice period: Executive Directors are expected to give six months' notice of termination of employment. This is in recognition of the need to have sufficient time to recruit a replacement or alternatively to appoint to a different post; • Pay review: the Board of Directors Remuneration Committee determines whether or not to award cost of living pay awards to Executive Directors. **Non-Executive Directors (including the Chair)** The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking analysis. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment, responsibilities of Non-Executive Directors and Chair, as well as the skills, knowledge and experience required on the Board to meet business needs and succession planning. The remuneration levels for all future appointments will take into account the NHSE/I "Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts" implementation document issued in September 2019.

Service Contract Obligations

The Trust is obliged to give Executive Directors six months' notice of termination of employment, which matches the notice expected of Executive Directors from the Trust. The Trust does not make termination payments beyond its contractual obligations which are set out in the contract of service and related terms and conditions. Executive Directors' terms and conditions, with the exception of salary, shadow the national Agenda for Change arrangements, inclusive of sick pay and redundancy arrangements and do not contain any obligations above the national level.

Policy on Payment for Loss of Office

Executive Directors' service contracts contain a requirement for the Trust to provide six months' notice of termination to directors. In turn, it requires Executive Directors to provide six months' notice to the Trust if they resign from its service. The Trust retains the right to make payment in lieu of the notice period be it in part or for the whole period where it considers it is in the Trust's interest to do so. Any decision on this would be taken by the Board of Directors Remuneration and Nominations Committee.

Executive Directors are covered by the same policy in terms of conduct and capability as other Trust staff and if found to have engaged in gross misconduct or committed any act or omission which breaches the trust and confidence of the Trust they can be summarily dismissed, i.e. their contract would be terminated without notice and/or compensation.

In cases of termination due to organisational change, Executive Directors are covered by the national Agenda for Change arrangements for redundancy for NHS staff. This states that one month's pay will be provided for each complete year of reckonable service in the NHS without a break of 12 months or more. Limits are set on this payment which is currently £160,000.

Statement of Consideration of Employment Conditions Elsewhere in the Trust

The Trust's Board of Directors Remuneration and Nominations Committee carries out an annual review of pay and terms and conditions for Executive Directors. This includes their having regard to salary and the remuneration package as a whole. Salary levels are set taking into account the need to recruit and retain able directors and balancing that against a proper regard for use of public funds. In setting salary levels the Remuneration Committee satisfies itself that the salary is competitive with other NHS providers of a similar constitution.

The Remuneration and Nominations Committee will also review the pay progression framework in light of the current and emerging economic environment. There is no performance based progression in place in the Trust although performance is managed by a robust appraisal and supervision framework. Trust Executive Directors are subject to the same capability arrangements as other Trust staff including annual appraisal, 360° appraisal feedback (every 2 years) and 9 box talent management.

Policy on Diversity and Inclusion

The Trust's Equality, Inclusion and Human Rights Policy influences the decisions we make as a Trust, and is a key part of our overall Equality Strategy (2020-22). The Trust aims to ensure that our services are accessible to everyone, our staff are empowered to build strong and healthy communities and that our staff feel safe, included and have fair access to employment. The delivery of this throughout the Trust is via the Equality Delivery System (EDS2) action plan and toolkit, as well as involvement from our Equality Framework Senior leads responsible for Equality, Patient Wellbeing and Staff Wellbeing.

Our bi-monthly Equality and Inclusion Committee reviews and drives these systems, with input from our five Staff Equality Networks and approximately 300 volunteer Equality Champions across the Trust. As a sub-committee of the Quality Committee, the group steers and reviews and is regularly attended by senior leads for Patient Experience, Compliance, Staff Engagement, Inpatient and Community Services, as well as other areas across the Trust. This group is also influenced by data from the Friends and Family Test (FFT) both for internal staff and the people who use our services.

As a Trust we work to reduce the Gender Pay Gap for our employees, and publish our reporting for this on our website https://eput.nhs.uk/wp-content/uploads/2020/03/EPUT-Gender-Pay-Gap-Report-07.02.20.docx

Further details are included in the Staff Report. EPUT works to make sure that our practices do not disproportionately affect or discriminate against any protected characteristic under the Equality Act (2010) and adheres to the guidance of the Public Sector Equality Duty (2010).

Annual Report on Remuneration

The Trust has two Remuneration Committees; the Board of Directors Remuneration and Nominations Committee and the Council of Governors Remuneration Committee.

Board of Directors Remuneration and Nominations Committee

Membership of the Committee wholly comprises Non-Executive Directors who are viewed as independent, having no financial interest in matters to be decided, and the Committee is chaired by the Trust's Chair. The Chief Executive will attend meetings of the Committee if invited to do so by the chair of the Committee but may not receive any papers in relation to or be present when their remuneration or conditions of service are considered. The Executive Director of People and Culture (or their deputy) will normally attend the meetings (depending on the agenda items to be discussed) in an advisory capacity as required. The Trust Secretary is the Committee Secretary. The Committee may commission independent professional advice if considered necessary. No consultants were commissioned during 2019/20 in respect of remuneration business.

The Board of Directors Remuneration and Nominations Committee has the responsibility for setting the remuneration of the Executive Directors. Details are included in the section above on Senior Managers Remuneration Policy.

The Committee meets when necessary but at least annually.

Members of the Committee and the number of meetings attended by each member during the year are set out below.

Table 9: Board of Directors Remuneration and Nominations Committee Membership and Meeting Attendance

Name	Role	Meetings Attended (actual/possible)
Prof Sheila Salmon	Chair of the Committee	7/8
Alison Davis	Non-Executive Director	7/8
Dr Rufus Helm	Non-Executive Director	4/8
Manny Lewis	Non-Executive Director	6/8
Amanda Sherlock	Non-Executive Director	6/8
Alison Rose-Quirie	Non-Executive Director	8/8
Nigel Turner	Non-Executive Director	8/8
Janet Wood	Non-Executive Director	8/8

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 51, the Committee also:

- considered the Chief Executive's and Executive Directors' end of year reviews for 2018/19 and agreed that appropriate assurance had been provided of their effectiveness;

- noted the Chief Executive's and Executive Directors' objectives for 2019/20;
- considered the mid-year reviews for the Chief Executive and Executive Directors for 2019/20 and gained assurance of their effectiveness;
- considered the outcome of the Executive Director of People and Culture's probation performance review and gained assurance of their effectiveness; and
- noted the decisions of the Executive Remuneration Committee (relating to senior staff not on Agenda for Change terms and conditions).

Council of Governors Remuneration Committee

The Council of Governors has delegated responsibility to its Remuneration Committee for assessing and making recommendations to the Council in relation to the remuneration, allowances and other terms and conditions of office for the Chair and all Non-Executive Directors.

In addition, the Committee leads on the process to receive assurance on the performance evaluation of the Chair, working with the Senior Independent Director; and Non-Executive Directors, working with the Chair.

The Committee is chaired by the Lead Governor and may, as appropriate, retain external consultants or commission independent professional advice. In such instances the Committee will be responsible for establishing the selection criteria, appointing and setting the terms of reference for remuneration consultants or advisers to the Committee. No consultants were commissioned during 2019/20. At the invitation of the Committee, the senior officer responsible for HR will attend the meeting in an advisory capacity. The Trust Secretary is the Committee Secretary.

The Committee meets when necessary but at least annually.

Members of the Committee and the number of meetings attended by each member during the year are set out below.

Table 10: Council of Governors Remuneration Committee Membership and Meeting Attendance

Name	Role	Meetings Attended (actual/possible)
John Jones	Public Governor (Chair of Committee)	4/4
Brian Arney (from October 2019)	Public Governor	1/2
David Bowater (until August 2019)	Appointed Governor	0/2
Peter Cheng	Public Governor	4/4
Paula Grayson	Public Governor	3/4
Tracy Reed	Staff Governor	3/4
Graham Underwood (until August 2019)	Appointed Governor	0/2
Clive White	Public Governor	4/4
Judith Woolley	Public Governor	3/4

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 51, during the year the Council of Governors Remuneration Committee:

- received assurance that the end of year appraisal process for Non-Executive Directors for 2018/19 had been satisfactorily completed in line with the performance review process agreed by the Council of Governors;
- received assurance on the satisfactory performance of the Chairs / Non-Executive Directors for 2018/19 following appraisal (including progress against objectives);
- received assurance that appropriate objectives for 2018/19 for the Chair and Non-Executive Directors were in place;
- considered the NHS Providers Remuneration Benchmarking Survey 2018 for Chairs and Non-Executive Directors;
- considered a summary of outcomes of the 360 degree appraisal process for the Non-Executive Directors in 2019 provided by the NHS Leadership Academy; and
- considered the following new NHSE/I guidance - Structure to align remuneration for Chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts implementation document; Role of the NHS Provider Chair: A Framework for Development; and Framework for Conducting Annual Appraisals of NHS Provider Chairs.

The following tables detail service contract details for the Executive and Non-Executive Directors of the Trust.

Table 11: Service Contracts: Executive Directors

Name	Role	Contract Start Date at Predecessor Trusts	Interim Board Contract Start Date	Substantive Board Contract Start Date
Sally Morris	Chief Executive	14 Jul 2006	01 Apr 2017	17 Aug 2017
Andy Brogan	Executive Director Mental Health and Deputy Chief Executive changed to Chief Operating Officer and Deputy Chief Executive	01 Sept 2009	01 Apr 2017	25 Aug 2017
Prof Natalie Hammond	Executive Nurse	09 Mar 2015	01 Apr 2017	25 Aug 2017
Nigel Leonard	Executive Director Corporate Governance and Strategy changed to Executive Director of Strategy & Transformation	01 Feb 2014	01 Apr 2017	25 Aug 2017
Dr Milind Karale	Executive Medical Director	30 Jul 2012	01 Apr 2017	25 Aug 2017
Mark Madden	Executive Chief Finance and Resources Officer	09 Apr 2014	01 Apr 2017	25 Aug 2017
Malcolm McCann (until 30/06/19)	Executive Director Community Services and Partnerships	15 Apr 2013	01 Apr 2017	25 Aug 2017
Sean Leahy	Executive Director People and Culture	n/a	n/a	06 Aug 2019

Table 12: Service Contracts: Non-Executive Directors

Name	Role	Period of Office	Contract Start date at Predecessor Trusts	Start Date	End Date
Prof Sheila Salmon	Chair	3 years	n/a	01 Nov 2017	31 Oct 2020
Alison Davis	NED/SID	3 years	05 Jan 2012	01 Oct 2017	30 Sep 2020
Dr Rufus Helm	NED	3 years	n/a	24 Jul 2018	23 Jul 2021
Manny Lewis	Vice Chair	3 years	n/a	28 Feb 2018	27 Feb 2021
Dr Alison Rose-Quirie	NED	3 years	n/a	24 Jul 2018	23 Jul 2021
Amanda Sherlock	NED	3 years	01 Jun 2014	01 Oct 2017	30 Sep 2020
Nigel Turner	NED	3 years	n/a	01 Oct 2017	30 Sep 2020
Janet Wood	NED	3 years	01 Nov 2005	01 Oct 2017	30 Sep 2020

The following table provides details of the remuneration of Non-Executive Directors of the Trust for 2019/20.

Table 13: Non-Executive Directors Remuneration

Name	Role	Remuneration	Working Days	Additional Fees
		£0		£0
Prof Sheila Salmon	Chair	40-45	11 per month	Nil
Alison Davis	NED/SID	15-20	5 per month	Nil
Dr Rufus Helm	NED	15-20	5 per month	Nil
Manny Lewis	Vice Chair	15-20	5 per month	Nil
Dr Alison Rose-Quirie	NED	15-20	5 per month	Nil
Amanda Sherlock	NED	15-20	5 per month	Nil
Nigel Turner	NED	15-20	5 per month	Nil
Janet Wood	Chair of Audit Committee	20-25	6 per month	Nil

Executive and Non-Executive Director Expenses

Total Executive and Non-Executive Directors expenses incurred by the Trust during 2019/20 totalled £27,875 and were claimed by 16 Directors in post during the year (2018/19: £24,200 claimed by 15 Directors).

Table 14: Senior Managers Pay (subject to audit)

		2019/20							
		Salary	Other Remuneration	Taxable Benefits*	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
		£000	£000	£	£000	£000	£000	£000	£000
Sally Morris	Chief Executive	200 - 205	-	-	-	-	-	-	200 - 205
Andy Brogan	Executive Chief Operating Officer and Deputy CEO**	145 - 150	-	-	-	-	-	-	145 - 150
Mark Madden	Executive Chief Finance and Resources Officer	160 - 165	-	-	-	-	-	-	160 – 165
Malcolm McCann	Executive Director of Community Services and Partnerships (until 30/06/2019)	35 - 40	-	-	-	-	-	-	35 - 40
Dr Milind Karale	Executive Medical Director	195 - 200	-	-	-	-	30 - 35	-	225 - 230
Nigel Leonard	Executive Director of Corporate Governance	145 - 150	-	-	-	-	-	-	145 – 150
Professor Natalie Hammond	Executive Nurse	135 - 140	-	-	-	-	-	-	135 - 140
Sean Leahy	Executive Director of People and Culture (from 06/08/2019)	85 - 90	-	2,600	-	-	20 - 25	-	110 - 115
Professor Sheila Salmon	Chair	40 – 45	-	800	-	-	-	-	40 – 45
Janet Wood	Non-Executive Director / Chair of Audit Committee	20 – 25	-	1,000	-	-	-	-	20 – 25
Alison Davis	Non-Executive Director	15 – 20	-	2,900	-	-	-	-	20 - 25
Amanda Sherlock	Non-Executive Director	15 – 20	-	700	-	-	-	-	15 – 20
Nigel Turner	Non-Executive Director	15 - 20	-	200	-	-	-	-	15 - 20
Rufus Helm	Non-Executive Director	15 – 20	-	600	-	-	-	-	15 – 20
Alison Rose-Quirie	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
Manny Lewis	Non-Executive Director / Vice Chair (from 06/09/2019)	15 - 20	-	300	-	-	-	-	15 - 20

* The taxable expenses relate to travel costs for home to base mileage for Non-Executive Directors and relocation expenses for the Executive Director of People and Culture

** Up until the end of May 2019, Andy Brogan was seconded for one day per week to the role of Associate National Clinical Director – Mental Health, with NHS Improvement. The above salary information represents the gross cost to the Trust.

		2018/19							
		Salary	Other Remuneration	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Sally Morris	Chief Executive	185 - 190	-	-	-	-	2.5 – 5.0	-	185 - 190
Andy Brogan	Executive Director of Mental Health / Deputy Chief Executive	145 - 150	-	-	-	-	-	-	145 - 150
Mark Madden	Executive Chief Finance and Resources Officer	155 - 160	-	-	-	-	-	-	155 - 160
Malcolm McCann	Executive Director of Community Services and Partnerships	135 - 140	-	-	-	-	-	-	135 - 140
Dr Milind Karale	Executive Medical Director	200 - 205	-	-	-	-	30.0 – 32.5	-	230 - 235
Nigel Leonard	Executive Director of Corporate Governance and Strategy	135 - 140	-	-	-	-	2.5 – 5.0	-	140 - 145
Professor Natalie Hammond	Executive Nurse	135 - 140	-	-	-	-	100.0 – 102.5	-	225 - 230
Professor Sheila Salmon	Chair	40 - 45	-	900	-	-	-	-	40 - 45
Janet Wood	Non-Executive Director / Vice Chair	20 - 25	-	1,300	-	-	-	-	20 - 25
Alison Davis	Non-Executive Director	15 - 20	-	2,600	-	-	-	-	15 - 20
Mary-Ann Munford	Non-Executive Director (until 31/05/2018)	0 - 5	-	-	-	-	-	-	0 - 5
Amanda Sherlock	Non-Executive Director	15 - 20	-	800	-	-	-	-	15 - 20
Nigel Turner	Non-Executive Director	15 - 20	-	100	-	-	-	-	15 - 20
Rufus Helm	Non-Executive Director (from 24/07/18)	10 - 15	-	200	-	-	-	-	10 - 15
Alison Rose-Quirie	Non-Executive Director (from 24/07/18)	10 - 15	-	700	-	-	-	-	10 - 15
Nicci Statham	Non-Executive Director (until 30/04/18)	0 - 5	-	600	-	-	-	-	0 - 5
Manny Lewis	Non-Executive Director	15 - 20	-	500	-	-	-	-	15 - 20

The value of pension benefits accrued during the year (column entitled ‘all pension related benefits’ in the Single Figure Table above), is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

As detailed in the Senior Managers Remuneration Policy table on pages 52 - 53, Executive Directors were eligible to participate in the Trust's Retention Bonus Scheme. Three Executive Directors had reached their Lifetime Allowance based on their NHS Pension Entitlement and such, became members of this scheme. Three year comparisons are shown below for those individuals in terms of their total pay. The scheme reduces the total costs to the Trust as the employer no longer pays Employer pension contributions. The inconsistency in 2018/19 reflects the reduced pension contributions for individual but shows no retention payments as these are accounted for when paid and the first payment was made in April 2019.

Table 15: Executive Directors participating in Trust's Retention Bonus Scheme

Name	Role	Total Pay (including salary and pension benefits) £'000		
		19/20	18/19	17/18
Sally Morris	Chief Executive	200 – 205	185 – 190	230 – 235
Mark Madden	Executive Chief Finance Officer	160 – 165	155 – 160	180 – 185
Nigel Leonard	Executive Director of Strategy and Transformation	145 - 150	140 – 145	150 - 155

Table 16: Total Pension Entitlement (subject to audit)

		2019/20				
		Real Increase/ (Decrease) in Pension and related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2020	Cash Equivalent Value at 31 March 2019	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2020
		£000	£000	£000	£000	£000
Sally Morris	Chief Executive	n/a	n/a	n/a	n/a	n/a
Andy Brogan	Executive Chief Operating Officer and Deputy Chief Executive	n/a	n/a	n/a	n/a	n/a
Mark Madden	Executive Chief Finance and Resources Officer	n/a	n/a	n/a	n/a	n/a
Malcolm McCann	Executive Director of Community Services and Partnerships (until 30/06/2019)	n/a	n/a	n/a	n/a	n/a
Dr Milind Karale	Executive Medical Director	2.5 – 5.0	100 - 105	570	46	629
Nigel Leonard	Executive Director of Corporate Governance	n/a	n/a	n/a	n/a	n/a
Professor Natalie Hammond	Executive Nurse	-	150 - 160	851	-	826
Sean Leahy	Executive Director of People and Culture (from 06/08/2019)	0 – 2.5	0 – 2.5	0	21	21

		2018/19				
		Real Increase/ (Decrease) in Pension and related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2019	Cash Equivalent Value at 31 March 2018	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2019
		£000	£000	£000	£000	£000
Sally Morris	Chief Executive	2.5 – 5.0	195 - 200	961	119	1,108
Andy Brogan	Executive Director of Mental Health / Deputy Chief Executive	n/a	n/a	n/a	n/a	n/a
Mark Madden	Executive Chief Finance and Resources Officer	0 - 2.5	215 - 220	1,088	121	1,241
Malcolm McCann	Executive Director of Community Services and Partnerships	n/a	n/a	n/a	n/a	n/a
Dr Milind Karale	Executive Medical Director	0 – 2.5	95 – 100	465	90	570
Nigel Leonard	Executive Director of Corporate Governance and Strategy	2.5 – 5.0	185 – 190	909	112	1,049
Professor Natalie Hammond	Executive Nurse	12.5 – 15.0	160 - 165	660	171	850

During 2019/20, the method used by the NHS Business Services Authority to calculate CETV's changed to remove the adjustment for Guaranteed Minimum Pension (GMP). Where individuals were permitted to a GMP, the calculation of the real increase in CETV would be affected, particularly where they are members of the 1995 Section and 2008 Section of the scheme.

Fair pay multiple (subject to audit)

The Trust is required to disclose the relationship between the remuneration of the highest paid Director and the median remuneration of the Trust's workforce.

The banded remuneration of the highest paid Director in the Trust in the financial year 2019/20 was £200,000 to £205,000 (2018/19: £195,000 to £200,000). This was 7.51 times (2018/19: 7.53 times) the median remuneration of the workforce, which was £26,970 (2018/19: £26,220).

In 2019/20, there were no employees (2018/19: nil) who received remuneration in excess of the highest paid Director.

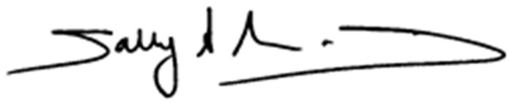
Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Loss of Office Payments (subject to audit)

The Trust did not make any payments to Senior Managers in respect of loss of office during 2019/20.

Payments to Past Senior Managers (subject to audit)

The Trust has not made any payments to past Senior Managers during the financial year.



Sally Morris
Chief Executive
Essex Partnership University NHS FT
24 June 2020

Staff Report

Our Staff

Staff Costs (subject to audit)

During 2019/20, the Trust incurred total staffing costs of £234.9 million which can be analysed as follows between permanent staff and other staff:

Table 17: Staff costs 2019/20

	Permanent Staff £000	Other Staff £000	Total Staff £000
Salaries and Wages	170,498	2,783	173,281
Social Security Costs	17,020	-	17,020
Apprenticeship Levy	836	-	836
Pension Cost (employer contributions to NHS Pension Scheme)	20,200	-	20,200
Pension Cost (employer contributions paid by NHSE on provider's behalf at 6.3%)	8,738	-	8,738
Pension Cost (other)	265	-	265
Other Post Employment Benefits	(107)	-	(107)
Termination Benefits	158	-	158
Temporary Staff – agency / contract staff	0	14,553	14,553
Total Staff Costs	**217,608**	**17,336**	**234,944**

These total staff costs are categorised in note 5 to the annual accounts between employee expenses (staff and executive directors), research and development, education and training and redundancy.

Average Staff Numbers (subject to audit)

During 2019/20, the Trust employed an average of 5,267 staff as follows:

Table 18: Average staff numbers 2019/20

	Permanent Staff (WTE*)	Other Staff (WTE*)	Total Staff (WTE*)
Medical and Dental	211	60	271
Administration and Estates	1,055	34	1,089
Healthcare Assistants and Other Support Staff	1,670	61	1,731
Nursing, Midwifery and Health Visiting Staff	1,487	108	1,595
Nursing, Midwifery and Health Visiting Learners	2	-	2
Scientific, Therapeutic and Technical Staff	509	27	536
Social Care Staff	43	-	43
Total Average Staff Numbers	**4,977**	**290**	**5,267**

** WTE (Whole Time Equivalent) denotes the total number of hours of all post holders in the staff group (whether part-time or full-time) divided by the full-time hours of a role in the staff group. For example, a member of staff contracted to work 18.75 hours per week in a role with full time hours of 37.5 would constitute 0.5WTE.*

Gender Analysis

Our workforce profile is similar to many foundation trusts in that 52.9% of our staff are over the age of 45 and our workforce is predominantly female. This is detailed further in the table below.

Table 19: Workforce Profile

Staff Group	TOTAL	Gender		Age			
		Female	Male	<25	26-45	46-65	>65
Board of Directors	15	7	8	0	0	14	1
Senior Managers	34	28	6	0	6	28	0
Doctors and Dentists	228	106	122	0	129	91	8
Nursing	1,470	1,193	277	48	638	768	16
Other healthcare staff	1,824	1,490	334	114	872	791	47
Support staff	1,472	1,172	300	72	498	834	68
All employees	5,043	3,996	1,047	234	2,143	2,526	140
All employees %		79.24%	20.76%	4.64%	42.49%	50.09%	2.78%

Sickness Absence (taken from December 2019* NHS Digital report)

** the latest figures available at the time of preparation of this report were for December 2019*

Please note: information in relation to sickness absence for NHS Trusts is available at the following link https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

The average sickness absence rate for EPUT during 2019/2020 (based on NHS Digital December 2019 report) was 11.9 days sickness per full time member of staff.

Table 20: Sickness Absence

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE* 2019	Adjusted FTE* days lost to Cabinet Office definitions	Average Sick Days per FTE*	FTE*-Days Available	FTE*-Days recorded Sickness Absence
4289	51,056	11.9	1,565,431	73,658

In accordance with the Treasury guidance, all public bodies must report sickness absence data on a consistent basis per calendar year, in order to permit aggregation across the NHS. The Trust is required to use the published statistics which are produced using data from the Electronic Staff Record (ESR) Data Warehouse. The latest publication, covering up to December 2019, can be found on the website of NHS Digital (at the link detailed above).

The number of *Full Time Equivalent (FTE) Days Available of 1,565,431 has been taken directly from ESR and has then been converted to Average FTE's for the period January 2019 to December 2019 which gives 4,289.

The number of FTE days lost due to sickness of 73,658 has been taken directly from ESR, and has been converted to Adjusted FTE days due to sickness of 51,056 by taking account of the number of working days in the period January 2019 to December 2019 as per the Cabinet Office definition.

The average sick days per FTE of 11.9 days has then been calculated by dividing the adjusted FTE days as per the cabinet office measure, by the average FTE for the year.

The Trust has had a strong focus on tackling absence and looking at ways in which we can support our staff whilst they are absent, including consideration of restricted duties or temporary or permanent redeployment where staff can no longer fulfil their substantive role. We continue to work in partnership with staff side and union representatives to identify the best outcomes for our workforce and ensure that the appropriate support is in place for their return to work or to continue to manage their absence.

With stress and musculoskeletal conditions being the Trusts top reasons for absence we have invested in fast track physiotherapy for staff. We also have available an on line support tool for staff with musculoskeletal conditions including exercises, tips and preventative advice. In addition, we provide free 24 hour access to counselling and support for staff. This also includes an on line tool with a range of advice on lifestyle matters including financial, bereavement and health. We provide a range of support for staff suffering with work related stress including a suite of learning on resilience and managing stress and bespoke sessions in teams where necessary. We also have a Mental Health and Disability Staff Equality Network which has representation from the wellbeing and HR teams as a further voice for staff who need help and support.

The Trust manages and monitors sickness absence using the Bradford Factor trigger point methodology and has in place Sickness Task and Finish Groups within operational services, which are supported by a member of the HR team. The Trust has management procedures in place including tools to ensure all relevant support and interventions are in place at the earliest opportunity to avoid further absences.

The Trust continues to regularly review its managing sickness and absence procedures to streamline the processes and ensure managers are supported in roles when tackling absence.

Managers with responsibility for managing staff are required to undergo specific sickness absence training as part of their management development programme. There is also a range of information accessible to managers on the staff intranet to support them as well as each service having a dedicated HR team and access to an Occupational Health provider to support with the management of health conditions and sickness absence.

Workforce Equality and Inclusion

Our current workforce equality objective is:

> **"For all staff including those who fall into legal protected characteristics and other vulnerable groups will feel safe, included and have fair access to all areas of employment including recruitment, career progression, training and development. They will be supported dependent on their specific equality needs and there will be clear user-friendly monitoring information which shows progress and any areas that may require attention."**

2019/20 saw the introduction of a dedicated Equality Advisor within the trust, a role designed to facilitate and promote Equality, Diversity and Inclusion within the Trust. Throughout the year, new policies, initiatives and actions were put in place to ensure that Equality and Inclusion remained a priority within the Trust and to build upon the work already put in place in 2018/19. This work is directly linked to two of the three Equality Objectives set out by the Trust (2018-2022):

1) *We will empower our staff to build strong and healthy communities by being open and compassionate when involving people from all communities and groups.*
2) *We will ensure all staff feel safe, included and have fair access to employment.*

EPUT uses the NHS Jobs online system to ensure that application and shortlisting for a position is done in a way that does not put those from marginalised or minority groups at a disadvantage, with interview panel members given training in unconscious bias and how to conduct interviews fairly.

EPUT has a statutory obligation to report annually on their gender pay gap and is required to publish their gender pay gap data including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are. The Trust has published its report for the period 1 April 2018 – 31 March 2019; which is based on rates of pay as at 31 March 2019 and any bonuses paid throughout the period. This report, detailing the gender pay gap and actions we are taking, is available on the Trust's website (https://eput.nhs.uk/wp-content/uploads/2020/03/EPUT-Gender-Pay-Gap-Report-07.02.20.docx)

In summary, from the baseline in 2017, there was a reduction in mean gender pay gap between males and females of 1% in 2018 and this was maintained in 2019 (at 15.9%). It is positive to note that the Trust is below the national average gender pay gap of 17.3%. In addition, following a reduction in the mean gender bonus gap of 3.2% from 2017 to 2018, there has been a further reduction of 6% in 2019 (to 25.2%) for those individuals receiving bonus pay. The Trust continues to take action to further reduce the gender pay gap and continues to prioritise equality and inclusion within its future plans.

Amendments to EPUT's Management of Sickness Absence Policy were made by the Equality Advisor in collaboration with the EPUT Staff Disability and Mental Health Network and EPUT's Human Resources Team. This has led to the following:

- improvements to the way the Sickness and Absence Policy supports those with a disability or long term condition, including more information on managing mental ill health and stress as well as how best to handle and monitor irregular attendance caused by a disability or long term condition;
- the addition of guidance on how "Reasonable Adjustments" should be put in place where a provision, criterion, function, practice, and/or physical, environmental condition, places a disabled person at a substantial disadvantage when compared with people who are not disabled; and
- the introduction of a Reasonable Adjustments Passport, designed to support employees with disabilities or long term conditions when changing roles within the Trust.

At present approximately 3% of our workforce consider themselves as disabled or living with a long term condition. As a Trust we actively encourage staff to list any disabilities or long term conditions on our Electronic Staff Record, and are working to make sure that staff feel that being open about their condition will not affect them negatively. We use a range of measures to ensure that people with disabilities are supported and treated fairly both when seeking employment with us – and during their employment with us including:

- robust recruitment processes that guarantee applicants with disabilities an interview if they meet the minimum criteria as well as secure job offers before any health information is requested;
- online and offline resources as part of our Equality and Inclusion Hub, including advice for someone joining the Trust with a disability or long term condition and a Staff Disability and Mental Health FAQ;
- q dedicated disability network, open to all staff;
- support from an overall equality champions network that includes other staff with disabilities or long term health conditions as well as advice and support from the Staff Engagement / Equality Advisor and Disability and Mental Health Network where required; and
- consultation of our disabled workforce on our Equality and Diversity Training to ensure that it supports and truly reflects those in the workforce with disabilities.

Throughout 2019/20, EPUT has been an official holder of the government's Disability Confident Badge (*Level 2*), meaning we signed up to a range of commitments to support people with disabilities to find and stay in work.

EPUT also holds the "Two Ticks" accreditation, recognition given by Jobcentre Plus to employers who have agreed to take action to meet the five commitments of the accreditation relating to the employment, retention, training and career development of disabled employees.

Staff Concerns

The Trust has in place policies, procedures, systems and processes to ensure that all staff are able to raise concerns quickly and have these resolved in a timely manner. Examples include:

- the Trust's Grievance Policy and Procedure contains robust mechanisms for dealing with grievances and complaints relating to dignity at work (bullying, harassment and discrimination);
- the Trust's Raising Concerns, Whistleblowing Policy and Procedure for staff and workers designed to provide a process for staff to be able to speak up freely and raise any concerns they may have;
- during the year the Trust has implemented the Just and Learning Culture in partnership with Staff Side and Unions. The aim is to deal with concerns, informally where possible, as quickly as possible to ensure staff are supported;
- a range of engagement sessions / workshops are held across all areas of the Trust focusing on bullying and harassment and raising concerns and a 'Dealing with Bullying and Harassment Guide' has been implemented for staff and managers; and
- staff are required to complete e-learning training which covers how to raise concerns and specific training is available for managers as part of the management development programme.

There are a good range of mechanisms for staff to share concerns anonymously through the Staff Friends and Family Test, the 'Ask a Director' tool on the staff intranet or by raising with a senior manager in the Trust. During 2019 we also introduced a 'Listening to You' page on the intranet which includes the ability for staff to report compliments as well as concerns.

Freedom to Speak Up (F2SU):

The Freedom to Speak Up initiative encourages an environment where staff feel it is safe to raise concerns with confidence, that they will be listened to and the concerns will be acted upon across the NHS.

EPUT's Freedom to Speak Up vision is*:*

> ***'Supporting compassion, openness and empowerment'***

In recognition of this EPUT has a Freedom to Speak Up Principal Guardian. A new Principal Guardian was voted into post by Trust employees following an election process in the autumn of 2019.

Work has continued in 2019/20 to promote awareness of the Freedom to Speak Up (F2SU) agenda and embed the 'Speak Up' culture within the Trust that is both responsive to feedback and focused on learning and continual improvement. An assessment of the Trust's performance against NHS Improvement's F2SU self-review tool was presented to the Board in May 2020 detailing where best practice had already been met and proposed actions for areas requiring improvement.

In addition to the Principal Guardian there are 20 fully trained Local F2SU Guardians employed in various roles and at a number of different sites across the Trust. The growing network of Speak Up experts gives staff real choice in whom they can approach to raise their concerns if they do not feel able to address them directly through their chain of line management. This demonstrates great progress in making the process as easy, as accessible and as comfortable as possible for staff who want to speak up.

All concerns raised are taken forward by the Guardian Service to be resolved. The Trust raises awareness to staff of the action taken through anonymised 'You said we did' posters on the Freedom to Speak Up intranet page. Those who raise concerns are provided with the opportunity to give feedback on their experience of using the Guardian Service.

In 2019/20 a total of 64 concerns were raised by staff, 3 concerns were raised in Q1 of 2019/20; 18 in Q2; 18 in Q3 and 25 in Q4. This is an increase of 34 compared to 2018/19 when 30 concerns were raised. *It was recorded in last year's annual report that 29 concerns were raised; however an error was noted in the quarter 4 figures when the Freedom to Speak Up Annual report was prepared following finalisation of the Trust's Annual Report.* This increase is noted favourably by the Trust as an indication that more staff are now aware of the service and feel able to raise concerns to be investigated. The concerns were evenly spread across the Trust's geographical area and came from staff employed in a number of different roles.

The Trust has an established Learning Oversight Sub-Committee. All learning and improvements identified by the sub-committee are circulated throughout the Trust. The Principal Guardian receives the papers for every sub-committee meeting and attends in person twice a year.

In National 'Speak Up' month in October 2019, the Principal Guardian wrote weekly blogs covering various aspects of the agenda and visited Trust's sites to meet staff and raise awareness of EPUT's Guardian service. She was supported in this by a number of Local Guardians who joined her at her drop-in sessions.

The F2SU service is one that is open to everyone, from Board to Base, and the contribution from the Board in helping to deliver this message has been significant. During 'Speak Up' month the Executive Chief Operating Officer, as well as Local Guardians, recorded video messages for staff. The Chief Executive also continues to run regular messages to raise awareness of the agenda and its importance to the Trust. The Principal Guardian continues to attend student nurse inductions, junior doctor meetings and training sessions, and BAME meetings and she is engaging with other staff networks including the LGBTQ+ staff community to ensure awareness and build the confidence necessary for people in all these groups to report any concerns they might have.

Work to increase the Local Guardian network is ongoing and the Communications Strategy continues to ensure all staff are fully aware of the agenda and its purpose. Increasing the use of social media platforms is being looked at in closer detail for 2020/21 as it is recognised that in many roles staff do not have regular access to a desktop computer and the opportunity to easily read articles on the intranet.

Staff Consultations

As in previous years, the Trust has undertaken a variety of consultations with staff which included restructure of teams/services, change in shift patterns, relocation of staff and changes in the delivery of services.

During 2019/20, the Trust successfully implemented some significant Transformation projects which required workforce changes (for example changes to Perinatal services and Crisis 24/7 services).

The Trust has also managed some small TUPE transfers out to new providers such as Southend Integrated Sexual Health service, Improved Access to Psychological Therapies (IAPT), Approved Mental Health Professionals Service (AMHP), Chelmsford Prison, Southend 0-5 Health Visiting Services and West Essex Community Health Services Learning Disability Physiotherapy Service. We had one TUPE transfer into EPUT from Interserve Services.

All consultations and TUPE transfers were communicated with and involved staff side input. We also ensured staff affected had access to a range of support during the process including access to guidance and support, counselling and HR advice should they need it.

Staff Engagement

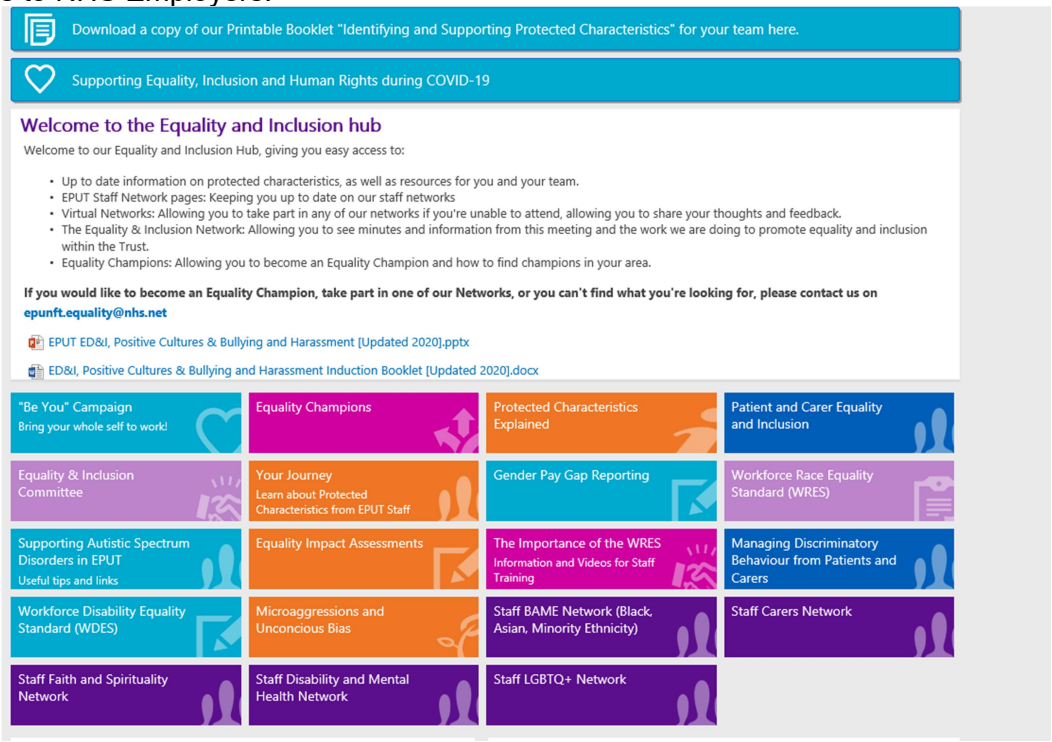
Staff Engagement continues to be a priority for EPUT. We have a dedicated Staff Engagement / Organisational Development Team and Communications Team to support our workforce in this area. There is wide research to show that an engaged and supported workforce provide a higher quality service to our patients and their families. Our ethos is based on ensuring our staff are cared for and engaged so that they are able to deliver high quality care.

We listen to feedback from our staff through the annual NHS staff survey – and the Staff Friends and Family Test is available to all staff to provide feedback all year round. In addition to this, we have held listening events, team away days and have introduced a cultural engagement network made up of a broad range of staff. They tell us what it's like to work at EPUT, what we do well and what we need to do to make things better.

We use a wide range of communication methods to engage with our staff. From 'Time to Talk' events, weekly CEO staff briefs, virtual networks and formal staff networks, through to formal consultation processes and we work closely with our staff side and union representatives.

We have a wide range of staff equality networks which act as a voice and source of support for staff – either for themselves – or for learning more about equality groups for their colleagues or patients. These currently include BAME, Disability and Mental Health, LGBTQ+, Carers, Faith and Spirituality and these have direct access to support and Senior Management.

We have excellent working relationships within the organisation, but are also proud of our close working network with other local trusts across our Sustainability and Transformation Partnership landscape as well as strong links to NHS Employers.



Health and Safety

The Trust's Corporate Statement and Policy on Health and Safety (RM01) sets out the organisational structure for managing Health and Safety and how the Board of Directors fulfils its statutory obligations as required by the:

- Health and Safety at Work etc., Act 1974
- Management of Health and Safety at Work Regulations 1992
- Workplace (Health, Safety, and Welfare) Regulations 1992

The Health, Safety and Security Committee co-ordinates the implementation and management of health, safety and security as well as non-clinical risk management across the organisation.

The Trust has a range of policies and procedures in place to support staff in maintaining compliance with health and safety requirements:

- Corporate Statement and Policy on Health and Safety
- Fire Safety Policy
- Control of Substances Hazardous to Health (COSHH)
- Display Screen Equipment Policy
- First Aid Policy
- General Work Place Risk Assessment Policy
- Adverse Incident (including Serious Incident) Reporting Policy
- Lone Worker Safety Policy
- Health and Safety of Young Persons Policy
- Ligature Risk Assessment and Management Policy
- Manual Handling Policy
- Search Policy
- Driving Whilst at Work Policy

EPUT recognises the need for the effective management of health, safety and security. Day-to-day management of health, safety and security is undertaken by the Risk Management Department in cooperation with unit and locality managers and all staff according to their level of responsibility.

Ligature Risk Assessment Inspections have been completed in all in-patient areas of the organisation. Potential risks identified have either been removed, replaced with a reduced ligature solution or action taken to ensure that staff are aware of and mitigate the risks taking them into account when planning care for vulnerable patients.

Community Mental Health Teams are required to complete a general work place risk assessment which identifies ligature hotspots within their building and actions to mitigate the risks.

Health and safety inspections were carried out across the organisation in line with legislation and guidance. These have been shared with staff and corrective action identified to minimise risk.

During 2019/20 the Trust reviewed the lone worker device provision. We currently have 1,156 devices allocated to staff in community teams and inpatient wards. All staff have been trained in their use and managers have access to data for monitoring staff usage and activity.

The Trust is piloting body worn cameras in 4 of our mental health inpatient wards. Staff feedback has been positive, the device quality is very clear and there have not been any issues with the connection and uploading / viewing footage. The pilot is to be evaluated in Q1 2020/21.

Staff Health and Wellbeing

EPUT has a well-established health and wellbeing service. The health and wellbeing of our patients is directly related to the health and wellbeing of our staff and so it remains a top priority for the organisation to ensure our staff are as healthy as possible.

This year some of our key wellbeing achievements were:

- improvements in staff survey key findings around wellbeing;
- increasing exercise class options across the Trust at discounted rates;
- improved access to Flexible Working and increased approval rates;
- improvements in our staff experience around some areas of bullying and harassment;
- doubled membership of the annual New Year New You Campaign;
- development of a Reasonable Adjustments Passport for disabled staff; and
- dedicated support for staff involved in incidents of physical violence, including the roll out of a bespoke 'Serious Incident' (SI) Support Programme.

The Trust's Occupational Health Provider is Optima Health. The Trust also has a confidential employee assistance provider provided by HELP. Health checks as well as fast track physiotherapy is available under the new provider and stringent key performance indicators have been set to manage service delivery and are monitored monthly with the contract providers.

Policies on Counter Fraud/Corruption

The Trust has detailed procedures on counter fraud, and all finance policies and procedures are reviewed by our Local Counter Fraud Specialists to ensure fraud is minimised. Any lessons learned from fraud or staff investigations are factored into the regular reviews of procedures.

NHS Staff Survey

This confidential survey is carried out every year by all NHS organisations to find out how staff feel about their workplace and identify opportunities to improve staff experience and well-being, and ultimately patient care. More than 2,000 members of EPUT staff completed the 2019 survey to give their views on working at the Trust – constituting a response rate of 48% (an increase from 43% in 2018). This increase in response rate is a positive indication that staff have confidence that the Trust will act on their feedback. In previous years data collected from the survey has prompted the introduction of more equality networks at the Trust, extra health checks for staff and increased investment in staff engagement.

In the 2019 survey, there were a number of positive outcomes - for example, more than 70 percent of respondents described themselves as enthusiastic about their role, feeling well supported, encouraged and valued by their manager and respected by their colleagues; in excess of 80 per cent of respondents described the Trust as providing equal career progression opportunities to all, including black minority ethnic (BME) colleagues and those who describe themselves as having a disability; and almost three quarters of staff said they feel secure in raising concerns and that the Trust acts on any concerns raised by patients and service users. The Trust's score improved in two areas - 'Quality of Staff Appraisals' and 'Quality of Care' with scores made up of questions around development review and Knowledge and Skills Framework (KSF) and patient /service user experience feedback from Friends and Family Test and patient surveys.

The results also enable the Trust to identify where to concentrate efforts and activities to address any areas of concern and make a positive difference. For example, there are some indicators for which the Trust is slightly below the national average for Trusts of a similar type and the actions the Trust is taking to address these is outlined at the end of this section.

The following table summarises the outcomes of the NHS staff survey for the Trust over the past 3 years. The indicator scores are based on a score out of 10 for certain questions with the indicator score being an average of those scores. The average scores for each indicator for the benchmarking group (ie other Combined Mental Health / Learning Disability and Community Trusts nationally) are presented below.

Table 21: Performance of EPUT in Staff Survey

	2019/2020		2018/19		2017/18	
	Trust	**Benchmarking Group**	**Trust**	**Benchmarking Group**	**Trust**	**Benchmarking Group**
Equality, diversity and inclusion	8.9	9.1	8.9	9.2	9.1	9.2
Health and wellbeing	6.1	6.1	6.1	6.1	6.1	6.1
Immediate managers	7.2	7.2	7.2	7.2	7.2	7.1
Morale	6.2	6.3	6.2	6.2	n/a	n/a
Quality of appraisals	5.8	5.7	5.8	5.5	5.4	5.4
Quality of care	7.5	7.4	7.5	7.4	7.4	7.4
Safe environment – bullying and harassment	7.9	8.2	7.9	8.2	8.1	8.3
Safe environment – violence	9.4	9.5	9.4	9.5	9.4	9.5
Safety culture	6.7	6.8	6.7	6.8	6.6	6.7
Staff engagement	7.0	7.1	7.0	7.0	6.9	7.0
Team Working	6.9	6.9	n/a	n/a	n/a	n/a

The following table summarises how the Trust's 11 indicator scores for the 2019 survey (detailed above) compare to the scores of other Trusts similar to EPUT. The first column details how many of EPUT's indicator scores are better than the average, the same as the average or worse than the average score for Trusts in the same grouping as EPUT. The second column details what percentage of EPUT's indicators thus fall within each category.

Table 22: Performance of EPUT in comparison to other Trusts in grouping

	2019	%
Better than Average	2	18%
Average	3	27%
Worse than Average	6	55%
Total	**11**	**100%**

Future Priorities and Targets

A Staff Engagement Framework Action Plan will be developed, reflecting the new Staff Engagement Strategy, which will set out the corporate response and actions for these staff survey results. Each year we invite our workforce to support with the development of our Staff Engagement plans and we provide quarterly progress updates throughout the year.

HR Business Partners will be working closely with their relevant directorates to develop local action plans which will be monitored through the Workforce Transformation Committee to address their own local performance.

As well as a wider plan of continuous improvement of staff engagement, we will also be continuing to focus on the following areas in 2020:

- Equality and Inclusion – we continue to invest in this area and will appoint a new Head of Inclusion this year. We continue to strengthen our networks and are pleased to see improvements in the staff survey results for some of our protected characteristic groups including Disability and Race. We have developed a Library of lived experience and will continue to grow this in 2021.
- Bullying and Violence – we continue to focus on reducing bullying and violence from patients and the public. Progress has been made with the Year 2 plan and a pool of mediators has been created across the Trust. In addition the Trust has launched an Anti-Bullying Ambassador Scheme.
- Continuing to analyse a range of staff information including discipline, grievance and incident reporting to look for patterns and trends.
- Drilling down into specific areas such as staff groups and areas of work to identify hotspots for attention.

Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires NHS employers to publish certain information on trade union officials and facility time on their website as follows:

- the number of employees who were relevant union officials during the relevant period, and the number of full time equivalent employees;
- the percentage of time spent on facility time for each relevant union official;
- the percentage of pay bill spent on facility time; and
- the number of hours spent by relevant union officials on paid trade union activities as a percentage of total paid facility time hours.

For these purposes, 'facility time' is defined as time that is taken off to carry out trade union duties or the duties of a union learning representative, to accompany a worker to a disciplinary or grievance hearing, or to carry out duties and receive training under the relevant safety legislation.

Schedule 2 - The Trade Union (Facility Time Publication Requirements) Regulations 2017:
The detail of trade union activity for 1 April 2018 to 31 March 2019 is as below. The next report is due June 2020 and will be made available on the Trust's website.

Table 23: Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent trade union representatives	Full-time equivalent employee number
45	40.35	4,375.16

Table 24: Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	16*
1-50%	27*
51%-99%	1*
100%	1*

Table 25: Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£ 59,379.11*
Provide the total pay bill	£222,800,000.00
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Table 26: Paid trade union activities

Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	20.27%*

**Disclaimer; Please note the information is correct from the returns received from trade union officials. Nil returns have been received and therefore may be subject to change. This information will be updated upon receipt of additional information.*

Expenditure on Consultancy

During 2019/20, the Trust spent £1.7 million on consultancy expenditure in respect of the provision of objective advice and assistance to the Trust in delivering its purpose and objectives.

This includes expert advice around the implementation of IT projects and project management support for estates and service related projects.

Off Payroll Arrangements

In line with HM Treasury guidance, the Trust has put controls in place around the use of off-payroll arrangements. These engagements are only entered into on the basis of the provider's relevant skills, experience and knowledge and are supported by individual contracts. All contracts are signed by both parties and include such terms as services to be provided, amount payable per day and responsibility for tax and national insurance contributions.

Table 27: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months

Number of existing engagements as of 31 March 2020	5
Of which…	
Number that have existed for less than one year at time of reporting	2
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	2
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting.	0

Table 28: New off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	2
Of which…	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	2
Number engaged directly (via Personal Service Companies (PSC) contracted to the Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 29: 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 of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed board members and/or senior officials with significant financial responsibility during the financial year. This figure should include both off-payroll and on-payroll engagements.	7

Staff Exit Packages (subject to audit)

During the year the Trust has incurred total termination costs of £296,000 in respect of 7 individuals which arose from the requirement to deliver the efficiency target for the year. There were no instances where a special severance payment was made that required HM Treasury approval.

Table 30: Staff exit packages 2019/20

	2019/20					
	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	1	10	0	0	1	10
£10,001 - £25,000	0	0	0	0	0	0
£25,001 - £50,000	3	90	0	0	3	90
£50,001 - £100,000	3	196	0	0	3	196
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
Total	**7**	**296**	**0**	**0**	**7**	**296**

Table 31: Staff exit packages 2018/19

	2018/19					
	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	8	51	1	6	9	57
£10,001 - £25,000	13	192	0	0	13	192
£25,001 - £50,000	22	723	0	0	22	723
£50,001 - £100,000	7	513	1	64	8	577
£100,001 - £150,000	1	146	0	0	1	146
£150,001 - £200,000	0	0	0	0	0	0
Total	**51**	**1,625**	**2**	**70**	**53**	**1,695**

Staff Exit Packages – Non Compulsory Departure Payments

This note discloses the number of non-compulsory departures which attracted an exit package and the value of payments by individual types.

Table 32: Non compulsory departure payments 2019/20

	2019/20	
	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
Total	**0**	**0**

Table 33: Non compulsory departure payments 2018/19

	2018/19	
	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	2	70
Total	**2**	**70**

NHS Foundation Trust: Code of Governance

Introduction

Code of Governance

The Trust has applied the principles of Monitor's *NHS Foundation Trust Code of Governance* revised July 2014 (*Code*) on a 'comply or explain' basis. The *Code* is based on the principles of the *UK Corporate Governance Code* issued in 2012. The purpose of the *Code* is to assist Foundation Trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients.

The *Code* is best practice advice but imposes specific disclosure requirements. The Annual Report includes all the disclosures required by the *Code.*

Statement of compliance

EPUT's Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards of corporate governance. The Trust Secretary's Office, Executive Operational Sub-Committee comprising Executive Directors and Governor members of the Council of Governors Governance Committee undertook an annual review of the Trust's compliance with the Code. In the opinion of these committees, there is strong evidence that the Trust is compliant with all the provisions in the Code for the period 1 April 2019 to 31 March 2020. Some actions were identified to further strengthen compliance which will be taken forward over the coming year.

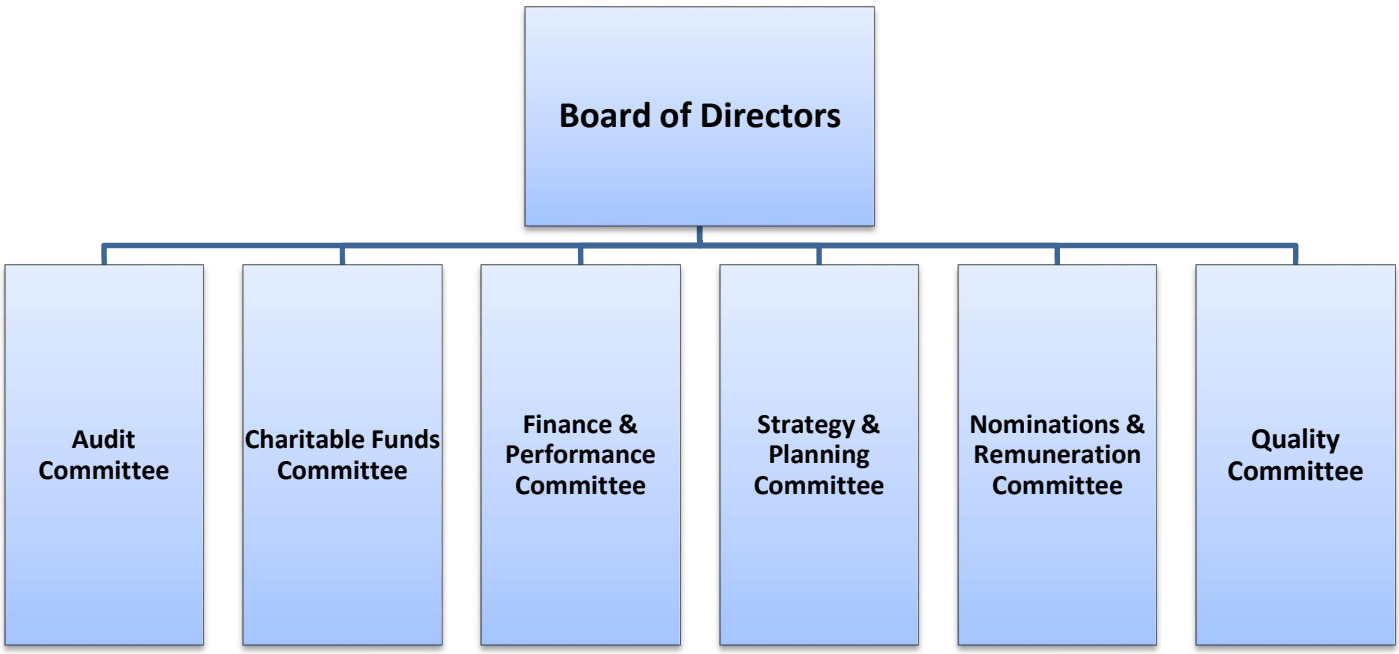
Board of Directors

Our Board of Directors operates according to the highest corporate governance standards. It is a unitary Board providing overall leadership and vision to the Trust and is ultimately and collectively responsible for all aspects of performance, including clinical and service quality, financial performance and governance as well as the management of significant risks. The Board leads the Trust by formulating strategy; ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable; and shaping a positive culture for the Board and the organisation. The Board is also responsible for establishing the values and standards of conduct for the Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life (The Nolan Principles) including selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board exercises all the powers of the Trust on its behalf and delegates specific functions to committees of Directors. In addition, certain decisions are made by the Council of Governors, and some Board decisions require the approval of the Council. The powers and decisions are set out clearly in the Scheme of Reservation and Delegation and the Detailed Scheme of Delegation available at www.eput.nhs.uk All Directors have joint responsibility for decisions.

The committee structure underpinning the Board of Directors, as at 31 March 2020, is detailed below.

Figure 1: Committee structure underpinning Board of Directors as at 31 March 2020



As detailed in the "NHS Improvement's Well Led Framework" section earlier in this report, work has been undertaken to revise the focus of the Board's Strategy and Planning Committee, updating its terms of reference and agreeing a changed title to the People, Innovation and Transformation Committee to more closely reflect the new focus. These changes are to be implemented in 2020/21.

The Executive Directors manage the day-to-day running of the Trust while the Chair and Non-Executive Directors provide operational and Board-level experience gained from other public and private sector bodies; among their skills are accountancy, audit, clinical, law, business development, consultancy, organisational development, quality, risk and governance. The Board includes members with a diverse range of skills, experience and backgrounds which incorporate the skills required of the Board.

The Board has a Vice-Chair and has a Senior Independent Director. All Non-Executive Directors are considered by the Board to be independent taking into account character, judgement and length of tenure. None of the Executive Directors hold Non-Executive appointments.

During the course of the year the Board met 10 times. Nine of these meetings were held in public. The tenth (March 2020) was a public meeting (with papers being shared in the normal way) but due to COVID-19 was held virtually via video / telephone conference. The attendance record of meetings for the Board of Directors for the year ended 31 March 2020 is as follows:

Table 34: Board of Directors Attendance at Meetings 2019/20

Name	Role	Meetings Attended (actual/possible)
Prof Sheila Salmon	Chair	10/10
Alison Davis	Non-Executive Director	10/10
Dr Rufus Helm	Non-Executive Director	7/10
Manny Lewis	Non-Executive Director	9/10
Dr Alison Rose-Quirie	Non-Executive Director	8/10
Amanda Sherlock	Non-Executive Director	7/10
Nigel Turner	Non-Executive Director	10/10
Janet Wood	Non-Executive Director	10/10
Sally Morris	Chief Executive	10/10
Andy Brogan	Executive Chief Operating Officer / Deputy Chief Executive	8/10
Prof Natalie Hammond	Executive Nurse	10/10
Dr Milind Karale	Executive Medical Director	8/10
Sean Leahy (from 06/08/19)	Executive Director of People & Culture	4/5
Nigel Leonard	Executive Director of Strategy & Transformation	9/10
Mark Madden	Executive Chief Finance Officer & Resources Officer	9/10
Malcom McCann (until 30/06/19)	Executive Director of Community Services & Partnership	4/4

Board of Directors Appointments

The Trust has a formal, rigorous and transparent procedure for the appointment of both Executive and Non-Executive Directors. Appointments are made on merit, based on objective criteria.

Executive Directors are permanent appointments, while Non-Executive Directors are appointed to a three year term of office. The reappointment of a Non-Executive Director after their first term of office will be subject to a satisfactory performance appraisal. Any term beyond six years will be subject to a rigorous review and satisfactory annual performance appraisal, and takes account of the need for progressive refreshing of the Board. However, the Council of Governors will also consider the skills and experience required on the Board taking account of the Trust's current and future business needs, as well as continuity during any period of change.

Both the Chair and Non-Executive Directors are appointed by the Council of Governors who may also terminate their appointment as set out in the Trust's constitution.

The following Directors were appointed to the Board of Directors during 2019/20:

- Sean Leahy – Executive Director of People and Culture (from 06/08/19)

An established recruitment and executive search agency was appointed by the Trust to oversee the recruitment process. The Trust's Chair, Chief Executive and the Board of Directors Remuneration and Nominations Committee worked closely with the agency at all stages of the process to ensure that appropriate actions were taken to recruit a suitable candidate to the post.

A recruitment process to appoint a new Chief Executive (to take up post in 2020/21) was also conducted during 2019/20. An established recruitment and executive search agency was again appointed by the Trust to oversee this recruitment process. Again, the Trust's Chair and the Board of Directors Remuneration and Nominations Committee worked closely with the agency and with NHSE/I at all stages of the process to recruit a suitable candidate to the post.

Chair's Significant Commitments

Professor Sheila Salmon has no other significant commitments other than to the Trust. However, she has declared her involvement with Anglia Ruskin University where she is the Emeritus Professor of Health Services Development which is a non-remunerated role.

Independence of the Non-Executive Directors

Following consideration of the *Code of Governance* and completion by all Non-Executive Directors of a test of independence statement, the Board takes the view that all Non-Executive Directors are independent. All Non-Executive Directors declare their interest and, in the unlikelihood that such interests conflict with those of the Trust, then the individual would be excluded from any discussion and decision relating to that specific matter.

Balance, Completeness and Appropriateness of the Membership of the Board of Directors

The current Board of Directors comprises eight Non-Executive Directors (including the Trust Chair) and seven Executive Directors (including the Chief Executive). The structure is compliant with the provisions of the *Code of Governance* and the Trust's constitution.

Taking into account the wide experience of the whole Board as well as the balance and completeness of membership, the composition of the Board is considered to be appropriate for the requirements of the business and future direction of the Trust.

Board of Directors Performance Evaluation

The Trust has put in place processes for an annual performance evaluation of the Board, its Directors and its committees in relation to their performance. At the time of writing this report, the various end of year evaluations for 2019/20 were being undertaken.

All members of the Board receive a full and tailored induction on joining the Trust and undertake a personal induction programme during the first 12 months of appointment. All Directors will undergo an annual performance review against agreed objectives, skills and competences and agree personal development plans for the forthcoming year. In addition, the Chair will annually review and agree the Chief Executive's and Executive Directors' training and development needs as they relate to their role on the Board.

A 360° appraisal process is in place for the Chair, Chief Executive, Executive Directors and Non-Executive Directors. The 360° element is undertaken every two years. A composite report, collating the outcomes of the 360° appraisal process for the entire Board, was provided to the Trust by the NHS Leadership Academy in 2019/20. This was given consideration by the Board of Directors in a development seminar in July 2019 and by the Council of Governors Remuneration Committee in August / October 2019. In addition, Deloitte LLP sought external stakeholder views of the collective performance of the Board as part of their review against the NHS Improvement Well Led Framework. Both sources of information have enabled the Trust to implement actions to further strengthen its performance.

The performance evaluation of the Executive Directors is carried out by the Chief Executive whose performance is appraised by the Chair. The outcomes are reported to the Board of Directors Remuneration and Nominations Committee.

The Chair conducts the annual performance evaluation and appraisal of each Non-Executive Director. The Senior Independent Director conducts the annual performance evaluation and appraisal of the Chair, having met with all other Non-Executive Directors and received feedback from Governors. Detailed consideration of the results of the performance evaluation of the Chair and Non-Executive Directors for 2018/19 was undertaken by the Council of Governors Remuneration Committee in line with the process agreed by the Council and a report from the Committee made to the Council of Governors in 2019/20. The same performance evaluation and appraisal process is currently being conducted for performance during 2019/20. However, in light of the COVID-19 situation, the timetable for consideration by the Council of Governors Remuneration Committee and thereafter a meeting of the Council is under determination at the time of preparing the Annual Report.

The Board undertakes annual self-assessments reflecting NHS Improvement's and CQC's well-led framework to evaluate its own effectiveness and, in line with NHS Improvement's requirements that an external evaluation is carried out every three years, commissioned an externally facilitated developmental well-led review to be completed at the end of 2018/19 by Deloitte LLP. The outcomes of this review, and resultant actions taken by the Trust in 2019/20, are summarised on pages 45 - 46 of this Annual Report. In addition, a CQC well-led inspection was undertaken in 2019/20 with positive findings in terms of leadership and governance. This is detailed on page 18 - 19 of this Annual Report. These review processes contribute to providing an insight into the Trust's leadership and governance performance. It also helps to identify the Board's development needs and to shape its development programme.

Board performance is also evaluated further through focused discussions at Board Development Days and on-going in-year review of the Board Assurance Framework which enables continuous and comprehensive review of the performance of the Trust against agreed plans and objectives.

All Directors meet the criteria for being a fit and proper person as prescribed by the Trust's Provider Licence and Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Nominations Committees

The Trust has two Nominations Committees: the Board of Directors Remuneration and Nominations Committee and the Council of Governors Nominations Committee.

Board of Directors Remuneration and Nominations Committee

The Board of Directors Remuneration and Nominations Committee is constituted as a standing committee of the Board. It has the statutory responsibility for identifying and appointing suitable candidates to fill

Executive Director positions on the Board of Directors, ensuring compliance with any mandatory guidance and relevant statutory requirements.

This Committee is also responsible for succession planning and reviewing Board structure, size and composition, taking into account future challenges, risks and opportunities facing the Trust and the skills and expertise required on the Board to meet them.

The Committee is chaired by the Trust's Chair with membership comprising all Non-Executive Directors. The Chief Executive will attend when the Committee is considering appointments to Executive Director posts other than the post of Chief Executive Officer. At the invitation of the Committee, the Executive Director of People & Culture (or their deputy) will normally attend (depending on the agenda items to be discussed). The Trust Secretary is the Committee Secretary.

The Committee's terms of reference are reviewed annually in line with good practice. The Committee meets at least annually or as and when required to undertake its roles and responsibilities.

The Committee met eight times during the year with the main considerations (relating to Nominations business) being the appointment of an Executive Director of People and Culture, the appointment of a Chief Executive to take up post in 2020/21 and a process for appointing an Executive Chief Finance Officer during 2020/21.

Members of the combined Remuneration and Nominations Committee and the number of meetings attended by each member during the year are set out below is detailed at Table 9 earlier in this report.

Council of Governors Nominations Committee

The Council of Governors Nominations Committee is responsible for establishing a clear and transparent process for the identification and nomination of suitable candidates that fit the criteria set out by the Board of Directors Remuneration and Nominations Committee for the appointment of the Trust Chair and Non-Executive Directors, for approval by the Council.

The Committee is chaired by the Trust's Chair with membership comprising elected and appointed Governors. If the Chair is being appointed or not available, the Vice-Chair, Senior Independent Director or one of the other Non-Executive Directors who is not standing for appointment will be the Chair. When the Trust Chair is being appointed, the Committee comprises only Governors who will elect a Chair of the Committee from amongst its members. The Trust Secretary is the Committee Secretary.

The Committee's terms of reference are reviewed annually in line with good practice. The Committee meets at least annually or as and when required to undertake its roles and responsibilities.

There was no requirement to appoint Non-Executive Directors during 2019/20. However, during the year, the Committee considered the appointment of the Vice Chair of the Board of Directors, the proposed appointment of one of the Non-Executive Directors to more than one NHS body and a process for appointing to Non-Executive Director vacancies which would be arising in 2020/21.

Members of the Committee and the number of meetings attended by each member during the year are set out below.

Table 35: Membership and attendance at Council of Governors Nominations Committee meetings

Name	Role	Meetings Attended (actual/possible)
Prof. Sheila Salmon	Chair of the Meeting	3/3
Brian Arney	Public Governor	3/3
Roy Birch	Public Governor	3/3
Pippa Ecclestone	Public Governor	3/3
Paula Grayson	Public Governor	2/3
John Jones	Public Governor	3/3
Pam Madison (from October 2019)	Staff Governor	1/2
Clive White	Public Governor	3/3
Judith Wooley (until October 2019)	Public Governor	0/1

Audit Committee

The Audit Committee comprises solely of independent Non-Executive Directors who have a broad set of financial, legal and commercial expertise to fulfil the Committee's duties. Members of the Committee and the number of meetings attended by each member during the year are set out below:

Table 36: Membership and attendance at Audit Committee meetings

Name	Role	Meetings attended
Janet Wood	Chair of Committee	7/7
Amanda Sherlock	Non-Executive Director	6/7
Nigel Turner	Non-Executive Director	7/7
Alison Davis	Non-Executive Director	5/7

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, Head of Financial Accounts, an External Audit representative, an Internal Audit representative, and the Local Counter Fraud Specialist. In addition, the Chief Executive presents the Annual Governance Statement on an annual basis.

Internal Audit

The Trust has an internal audit function which forms an important part of the organisation's internal control environment. This was provided by BDO LLP during 2019/20. The functions of the internal audit service are to provide an *'independent, objective assurance and consulting activity designed to add value to an organisation's activities'*. This means that the role embraces two key areas:

1. The provision of an independent and objective opinion to the Accounting Officer, the governing body and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives

2. The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

Local Counter Fraud Specialist

BDO LLP provide the Trust with a dedicated counter fraud service, and agrees a detailed counter fraud work plan with the Trust, based on guidance received from the NHS Counter Fraud Authority. The Trust also has a counter fraud policy and response plan which has been approved by the Board of Directors. Anyone suspecting fraudulent activities within the Trust's services should report their suspicions to the Executive Chief Finance Officer or telephone the confidential hotline on 0800 028 4060.

External Audit

In August 2017 the Council of Governors approved the appointment of Ernst and Young as the Trust's external auditors for a 12 month period, with the option to extend for a further 48 months following an annual review of their service and recommendation from the Audit Committee.

The Council of Governors have subsequently approved the reappointment of Ernst and Young as the Trust's external auditors at their September 2018 and 2019 meetings. Both of these reappointments were for a further 12 month period with effect from the 1st October each year.

The value of the external audit contract for 2019/20 was £50,000 (excluding VAT). There was no non-audit work undertaken during the year.

Work of the Audit Committee

During the year the Committee considered a number of significant issues including the implementation of PLICS (patient level information and costing systems) and the Trusts progress towards achieving Cyber Essentials Plus Certification by 2021 and progress made by the Trust in delivering these objectives.

In addition, further significant issues relating to the 2019/20 annual accounts which were discussed by the Committee were as follows:

- the impact of the current pandemic on the Trusts land and building valuations and the District Valuer declaring a material valuation uncertainty within their report which is an issue relevant to all NHS organisations. Similarly, the impact on the valuation of the Local Government Pension Scheme for which the valuation is at the decision of the actuaries;
- the increase in employer pension contributions from 14.38% to 20.68% with effect from April 2019, and the requirement to account for this increase of 6.3% (£8,738,000) as notional income and expenditure in the accounts to reflect the central payment of this increase by NHS England and DHSC;
- the impact that the receipt of Provider Sustainability Funding from the Department of Health had on the Trusts reported surplus and which totalled £3,274,000;
- the impact of COVID-19 on the Trust's expenditure levels for the year and the associated income relating to this of £1,073,000;
- the inclusion of a constructive loss within the accounts in respect of the exit of a legacy organisation contract;
- the inclusion of a contingent liability note in respect of the Health and Safety Executive's intention to proceed with a prosecution against the Trust but for which the amount and timing remains unknown; and
- the Audit Committee considered the issue of going concern and the Trust's future financial plans that are in place, and how the financial regime now in operation as a result of the pandemic have

impacted these. The new capital regime in place from April 2020 was also discussed and noted that this will require amendment during the year. Despite these changes, the Audit Committee remain confident that the Trust accounts should be prepared on the basis of going concern, and agreed to recommend that the Board sign off the appropriate statements.

Council of Governors

An integral part of the Trust is the Council of Governors which brings the views and interests of the public, service users and patients, carers, our staff and other stakeholders into the heart of our governance. This group of committed individuals has an essential involvement with the Trust and contributes to its work and future developments in order to help improve the quality of services and care for all our service users and patients.

Role of the Council

The roles and responsibilities of the Council of Governors are set out in our Constitution. The Council of Governor's statutory responsibilities include:

- to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors;
- to represent the interests of the members of the Trust as a whole and the interests of the public;
- to amend / approve amendments to the Trust's constitution;
- to appoint / remove the Chair and other Non-Executive Directors;
- to approve the appointment of the Chief Executive;
- to determine the remuneration, allowances and other terms and conditions of office of the Chair and Non-Executive Directors;
- to appoint / remove the Trust's external auditor;
- to provide views to the Board of Directors in the preparation of the Trust's annual plan;
- to receive the Trust's annual report and accounts and any report of the auditor on them; and
- to take decisions on significant transactions and on non-NHS income.

The Council of Governors is required to meet a minimum of four times a year.

The Health and Social Care Act 2012 requires the Board of Directors to empower Governors by:

- holding open Board meetings;
- sending a copy of the agendas to the Council before holding a Board meeting;
- sending copies of the approved minutes to the Council as soon as practicable after holding a Board meeting; and
- ensuring that Governors are equipped with the skills and knowledge they need to undertake their role.

Composition of the Council of Governors

The Council is led by the Chair of the Trust. The composition of the Council of Governors is in accordance with the Trust's constitution as below:

Table 37: Composition of Council of Governors

Constituency		Number of Governors
Public:	Essex Mid & South	9
	Milton Keynes, Bedfordshire & Luton	4
	North East Essex & Suffolk	3
	West Essex & Herts	5
Staff	Clinical	3
	Non-Clinical	2
Appointed		
	Anglia Ruskin and Essex Universities*	1
	Bedford Borough Council and Central Bedfordshire Council (until 24 April 2020)	1
	Essex County Council	1
	Southend Borough Council	1
	CVS	1
	Thurrock Council	1

* Joint appointment

Council of Governors Elections

During 2019/20, elections were conducted for the following 12 Public Governor vacancies:
Public Governor – Essex Mid and South – 6 vacancies
Public Governor – Milton Keynes, Bedfordshire, Luton and rest of England – 2 vacancies
Public Governor – North East Essex and Suffolk – 2 vacancies
Public Governor – West Essex and Hertfordshire – 2 vacancies

All vacancies had arisen as a result of Governor terms of office coming to an end.

Elections commenced on 31st May 2019 and voting closed on 20th June 2019, with the results being declared on 21st June 2019.

The elections were conducted by the Electoral Reform Services (ERS) in accordance with the rules and constitutional arrangements as set out by the Trust. ERS were satisfied that these were in accordance with accepted good electoral practice. Elections were conducted by using the single transferable vote electoral system. All Public Governors were elected for a three year period as provided for in the Constitution.

A summary of candidates and election turnout is as below:

Table 38: Candidates and election turnout for Governor elections

	Number of Governors to be Elected	Number of Candidates	Election Turnout
Public: Essex Mid & South	6	15	6.6%
Public: Milton Keynes, Bedfordshire & Luton	2	3	4.5%
Public: North East Essex & Suffolk	2	6	8.7%
Public: West Essex & Herts	2	7	7.4%

In addition, three Staff Governors (Clinical) were appointed during 2019/20. There was no requirement for an election as these candidates were uncontested (ie there were the same number of nominees as roles available). All were appointed for a period of 3 years from 21st June 2019.

Board's Relationship with the Council

The Trust Chair is responsible for the leadership of both the Council of Governors and the Board of Directors. The Chair has overall responsibility for ensuring that the views of the Council and Trust members are communicated to the Board as a whole and considered as part of decision-making processes and that the two bodies work effectively together.

The Chair works closely with the Lead and Deputy Lead Governors and meets with them prior to Council meetings to set the agenda and review key issues.

The Non-Executive Directors attend each meeting of the Council presenting agenda items and taking part in open discussions that form part of each meeting. The Executive Directors attend meetings to present specific items or provide support for any presentations on a theme related to their portfolios. Standing agenda items include reports from the Chief Executive and Executive Directors on Trust performance, finance and quality matters, a report from the Chair, and national and local systems updates. Non-Executive chairs of each Board standing committee also present on a rotational basis a summary report of the committees' deliberations.

The Senior Independent Director actively pursues an effective relationship between the Council and the Board. Governors can contact the Senior Independent Director if they have concerns regarding any issues which have not been addressed by the Chair, Chief Executive or Executive Chief Finance Officer. New procedures developed to guide key processes for the involvement of the Council of Governors include a section relating to situations where the Council disagree or reject a proposal by the Board of Directors. This includes criteria by which the Council may reject or disagree with a recommendation from the Board and action that should be taken.

Board of Directors meetings are held in public and Governors can and do attend, having the opportunity to ask questions of the Board on matters relating to agenda items. In addition, the Trust has established working groups of Board and Council representatives to take forward specific work including, for example, reviewing the Trust's Constitution and the Trust's Annual Plan.

Both the Board of Directors and the Council of Governors are committed to continuing to promote enhanced joint working so that they can deliver their respective statutory roles and responsibilities in the most effective way possible.

The Board values the relationship it has with the Council and recognises that its work promotes the strategic aims and assists in shaping the culture of the Trust. Both the Board and the Council are committed to continuing to promote enhanced joint working so that they can deliver their respective statutory roles and responsibilities in the most effective way possible.

Keeping Informed of Governors' and Members' Views

During the year the Board was kept informed of the views of Governors and members in a number of ways. The Board recognises the importance of ensuring the relations with stakeholders are embedded and in particular there is dialogue with members, patients and the local community. The Trust encourages quality engagement with stakeholders and regularly consults and involves Governors, members, patients and the local community through various routes. It also supports Governors in ensuring they represent the interests of the Trust's members and the public, through seeking their views and keeping them informed.

The Trust has a Membership Framework which outlines the vision for membership over the period 2018 - 2021. It includes the priorities to build an effective, responsive and representative membership body that will assist in ensuring the Trust is fit for its future in the changing NHS environment. The Framework recognises that there will be a wide variation in the level of participation of our members and, therefore, provides a range of pathways from which choices can be made. Every effort is, and will continue to be, made to be inclusive in the approach to involvement with the aim of the membership community reflecting the social and cultural mix of the Trust's constituencies. Further information in terms of our approach to membership over 2019/20 is included in the section below.

Some of the key features of the wide-range of engagement mechanisms with Governors and members include:

- attendance and agenda item presentations by Executive Directors and Non-Executive Directors at all Council meetings held quarterly (Governors are provided with the opportunity of asking questions and providing feedback);
- Council meetings held in public;
- Non-Executive Directors and Governors informal meetings held quarterly;
- Chief Executive briefing sessions with Governors held quarterly;
- Lead and Deputy Lead Governors meetings with Chair and with Senior Independent Director and Trust Secretary held regularly;
- attendance by Governors at Board of Director meetings;
- joint Quality Visits by Governors and Board Directors to Trust sites;
- joint Director / Governor Task and Finish Groups established as required;
- public member meetings: eight 'Your Voice' meetings were held during 2019/20 across Trust constituencies enabling members and the public to meet with the Chair, Chief Executive, Directors, Senior Managers and Governors;
- Annual Members Meeting;
- Governors are invited to Mental Health Forums; and
- our website www.eput.nhs.uk

The Trust fosters an 'open door' policy where issues, queries and feedback can be raised with the Chair, the Chief Executive and any Board member as appropriate either on a face to face basis or via email.

Table 39: Council of Governors Meeting Attendance 2019-2020

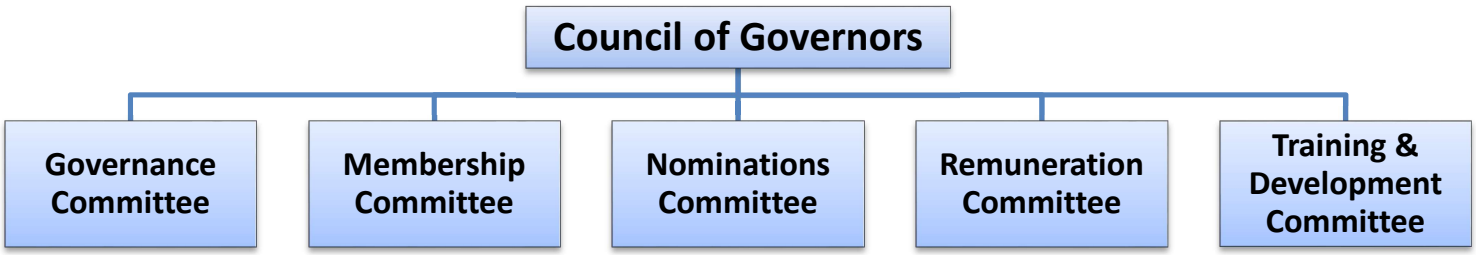
Name	Term		Attendance at Council of Governor Meetings (actual/possible)
Public: Milton Keynes, Bedfordshire and Luton			
Paula Grayson	2nd term: 3 years	Jun 2019 – Jun 2020	6/6
John Jones	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Hasan Kayani (until June 2019)	1st term: 2 years	Jun 2017 – Jun 2019	0/2
Clive Travis	1st term: 3 years	Jun 2017 – Jun 2020	1/6
Alex Zihute	1st term: 3 years	Jul 2017 – Jun 2020	5/6
Public: Essex Mid and South			
Roy Birch	1st term: 3 years	Jun 2017 – Jun 2020	5/6
Toby Blunsten (until Dec 2019)	1st term: 3 years	Jun 2017 – Jun 2020	1/5
Keith Bobbin	1st term: 3 years	Jun 2017 – Jun 2020	4/6
Karen Brown	1st term: 2 years	Jun 2017 – Jun 2019	0/2
Bob Calver	1st term: 2 years	Aug 2017 – Jun 2019	1/2
Dianne Collins	1st term: 3 years	Jun 2019 – Jun 2022	2/4
Mark Dale	1st term: 3 years	Jun 2019 – Jun 2022	4/4
Shurleea Harding (until May 2019)	1st term: 3 years	Jun 2017 – Jun 2020	0/1
Andrew Hensman	1st term: 2 years	Jun 2017 – Jun 2019	0/2
Leanne Kelly (until Oct 2019)	1st term: 3 years	Jun 2019 – Jun 2022	1/1
Jess Plant (until Feb 2020)	1st term: 3 years	Oct 2019 – Jun 2022	1/1
Sam Rakusen	2nd term: 3 years	Jun 2019 – Jun 2022	3/6
Tanya Robertson	1st term: 3 years	Feb 2020 – Jun 2022	1/1
Clare Thorogood (until Dec 2019)	1st term: 3 years	Jun 2019 – Jun 2022	1/3
Judith Woolley	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Public: North East Essex and Suffolk			
Peter Cheng	2nd term: 3 years	Jun 2019 – Jun 2020	6/6
Gillian Lock-Bowen	1st term: 3 years	Jun 2019 – Jun 2022	3/4
Clive White	1st term: 3 years	Jun 2017 – Jun 2020	5/6
Public: West Essex and Herts			
Brian Arney	1st term: 3 years	Jun 2017 –Jun 2020	5/6

Name	Term		Attendance at Council of Governor Meetings (actual/possible)
David Bamber	1st term: 3 years	Jun 2017 –Jun 2020	5/6
Nadiene Birch	1st term: 2 years	Jun 2017 – Jun 2019	0/2
Pippa Ecclestone	1st term: 3 years	Jun 2017 – Jun 2020	6/6
Kate Shilling	1st term: 3 years	Aug 2019 – Jun 2022	0/4
Michael Waller	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Staff: Clinical			
Gail Gibbs	1st term: 2 years	Jun 2017 – Jun 2019	0/2
Robert Davison-Holmes (until Aug 2019)	1st term: 3 years	Jun 2019 – Jun 2022	0/0
Marianne Evans	1st term: 3 years	Jun 2019 – Jun 2022	2/4
Nosi Murefu	1st term: 3 years	Jun 2019 – Jun 2022	2/4
Tracy Reed	1st term: 3 years	Jun 2017 – Jun 2020	4/6
Staff Non-Clinical			
Pam Madison	1st term: 3 years	Jun 2017 – Jun 2020	5/6
Gill Toby	1st term: 3 years	Jun 2017 – Jun 2020	2/6
Bedford Borough Council and Central Bedfordshire Council			
David Bowater (until Apr 2019)	1st term: 3 years	Jun 2017 – Jun 2020	0/1
Essex County Council			
Andy Wood	1st term: 3 years	Jun 2017 – Jun 2020	4/6
Southend Borough Council			
Faye Evans (until May 2019)	1st term: 3 years	May 2018 – May 2019	0/1
Laurie Burton	1st term: 3 years	Jun 2019 – Jun 2022	1/4
Thurrock Council			
Sue Shinnick	1st term: 3 years	May 2018 – May 2021	0/6
Anglia Ruskin and Essex Universities			
Ruth Jackson	1st term: 3 years	Jul 2019 – Jul 2022	2/4
Graham Underwood (until Jun 2019)	1st term: 3 years	Jun 2017 – May 2020	0/2
CVS			
Clive Emmett (until Jul 2019)	1st term: 3 years	Sept 2017 – May 2020	0/2

Council of Governors Committees

The Council's committee governance framework is designed to ensure it robustly supports and enables the Council to fulfil its duties, roles and responsibilities effectively. The Committees do not have any delegated authority. All responsibilities are undertaken in support of the Council as it is the Council of Governors that holds the responsibility for decisions relating to all issues covered by the Committees.

Figure 2: Committee structure underpinning Council of Governors



In line with good governance practice, an efficacy review of the Council of Governors and its sub-committee structure was undertaken in October 2019 by an independent external consultant. The outcomes of the review were reported to the Council of Governors in November 2019 and provided positive feedback in terms of the structure and operation of the Council of Governors and its standing committees. It confirmed that there was robust coverage by the Council of Governors of its statutory responsibilities and no high risk / significant weaknesses requiring immediate action were identified. It also concluded that the standing committees supported the Council of Governors effectively. A number of suggestions were made for further strengthening the structure and processes. These were considered by a Task and Finish Group of Governors and actions agreed.

Governor Training and Development

The Governor Training and Development Committee is a standing committee of the Council that provides support in ensuring that there are effective and robust training and development arrangements in place to develop Governors' skills, knowledge and capabilities. This enables them to be confident, effective, engaged and informed members of the Council, thereby ensuring that the Council as a body remains fit for purpose and is developed to ensure continued delivery of its responsibilities effectively.

During the year the Trust has hosted or provided Governors with access to a range of training and development opportunities with the purpose of enhancing their knowledge and understanding of the organisation.

All Governors have undertaken a comprehensive induction programme which is regularly reviewed and updated, taking account of best practice from the centre.

During 2019/20 there have been various opportunities for providing support to Governors with their training and development including:

- training and development sessions provided by external providers to develop Governor skills and knowledge including accountability, effective questioning and accounts & finance;
- special briefings provided by internal teams / services on a wide range of subjects including equality & inclusion, quality assurance and service knowledge (eg Criminal Justice services);

- presentations and reports provided to the Council of Governors, including presentations from Non-Executive Directors on subjects they champion at Board level (including strategy & planning and innovation);
- learning through service visits and Your Voice meetings. This includes a Quality Visit programme whereby Governors visit services and feedback is shared with the Council of Governors; and
- presentations and reports provided at the Board of Directors meetings which Governors attend.

The Trust has also kept Governors well informed of training and development workshops and conferences hosted by other organisations, including NHS Providers, and encouraged all to utilise these development opportunities. Our Governors are encouraged to share their experiences of events attended through a written event feedback form which is circulated to the wider Council.

The Lead Governor is also the Deputy Chair and a member of the NHS Providers Governor Advisory Panel and provides quarterly updates to the Council. He has also established a Regional Lead Governors network and provides written updates to the Council.

In addition, Governors are kept regularly informed through direct emails. Knowledge is kept up to date through the sharing of best practice and centrally published information. In addition, the Chief Executive provides a briefing in private prior to each Council meeting.

The Council has also established a buddy framework to support new Governors.

Council of Governors Register of Interests

All members of the Council of Governors have a responsibility to declare relevant interests as defined in the Trust's Constitution. These declarations are made known to the Trust Secretary and entered into a register which is available to the public. Details can be requested from the Trust Secretary at The Lodge, Lodge Approach, Wickford SS11 7XX or email epunft.trust.secretary@nhs.net.

Governor Expenses

Governors do not receive remuneration but are able to claim travel and other expenses in line with Trust policy. During the year Governor expenses incurred totalled £12,600 and were claimed by 14 Governors out of a total of 46 in office (2018/19: £14,600 by 20 Governors).

Governors Contact Details

Governors can be contacted through the Trust Secretary Office by any of the following methods:

Email: epunft.trust.secretary@nhs.net
Freephone: 0800 023 2059

Post: Freepost RTRG–UCEC-CYXU
Trust Secretary Office
The Lodge
Lodge Approach
Wickford SS11 7XX

Council meetings are open to the public and details are published on the website together with the papers and minutes of the meetings.

Annual Report of the Council of Governors 2019/20

We are pleased to write this report to members from the Council of Governors of Essex Partnership University Trust (EPUT).

There were elections held during the year and we welcomed a considerable number of new Governors to our ranks, which has given a new feel and dynamism to your Council.

We have taken our role as 'critical friend' seriously, questioning the directors regularly so as to satisfy ourselves that proper process has been undertaken and that the interests of the patients and carers have been uppermost in any decisions which have been made.

Those Governors who were able to attend the Council meetings every quarter have appreciated the private session before the main meeting in which the Chief Executive, Sally Morris, holds an informal discussion on matters of immediate interest. These have been very helpful enhancing, as they do, the close working relationship between the Governors and the Chief Executive.

We had the opportunity to meet regularly with our Non-Executive Directors (NEDs), including the Chair, to discuss matters in an informal atmosphere so we are more able to understand the NEDs' role in questioning the Executive Directors on decisions taken, and how they undertake this task. This then links into our statutory duty to gain assurance on the performance of the NEDs and the Chair on an annual basis, as well as to appoint / reappoint NEDs.

During the year (up to the COVID-19 pandemic) it had been 'business as usual' and an important part of our role was undertaking Quality Visits, in the company of one of the Executive Directors and a NED. These give us an opportunity to talk to service users/patients, their carers and staff and to provide feedback to the Trust on what we have found, areas of good practice and any areas which we consider need to improve. Since the pandemic was declared we are pleased that services to our patients have continued as usual.

We have also been involved in reassuring ourselves that EPUT complies with Monitor's *Code of Governance.* This guidance helps Trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients and service users.

We always make sure that there are Governors present at public Board meetings to provide us with an insight into how the NEDs and the Executive Directors interact as well as to ask questions on your behalf. A record of these questions can be found in the Minutes of the Board of Directors on the Trust's website which shows the wide variety of subjects on which we have asked questions. This is all in addition to the Public Member meetings ('Your Voice') which Governors attend, and which many of you also use to learn more about the Trust's services, ambitions and actions.

We are mindful that we are elected or appointed to represent you, the members of our Trust, and to satisfy ourselves on your behalf that service users' / patients' needs are always the top priority and that the services provided are safe and of high quality, while at the same time maintaining independence from executive decisions.

The annual Staff Survey has shown that EPUT has many high scores across a wide variety of parameters. We note those areas where there is some room for improvement, which is to be expected. We will be keeping a close eye on these as it is in everyone's interest that staff satisfaction is at the highest level possible, for the service users to receive the best possible care. We as Governors would like to take this opportunity to congratulate the staff on providing services and a level of care that are outstanding within the

fields of both mental and community health. Their dedication during the current pandemic has been exemplary and we know that you would wish us to thank them on your behalf.

We ask members to note that we still have a strong presence in Bedfordshire and Luton as we continue to provide the local forensic mental health services there, and an award-winning Schools Immunisation Service.

Finally, we hope that you, as members, have been satisfied with the representation which we, as Governors, have been able to provide during the past year. If you have any questions which you wish to ask us then feel free to send us these, through the Trust Secretary's Office.

John Jones
Lead Governor
Essex Partnership University NHS FT

Brian Arney
Deputy Lead Governor
Essex Partnership University NHS FT

Membership

What is membership?

Foundation Trust membership aims to give local people, service users, patients and staff a greater influence in how the Trust's services are provided and developed. The benefits to the Trust in developing an effective membership and providing active engagement are:

- wider engagement with and improved access to the views of the population and community we serve;
- improved and more representative feedback from the local population as a whole;
- a better understanding of service user / patients' views in identifying particular service needs / gaps in service and valuable feedback on how well services are meeting the requirements of the local population, improving the quality of care;
- continuing to build good and trusting relationships; and
- to inform / consult with the local population on the work of the Trust including service developments.

Membership is important in helping to make the Trust more accountable to the people we serve, to raise awareness of mental health, community health and learning disability issues, and assists the Trust to work in partnership with our local communities.

The membership structure for the Trust is made up of two categories of membership:

Public Members - Anyone aged 12 and over living in England can become a member. Public membership is sub-divided into four constituencies which reflect the Sustainability and Transformation Partnership boundaries within which the Trust delivers services (one of which, Bedford, Luton, Milton Keynes, also includes the 'rest of England').

Staff Members - All staff who are on permanent or fixed term contracts that run for 12 months or longer automatically become members, unless they opt out. Staff who are seconded from our partnership organisations and working in the Trust on permanent or fixed term contracts that run for 12 months or longer are also automatically eligible to become members. Staff are members of one of two sub-groups which are linked to their different fields of work – clinical or non-clinical.

Membership Size and Breakdown

Our aim is to establish and maintain a broad and engaged membership that is evenly spread geographically across the areas we serve and reflects the ages and diversity of our local population.

As at 31 March 2020, the Trust had 11,175 members as follows:

Table 40: Membership size and movements 2019/20

Membership Size and Movements 2019/20	
Public constituency	
At year start (April 1)	5,294
New members	16
Members leaving	230
At year end (March 31)	5,080
Staff constituency	
At year start (April 1)	6,282
New members	566
Members leaving	753
At year end (March 31)	6,095

A breakdown of the public membership is as follows:

Table 41: Breakdown of public membership as at 31 March 2020

Public constituency		*Number of members 2018/19*	Number of members 2019/20	As percentage of population eligible for membership in this category
Age (years)	0-16	*1*	0	0%
	17-21	*40*	18	0.01%
	22+	*4,637*	4,466	0.2%
Ethnicity	White	*4,034*	3,836	0.1%
	Mixed	*104*	102	0.2%
	Asian or Asian British	*427*	418	0.5%
	Black or Black British	*281*	283	0.5%
	Other	*18*	17	0.1%
Socio-economic groupings	AB	*1,384*	1,323	0.4%
	C1	*1,541*	1,479	0.3%
	C2	*1,115*	1,072	0.4%
	DE	*1,179*	1,135	0.4%
Gender analysis	Male	*2,038*	1,948	0.1%
	Female	*3,134*	3,011	0.2%

The analysis section of the above table excludes:

- 596 public members with no dates of birth
- 424 members with no stated ethnicity
- 71 members with no socio-economic grouping
- 121 members with no gender

General exclusions: suspended members and inactive members.

Membership Framework

The Trust recognises that the Council of Governors directly represents the interests of the members and the local communities it serves. The Trust believes that its members have an opportunity to influence the work of the Trust and the wider healthcare landscape, thereby making a real contribution towards improving the health and wellbeing of service users / patients and the quality of services provided.

The Membership Framework is one of six frameworks that underpin the Engagement Strategy that recognises the need to put service users and the public at the heart of our engagement. It has a direct link to engagement with our range of stakeholders and should be read in conjunction with the Communications, Patient Experience and Carers' Frameworks.

The Membership Framework outlines the Trust's vision for membership and priorities over the period 2018 - 2021 and includes the priorities to build an effective, responsive and representative membership body that will assist in ensuring the Trust is fit for its future in the changing NHS environment. It recognises that there will be a wide variation in the level of participation of our members and, therefore, provides a range of pathways from which choices can be made. Every effort will be made to be inclusive in the approach to involvement with the aim of the membership community reflecting the social and cultural mix of the Trust's constituencies.

The key priorities are to:

- encourage and maintain members with the aim of establishing a membership that is representative of the population the Trust serves;
- communicate effectively with members; and
- develop an active membership including engagement with the public and key stakeholders.

The Council of Governors is responsible for the implementation of the Framework supported by the Trust Secretary Office. The Framework is monitored on a quarterly basis by the Council's Membership Committee.

One of the priorities for 2020/21 will be to review the Framework, acknowledging the achievements over the last 2 years and ensuring that the Framework is still current and relevant to the future membership plans and the Trusts strategy for the coming year. Another priority will be to ensure that members have access to membership activities that are of interest to them and to ensure representativeness through analysing the membership demographics, identifying plans to ensure a representative membership and promoting further engagement from members and the wider community.

Engagement and recruitment of our members

Continuing with the aim of achieving a more active and representative membership our focus during 2019/20 has been to maintain our membership database with members that wish to be engaged with the Trust going forward and to re-invigorate the membership meetings that are held to encourage greater attendance.

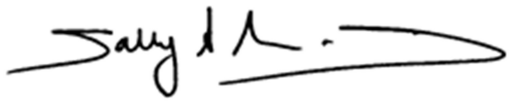
Active recruitment again was not considered to be a priority during 2019/20. Local people who attended our meetings and those our Governors met through their attendance at patient and community forums in their local areas have been encouraged to become an EPUT member. A priority for 2020/21 is to invite Trust Volunteers to become members of the Trust and for new volunteers to be automatically enrolled as members. Paper membership forms will also be available in our Trust sites and events that are hosted by the Trust in the local community.

Our 'Your Voice' meetings are the primary method of engagement currently. These are chaired by Governors and supported by the Chief Executive, Chair (or their deputies and Non-Executive Directors) as well as senior clinical staff based in the locality. The format of the meetings provides the opportunity for the public and members to hear about local services / issues / topics as well as the opportunity to ask questions of senior management in open forum. The opportunity is also given at all meetings for attendees to share their views on the future of the Trust and to receive updates on the action taken by the Trust following analysis of this feedback.

During 2019/20, eight 'Your Voice' meetings were held. The meetings were well attended in most towns and new contacts established with our members and partner organisations. We held our first meeting in Basildon, chaired by one of our newly elected Governors. We are increasing the communication channels when advertising our meetings. The format of the meetings continues to evolve; Governors and the Trust review feedback from each meeting and consider any improvements and the topics of discussion for future meetings.

Members are also kept up to date with developments at the Trust by:

- e-communications;
- visiting our website www.eput.nhs.uk ;
- using social media such as becoming a friend of the Trust on Facebook and/or following the Trust on Twitter;
- attending public meetings of the Board of Directors and Council of Governors;
- attending locality based patient/carer events;
- attending the Annual Members' Meeting; and
- attending Mental Health Forums



Sally Morris
Chief Executive
Essex Partnership University NHS FT
24 June 2020

Glossary

BAME	Black Asian and Minority Ethnic	**LGPS**	Local Government Pension Scheme
CBI	Confederation of British Industry	**MH**	Mental Health
CCG	Clinical Commissioning Group	**MHS**	Mental Health Services
CHS	Community Health Services	**MHSDS**	Mental Health Services Data Set
COG	Council of Governors	**NEP**	North Essex Partnership NHS Foundation Trust
COVID-19	Coronavirus	**NHS**	National Health Service
CPA	Care Programme Approach	**NHSI**	NHS Improvement
CQC	Care Quality Commission	**NHSE/I**	NHS Executive / Improvement
CPR	Castle Point and Rochford	**NHS OF**	NHS Oversight Framework
DQMI	Data Quality Maturity Index	**NICE**	National Institute for Health and Care Excellence
EPUT	Essex Partnership University NHS Foundation Trust	**OBD**	Out of area Bed Day
ERS	Employer Recognition Scheme	**PFI**	Private Finance Initiative
FEP	First Episode Psychosis	**PHEV**	Plug In Electric Vehicle
FFT	Friends and Family Test	**PLICS**	Patient Level Information and Costing Systems
FREED	First episode Rapid Entry intervention for Eating Disorders	**PSF**	Provider Sustainability Funding
FRF	Financial Recovery Fund	**SE**	South Essex
FT	Foundation Trust	**SEPT**	South Essex Partnership NHS Foundation Trust
FTE	Full Time Equivalent	**SID**	Senior Independent Director
F2SU	Freedom to Speak Up	**SIRO**	Senior Information Risk Owner
GP	General Practitioner	**SOS**	Southend-on-Sea
HSE	Health and Safety Executive	**SRO**	Senior Responsible Officer
IAPT	Improving Access to Psychological Therapies	**STP**	Sustainability and Transformation Partnership
KPI	Key Performance Indicator	**ICS**	Integrated Care System
KSF	Knowledge and Skills Framework	**STOMP**	STopping Over-Medication of People with learning disabilities, autism or both
LA	Local Authority	**WE**	West Essex
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Questioning	**WTE**	Whole Time Equivalent

Essex Partnership University
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Section A: Certificate for Annual Accounts

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

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

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

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

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

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

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

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

Sally Morris
Chief Executive
24 June 2020

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Essex Partnership University NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Essex Partnership University NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts. As Accounting Officer I am satisfied that the system of internal control in place enabled the Trust to respond quickly and effectively to the Covid19 crisis.

Capacity to handle risk

As part of my role of providing leadership to the risk management process I am Chair of the Executive Operational Sub-Committee, which is a Sub-Committee of the Finance and Performance Committee, a Standing Committee of the Board of Directors. This Committee and the Audit Committee are responsible for developing, maintaining and monitoring the risk management and assurance systems within EPUT. The Finance and Performance Committee, Strategy and Planning Committee and Quality Committee have a responsibility to receive and scrutinise action plans that are developed to mitigate significant potential risks identified.

EPUT trains all staff in various aspects of risk management and ensures that where staff require specialist advice and training this is provided through attendance on specific courses and attendance at conferences. EPUT has in place an approved mandatory and core training matrix in line with best practice requirements. Training and guidance is provided in various media formats to staff including e-learning, face-to-face, classroom environment, training and learning bulletins and seminars to ensure learning from good practice and experience is disseminated quickly and effectively.

EPUT's capacity to handle risk has been tested during the Covid19 crisis and processes in place have enabled an appropriate response to emerging risks. A Gold, Silver and Bronze Command structure ensures that strategic, tactical and operational risks are identified in a Covid19 risk register that is updated daily with mitigating actions and controls. The potential risk to achieving the Trust's objectives associated with Covid19 has been identified on the Board Assurance Framework.

The risk and control framework

The Risk Management and Assurance Framework details EPUT's risk management arrangements. It confirms accountability arrangements for individuals, including Executive Directors, risk specialists, managers and all staff. Risk Registers are in place at Board, Corporate and Directorate level together with an effective risk identification and assessment process to support these. Potential risks are identified and fed from a wide variety of sources including incidents, accidents, internal/external reviews, risk assessments, performance information, claims, complaints and staffing trends. As mentioned above a

separate risk register is currently in place covering Covid19 aligned to EPUT's Command structure. A live action log is maintained daily, obviating the need for specific action plans.

The Framework outlines how risks are prioritised in a consistent manner through the organisation, including the potential consequence should the risk materialise and an assessment of the likelihood that the risk will materialise. The Framework details ways in which controls are identified, and how assurance is provided and evaluated.

EPUT manages its most significant current and future potential risks through the Board Assurance Framework. Risks relating to quality have included (some of which are now closed):

- Implementing effective emergency planning arrangements for managing Covid19 outbreak
- HSE investigation into former NEP patient safety failings
- Providing high quality services from safe premises (ligature risks)
- High numbers of admissions of female patients with personality disorders
- Taking the right action in relation to restrictive practices (No Force First)
- The national lack of PICU and low secure beds for young people
- Developing a culture based on what is morally right and fair in response to incidents and errors (learning lessons)
- Driving quality improvement through innovation
- Maintaining a "Good" CQC rating
- Capacity of Quality Committee to deal with the quantum of issues and risks identified
- Taking account of current and emerging guidance relating to dormitories and single sex accommodation
- Leadership

Risks relating to finance and/or performance have included (some of which are now closed):

- Fire safety systems and processes
- Adult mental health bed capacity
- Addressing skills and capacity to deliver high quality services
- Achieving efficiencies through CIPs
- Consistently filling in-patient shifts to a minimum of 90%
- Assessing the potential implications of EU-exit
- Sustainability

Risks relating to strategy and planning have included:

- Focusing leadership and clinical capacity on transformation programme whilst managing operational services
- Ability to recruit new and additional staff to deliver new services and care pathways as part of the Trust's transformation programme

Each potential risk is owned by an Executive Director. Action plans to mitigate risk are developed and approved by EOSC and scrutinised by Standing Committees. Movement of risks throughout the year is monitored closely.

Having carried out a self-assessment against the NHSI well-led framework EPUT commissioned an independent third party well-led assessment during 2019. This was undertaken by Deloitte and an action plan to respond to the recommendations received was agreed by the Board of Directors in September 2019.

The EPUT Quality Strategy continues to be implemented and is supported by a QI Framework that is ensuring our staff are equipped with the right skills and provided with the right support to champion innovation in all services provided. The Board of Directors participated in a NHSE/I 'Leadership For Quality' Board Development programme during 2019/20.

The Board of Directors and I fully support the continued development of a safety culture throughout EPUT. The health and safety of all service users, staff, carers and visitors is paramount and no more so than during the Covid19 pandemic. EPUT has provided clear procedures as well as resources for reporting and managing incidents and insists on a philosophy that promotes open and honest reporting. Trust staff have a duty to report all incidents to prevent harm in the future. Incident reporting is monitored via the Health, Safety and Security Committee. A system is in place to ensure regular monitoring of moderate harm incidents and further investigation is undertaken as required. Issues are escalated to the Board or its Sub-Committees.

EPUT carries out all the necessary actions required to comply with its licence condition 4 (FT Governance) including a self-assessment against the Corporate Governance Statement and the licence conditions.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. EPUT has in place policies, procedures and monitoring arrangements to support its duty to eliminate discrimination. Quality Impact Assessments and Equality Impact Assessment systems are in place to ensure that decisions are made fairly and representatively. Policy authors are asked to undertake an impact assessment where this has identified a potential risk to a protected characteristic group. Cost Improvement Programmes are subject to a Quality Impact Assessment as necessary and on-going monitoring to ensure that efficiencies do not adversely impact on the quality of service delivery. A specific Covid19 work stream is in place to ensure equality and inclusion is taken account of at all times.

Public stakeholders, including Clinical Commissioning Groups, Sustainability and Transformation Partnerships (STPs) and Local Authorities are involved in managing key shared risks through well-established contract management and partnership committee structures that oversee the operational delivery of and potential threats to services delivered in partnership. In addition, the Council of Governors is advised of key risks that may have arisen or are likely to materialise, through regular meetings. System wide partnerships, working arrangements and mutual aid principles have proved invaluable during the Covid19 crisis.

EPUT's workforce plan has been produced in consultation with service leads and is in line with the workforce aspirations and guidance set out in a number of national strategies including: The Five Year Forward View, Safer Staffing Guidelines, the NHS 10 year Plan and other related strategic documents.

Detailed trajectories for workforce change have been submitted to STP leads in response to the requirement to show how the workforce growth as set out in the Five Year Forward View will be achieved through a combination of innovation, recruitment and retention. EPUT has been working closely with NHSE/I as part of the recruitment and retention initiative and has submitted regular updates to its plans showing progress against targets. Internal governance is maintained through a number of forums including the monthly Workforce and Organisational Development Group, which reports through the Multi-Professional Education Group and the Quality Committee to the Trust Board. The Workforce Transformation Group monitored the progress on workforce targets and workforce change during 2019/20 but a new standing committee of the Board of Directors, the Performance, Innovation and Transformation Committee, will oversee these activities from April 2020.

All issues around workforce planning and development are covered through these committees. When detailed revisions of the workforce plan are required then service lead groups will be convened to explore new approaches and ideas. The introduction of new roles is explored at this level, with discussion around the implications of skill development and skill transfer. Workforce development, recruitment and retention plans are created with a view to ensuring the sustainability and security of supply. With this in mind, EPUT

promotes a skills based approach to planning where service, workforce and training plans are closely integrated and reviewed iteratively. In response to the changing workforce environment EPUT has in place development pathways for nursing, offering a path from support worker to qualified status making use of the apprenticeship opportunities. Similar pathways have been created for therapy and psychology. The workforce plan is revised on a quarterly basis through circulation to leads and requests for updates. Workforce planning has including ensuring that EPUT is prepared for any Covid19 surge, emergency powers of redeployment, and bringing qualified staff up-to-date with training for any redeployment.

EPUT meets requirements for safe staffing levels by using a safer staffing tool that provides details for each ward on:

- Number of bank staff per shift and whether known to the ward
- Number of agency staff per shift and whether known to the ward
- Number and level of observation (mental health only)
- Number of escorts (mental health only)
- Further comments and reason for any variance in the staffing levels

Safer staffing is monitored through the monthly integrated quality and performance report. Safe staffing has been integral in EPUT's response to Covid19.

EPUT is fully compliant with the registration requirements of the Care Quality Commission. There are conditions attached to the registration of two nursing homes. Internal inspection systems are in place to monitor compliance with CQC requirements. A system of regular quality visits by Non-Executive, Executive Directors and Governors has been in place.

The CQC carried out a well-led inspection of the Trust during July and August 2019. EPUT's 'Good' rating was maintained. The Trust was rated 'Outstanding' in the "caring" domain and 'Good' in the domains of "effective", "responsive", and "well-led". The "safe" domain received a 'Requires Improvement' rating. Child and Adolescent Mental Health Services and End Of Life Care Services improved to an overall 'Outstanding' rating. An action plan was developed following publication of the CQC report and included 223 individual internal actions. As at the end of March 2020 193 actions were completed (87%) demonstrating that progress continues to be made with the actions agreed to address the findings of the inspection. EPUT works closely with the CQC and participates in regular engagement sessions with local inspection leads.

EPUT has a Conflicts of Interests, Gifts and Hospitality Policy and Procedural Guidelines. Relevant financial policies and HR documentation have been aligned with this policy. All Standing Committees, sub-committees and other Trust groups include 'declarations of interest' as a standing agenda item. EPUT has published on its website an up-to-date register of interests, including gifts and hospitality, for 'decision making staff' as defined by the Trust with reference to the guidance, within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS guidance.

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, employers' contributions and payments into the scheme are in accordance with the scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

EPUT has not undertaken explicit risk assessments and does not have a current sustainable development management plan in place, which takes account of UK Climate Projections 2018 (UKCP). The Trust is taking forward a range of sustainability programmes of work that include carbon reduction, transport and travel policies, procurement processes, energy efficient properties, waste management and recycling and strives to ensure that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. By March 2021 (at the latest) the Trust will develop a compliant Sustainable Development Management Plan and will undertake an explicit high level risk assessment that

takes account of UK Climate Projections 2018 (UKCP).

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

The Executive Operational Sub-Committee has responsibility for overseeing the day-to-day operations of EPUT and for ensuring that resources are being used economically, efficiently and effectively. The Finance and Performance Committee scrutinises quality, clinical and financial performance each month and provides the Board with assurance that performance is acceptable or that risks are being managed. The Executive Operational Sub-Committee and all Standing Committees of the Board continued to meet during the Covid19 crisis. The Board and its Standing Committees have maintained control of decision making during the crisis and active decision logs are in place through the Command structure.

EPUT's Audit Committee supports the Board and me as the Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements. The scope of the Audit Committee's work is defined in its terms of reference and encompasses all the assurance needs of the Board and Accounting Officer. The Audit Committee has engagement with the work of Internal Audit, External Audit and financial reporting issues. It is chaired by a Non-Executive Director.

Information Governance

Risks relating to data security are managed by the Director of ITT, Business Analysis and Reporting, in accordance with the Risk Management and Assurance Framework, Adverse Incident Policy and Procedure and the Information Governance and Security Policy. Cyber security remains at the forefront of EPUT's IMT Strategy and EPUT is making excellent progress towards achieving Cyber Essentials Plus and the Patching Strategy already meets the required criteria. The Information Governance Steering Committee monitors controls in place to prevent data breaches and provides assurance reports on these to the Quality Committee.
During 2019/20, 1 information governance breach was notified to the Information Commissioner's Office (ICO) and no further action was taken.

EPUT's Medical Director is the Caldicott Guardian, making sure that the personal information about those who use our services is used legally, ethically and appropriately, and that confidentiality is maintained. The Caldicott Guardian provides leadership and informed guidance on complex matters involving confidentiality and information sharing following the six Caldicott Principles. The Caldicott Guardian has played a key role during the Covid19 crisis.

EPUTs Executive Chief Finance Officer is the Senior Information Risk Owner (SIRO) responsible for understanding how the strategic business goals of EPUT may be impacted by any information risks and for taking steps to mitigate those risks. The Caldicott Guardian and SIRO will work closely together when consultation is required when information risk reviews are conducted for assets that contain personal information. This partnership has been strengthened during the Covid19 crisis.

Data Quality and Governance

EPUT's ability to have timely and effective monitoring reports, using complete data, is recognised as a fundamental requirement in order for the Trust to deliver safe, high quality care. The Board of Directors strongly believes that all decisions, whether clinical, managerial or financial, need to be based on information which is accurate, timely, complete and consistent. A high level of data quality also facilitates meaningful planning and enables services to be alerted to any deviation from expected trends.

Internal audit carried out a data quality audit on randomly selected KPIs across EPUT during October 2019 and advised there was 'moderate assurance' on the controls that were in place.

It has been necessary to ensure further data quality in respect of internal collection of data and external submissions of data related to Covid19.

EPUT's corporate governance has proved effective and efficient during Covid19 further demonstrating our preparedness.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the EPUT who have responsibility for the development and maintenance of the internal control framework. I have drawn on the 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, the Strategy and Planning Committee, the Quality Committee and Finance and Performance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place. My review has included the Trust's responsiveness to the Covid19 crisis.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- The Board of Directors met nine times in public during 2019/20 and received a report at each meeting relating to finance, performance and quality inviting scrutiny and challenge
- A structure of Standing Committees beneath the Board provides a layered approach to monitoring, scrutiny and challenge of systems of internal control
- A comprehensive quality, assurance and risk structure is in place including a compliance team
- EPUT has a corporate governance development plan in place to ensure compliance with regulatory requirements
- There is a comprehensive programme of Internal Audit in place aligned to key areas of potential financial and operational risk
- The Audit Committee has met regularly and carried out its responsibilities effectively in line with its terms of reference and the Audit Committee Handbook
- A Clinical Audit programme is in place to drive up quality standards. An annual report of results is produced and re-audit is undertaken if results require it
- Internal Audit conducted a review of EPUT's Board Assurance Framework and Risk Management in March 2019. The report covers the following areas of risk maturity and EPUT's level of maturity is stated in brackets – Risk Governance (Managed), Risk Assessment (Managed), Risk Mitigation (Managed), Monitoring and Reporting (Enabled), Continuous Improvement (Managed). EPUT scores favourably against other Trusts audited – the highest for monitoring and reporting and the only Trust that has achieved 5 managed or enabled outcomes (BDO internal audit).

Conclusion

No significant internal control issues have been identified.

Sally Morris
Chief Executive
24 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

Opinion

We have audited the financial statements of Essex Partnership University NHS Foundation Trust for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, the Statement of changes in equity and the related notes1 to 29, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion, the financial statements:

- give a true and fair view of the state of Essex Partnership University NHS Foundation Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the Department of Health and Social Care's Group Accounting Manual 2019/20 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accountable Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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.

Overview of our audit approach

Key audit matters	• Going concern disclosure in relation to the effects of Covid-19 • Valuation of land and buildings • Risk of manipulation of reported financial performance including the risk of management override and the risk of fraud in revenue recognition.
Materiality	• Overall materiality of £6.2 million which represents 2% of gross operating expenditure.

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Going concern disclosure in relation to the effects of Covid-19 – note 1.3 The Foundation Trust Audit Reporting Manual states: 'there is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS foundation trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.' The going concern assessment is required to cover a period of 12 months from the date of the auditor report. The Trust has carefully considered the guidance issued by NHSE/I	We: • Reviewed the Annual Report and Financial Statements disclosures in relation to the financial statements to be prepared on a going concern basis. • Discussed with the Trust the impact of the changes in funding arrangements as a result of Covid-19 on the Trust's financial planning for the 12 months from our sign off date. Formal revised financial plans covering this period are not yet in place, nor is written confirmation from NHSI/E of future funding past July 2020. We noted that	The main financial and operational consequence of Covid-19 on the Trust is the impact on patient demand and funding arrangements. The certainty of what the Trust's funding arrangements look like going forward is reduced. This has been disclosed in the revised Going Concern note and procedures performed to determine the impact of a range of outcomes impacting the cash flows and future financial plans.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
in preparing the going concern disclosures within the annual report and financial statements, and has worked closely with us to agree the nature and extent of the disclosures.	within the original plans, the Trust was forecasting a break even position, with a forecast cash balance at the end of March 2021 of £65.1 million. • Requested from management an updated and more detailed going concern assessment and reviewed this for any evidence of bias and consistency with the disclosures in the accounts and other relevant information. • Reviewed the Trust's cash flow forecasts for the period 12 months from the date of our audit report and considered the impact of scenario planning on these. The Trust's cash flow projections support the preparation of the accounts on a going concern basis. • Considered the impact on our audit report and consulting internally on the appropriateness of disclosures and the format of our audit report.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Manipulation of reported financial performance The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement. Also under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We consider this to be a key audit matter as assessment of the performance of management in the NHS is partly driven by the achievement of centrally determined financial targets. There is therefore clear incentive for management to override controls or inappropriately recognise revenue to misreport the	We: • Tested valuation and completeness of non-NHS payables, including accruals using larger sample sizes because of the risk. • Tested existence and valuation of non-NHS receivables and prepayments, using larger sample sizes because of the risk. • Tested completeness and measurement of non-NHS operating costs, excluding payroll and depreciation as these were not considered to be at risk of material misstatement from fraud, using larger sample sizes because of the risk. • Tested measurement and occurrence of other non-NHS operating revenue, using larger sample sizes because of the risk. • Reviewed Department of Health and Social Care Agreement of Balances data and tested a sample of differences with counter-parties concentrating on larger value differences to determine whether the difference was caused by error in the population of the Agreement of Balances submission. Where the difference was not related to an error in the submission we obtained evidence to	We identified no evidence of management bias or manipulation of reported financial performance as a result of our work.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
achievement of centrally determined financial targets.	support the Trust's reported position. • Tested the appropriateness of manual journal entries recorded in the general ledger using our data analytics tools to identify journals we considered more likely to suggest fraud or error. • Considered whether there were any material unusual transactions. We identified no such transactions. • Reviewed accounting estimates on the valuation of land and buildings, Private Finance Initiative (PFI) models, local government pension scheme assets and labilities, valuation of provisions and NHS and non-NHS accruals for evidence of management bias	
Valuation of land and buildings including investment property Property, plant and equipment, in particular, land and buildings, and investment property are material figures in the Trust's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a	We: • Created expectations of the value for one key item within land and building assets, which are based on existing use value from market data as at 31 March 2020. The expectations were based on third party market reports and indices provided by our internal valuers (EY Real Estates). We compared these to the figure reported in the Trust	We are satisfied that the valuation of land and buildings, including investment property, in the Trust's financial statements is materially accurate. Specifically: • The values in the financial statements and asset register were in line with the expectations we created using market reports and indices. The Trust's external valuer disclosed a 'material valuation uncertainty' in its year end

Risk	Our response to the risk	Key observations communicated to the Audit Committee
material impact on the financial statements. These values are disclosed in notes 11 and 12 of the financial statements. Although we do not recognise this as a significant or fraud risk, there is some incentive for management to understate the value of the assets as a lower asset value would result in a lower deprecation charge in future years. We also note that there is a potential impact on land and building valuations as at 31 March 2020 from Covid-19. The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Trust's external valuer. In light of this we draw attention to Note 1.23 Key Sources of Judgement and Estimation Uncertainty, Note 11.2 Revaluation of Property Plant and Equipment and Note 12 Investment Property of the financial statements, which describes the valuation uncertainty the Trust is facing as a result of COVID-19 in relation to property valuations. Our	financial statements and asset register. Additional procedures in response to the impact of Covid-19 on our inherent risk were: • Consideration of the Trust's asset base by type of asset and valuation methodology, as impacts are likely to be more significant for assets valued at fair value on the basis of data from market transactions. • Confirming that the Trust had investment property of £17.5 million which was appropriately valued at fair value. • Ensuring the appropriate disclosure has been made in the accounts concerning the material uncertainty.	valuation report in line with RICS guidance. The Trust repeated this 'material valuation uncertainty' as part of its Statement of Accounting Policies. As part of our work we considered the extent of the valuation uncertainty and noted the following: • All but £9.7 million of the Trust's property plant and equipment assets of £196.6 million are classified as specialist property and valued at depreciated replacement cost (DRC). Given DRC valuations are not informed by evidence of relevant market conditions which could have been impacted by Covid-19, we are satisfied that the outbreak of Covid-19 is unlikely to have led to an uncertainty in the valuation over these assets; and • The total of land and buildings valued at DRC includes £33 million of land. Although the valuation of land is more reliant on market evidence we are satisfied that the Trust's approach of not changing land values from the prior year was reasonable. • The Trust also holds investment properties with a total value of £17.5 million. We are satisfied that, based on the leases of these assets being for residential accommodation and nursing and care homes, the values of these assets, which are valued at fair value, have not been materially impacted by Covid-19. We have

Risk	Our response to the risk	Key observations communicated to the Audit Committee
opinion is not modified in respect of this matter.		confirmed this with our EY valuation specialists. Based on the work we have undertaken we are satisfied that the carrying value of land and building disclosed in the financial statements is materially accurate. We did, however, request some changes to be made to the Trust's disclosure of property, plant and equipment and investment property valuations in its Financial Statements. These have been updated in note 11.2 and note 12. Finally, we identified one misstatement in the disclosure of the property valuations included in the financial statements: There was a difference of £3.5 million between the external valuer's report and the value of the assets in the financial statements. The Trust determined that as they had not revalued the entire estate, they would use the external valuer's report to compare to the carrying values. However, the difference was not considered material for the Trust to recognise the movement in the 2019/20 financial statements. The impact of this misstatement, for which management has decided not to amend, is to understate land and buildings by £3.5 million.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Foundation Trust. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Foundation Trust and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We initially determined materiality for the Trust to be £6.1 million (2018/19: £6.1 million), which is 2% (2018/19: 2%) of gross operating expenditure based on the prior year audited financial statements. We believe that gross operating expenditure provides us with a basis for determining the nature, timing and extent of risk assessment procedures to identify our assessment of the risks of material misstatement.

During the course of our audit, we reassessed initial materiality to reflect operating expenses reported in the draft 2019/20 financial statements. This increased the level of materiality we applied by £0.1 million to £6.2 million.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Trust's overall control environment, our judgement was that performance materiality was 75% (2018/19: 75%) of our planning materiality, namely £4.5 million (2018/19: £4.5 million). This is at the upper end of the permitted range and reflects our experience at the previous year's audit and the quality of the financial statements presented for audit. The performance materiality was re-assessed in line with materiality and increased to £4.6 million.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2018/19: £0.3 million). This is set at 5% (2018/19: 5%) of planning materiality capped at £0.3 million as the Group Auditor for Whole of Government Accounts has requested that our reporting threshold should be no higher than £0.3 million. We also report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 81, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

We read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have nothing to report in this regard.

Opinion on other matters prescribe by the Code of Audit Practice issued by the NAO

In our opinion:

- the information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the parts of the Remuneration and Staff report identified as subject to audit has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Matters on which we report by exception

The Code of Audit Practice requires us to report to you if:

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- We refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or 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;
- We are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources as required by schedule 10(1)(d) of the National Health Service Act 2006;
- We have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20 and is not misleading or inconsistent with other information forthcoming from the audit; or
- We have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2019/20 requires us to report to you if in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit.
- otherwise misleading.

We have nothing to report in respect of these matters.

Responsibilities of Accounting Officer

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the company'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 Council of Governors intend 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

Auditor's responsibilities with respect to value for money arrangements

We are required to consider whether the Foundation Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is based on the overall criterion that "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

Proper arrangements are defined by statutory guidance issued by the National Audit Office and comprise the arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we draw on the requirements of the guidance issued by NHS Improvement to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.
We are only required to determine whether there are any risk that we consider significant within the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects".

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risk there is no requirement to carry out further work. Our risk assessment considers both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether the Foundation Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Foundation 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 Foundation Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under schedule 10(1)(d) of the National Health Service Act 2006 to be satisfied that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Under the Code of Audit Practice, we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources. We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the financial statements of Essex Partnership University NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

Use of our report

This report is made solely to the Council of Governors of Essex Partnership University NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

Debbie Hanson
Ernst & Young LLP

Debbie Hanson
for and on behalf of Ernst & Young LLP
Luton
25 June 2020

Section B: Annual Accounts and Notes to the Accounts

Foreword to the Accounts

Essex Partnership University NHS Foundation Trust

These accounts, for the year ended 31 March 2020, have been prepared by Essex Partnership University NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

If you require any further information on these accounts please contact:

The Executive Chief Finance Officer
Essex Partnership University NHS Foundation Trust
Trust Head Office
The Lodge
Lodge Approach
Runwell
Wickford
Essex SS11 7XX

Telephone: 01268 366000

Sally Morris
Chief Executive
24 June 2020

Statement of Comprehensive Income as at 31 March 2020

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	2	301,312	289,442
Other operating income	3	24,076	29,292
Operating expenses	5	(312,471)	(305,336)
Operating surplus/(deficit) from continuing operations		**12,917**	**13,398**
Finance income	9.1	883	787
Finance expenses	9.2	(3,192)	(3,084)
PDC dividends payable		(4,809)	(4,526)
Net finance costs		**(7,118)**	**(6,823)**
Other gains / (losses)		126	(1,025)
Surplus / (deficit) for the year from continuing operations		**5,925**	**5,550**
Surplus / (deficit) for the year		**5,925**	**5,550**
Other comprehensive income			
Impairments		-	(30)
Revaluations		(141)	1,673
Remeasurements of the net defined benefit pension scheme liability / asset		1,143	752
Total comprehensive income / (expense) for the period		**6,927**	**7,945**

The notes on pages 6 to 45 form part of these accounts. All income and expenditure is derived from continuing operations.

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	10	7,161	7,199
Property, plant and equipment	11	196,634	194,528
Investment property	12	17,535	18,145
Total non-current assets		**221,330**	**219,872**
Current assets			
Inventories	13	389	450
Trade and other receivables	14	18,123	20,839
Non-current assets held for sale	15	500	550
Cash and cash equivalents	16	67,722	63,289
Total current assets		**86,734**	**85,128**
Current liabilities			
Trade and other payables	17	(34,855)	(34,738)
Borrowings	19	(2,566)	(2,793)
Provisions	21	(3,222)	(4,558)
Other liabilities	18	(2,663)	(1,564)
Total current liabilities		**(43,306)**	**(43,653)**
Total assets less current liabilities		**264,758**	**261,346**
Non-current liabilities			
Borrowings	19	(36,188)	(38,725)
Provisions	21	(12,302)	(13,188)
Other liabilities	18	(203)	(1,156)
Total non-current liabilities		**(48,693)**	**(53,069)**
Total assets employed		**216,064**	**208,277**
Financed by			
Public dividend capital		128,457	127,597
Revaluation reserve		62,487	62,813
Other reserves		(203)	(1,156)
Income and expenditure reserve		25,323	19,023
Total taxpayers' equity		**216,064**	**208,277**

The Financial statements on pages 2 to 3 were approved by the Board on 24 June 2020 and signed on its behalf by,

Sally Morris
Chief Executive
24 June 2020

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**127,597**	**62,813**	**-**	**(1,156)**	**-**	**19,023**	**208,277**
Surplus/(deficit) for the year	-	-	-	-	-	5,925	**5,925**
Other transfers between reserves	-	(185)	-	(190)	-	375	**-**
Impairments	-	-	-	-	-	-	**-**
Revaluations	-	(141)	-	-	-	-	**(141)**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	1,143	-	-	**1,143**
Public dividend capital received	860	-	-	-	-	-	**860**
Taxpayers' and others' equity at 31 March 2020	**128,457**	**62,487**	**-**	**(203)**	**-**	**25,323**	**216,064**

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**127,245**	**62,326**	**-**	**(1,750)**	**-**	**12,159**	**199,980**
Surplus/(deficit) for the year	-	-	-	-	-	5,550	**5,550**
Other transfers between reserves	-	(918)	-	(158)	-	1,076	**-**
Impairments	-	(30)	-	-	-	-	**(30)**
Revaluations	-	1,673	-	-	-	-	**1,673**
Transfer to retained earnings on disposal of assets	-	(240)	-	-	-	240	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	752	-	-	**752**
Public dividend capital received	352	-	-	-	-	-	**352**
Taxpayers' and others' equity at 31 March 2019	**127,597**	**62,813**	**-**	**(1,156)**	**-**	**19,023**	**208,277**

Statement of Cash Flows as at 31 March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		12,917	13,398
Non-cash income and expense:			
Depreciation and amortisation	10 & 11	6,546	6,299
Net impairments	15	50	100
Non-cash movements in on-SoFP pension liability		190	158
(Increase) / decrease in receivables and other assets		2,573	5,464
(Increase) / decrease in inventories		61	65
Increase / (decrease) in payables and other liabilities		(1,652)	(5,509)
Increase / (decrease) in provisions		(2,213)	(1,642)
Other movements in operating cash flows		2	26
Net cash flows from / (used in) operating activities		**18,474**	**18,358**
Cash flows from investing activities			
Interest received		474	328
Purchase of intangible assets		(1,180)	(469)
Purchase of PPE and investment property		(4,972)	(6,439)
Sales of PPE and investment property		793	334
Net cash flows from / (used in) investing activities		**(4,885)**	**(6,246)**
Cash flows from financing activities			
Public dividend capital received		860	352
Movement on loans from DHSC		(1,636)	(2,121)
Capital element of PFI, LIFT and other service concession payments		(1,123)	(850)
Interest on loans		(193)	(241)
Interest paid on PFI, LIFT and other service concession obligations		(2,383)	(2,397)
PDC dividend (paid) / refunded		(4,681)	(3,902)
Net cash flows from / (used in) financing activities		**(9,156)**	**(9,160)**
Increase / (decrease) in cash and cash equivalents		**4,433**	**2,952**
Cash and cash equivalents at 1 April - brought forward		**63,289**	**60,028**
Cash and cash equivalents transferred under absorption accounting		-	309
Cash and cash equivalents at 31 March	16	**67,722**	**63,289**

Notes to the Accounts

1. Summary of Accounting Policies and Other Information

1.1 General Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Presentation of Financial Statements

When preparing the financial statements the Trust will in normal circumstances follow the standard format. However, where it is determined that the standard format is not representative in reflecting the true performance of the Trust, the presentation of the primary statements may be amended accordingly.

1.2.1 Accounting convention

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

1.3 Going concern

The definition of going concern within the NHS, relates to the continued provision of services by the public sector rather than by an individual organisation. As such, the financial statements of all NHS Providers are expected to be prepared on a going concern basis unless there are exceptional circumstances or the Provider is being wound-up without the services transferring to another public sector organisation.

The Directors have considered whether it is appropriate, taking into account current performance and best estimates of future activity, cashflow and the ongoing service provision by the Trust, for the accounts to be prepared on the basis of the Trust being a 'going concern'.

This included a review of the assumptions on which the financial plan for 2020/21 is based, including the delivery of the underlying savings plan. The Trust has considered various downside sensitivities including the non-achievement of cost savings, and under all possible scenarios the Trust remains a going concern and cash balances remain at an appropriate level. The Trust has an excellent track record of delivering its financial targets and will continue to closely monitor performance. The impact of the financial regime in operation for 2020/21 has also been considered, including the ongoing mandate issued to NHSE by the Government for the continued provision of services in England and the assumption around future funding levels for NHS providers.

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis for preparing the accounts continues to be adopted.

1.4 Income

1.4.1 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.

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 from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

1.4.2 Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

1.4.3 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.

1.4.4 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.

1.5 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 two NHS Pensions Scheme. Both schemes are unfunded, defined benefit schemes that cover NHS employer, 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 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 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.

NEST Pension Scheme

A small number of employees are members of the NEST (National Employment Savings Trust) Scheme. NEST is a defined contribution scheme. This means that the contributions paid in by the employer, the employee and anyone else are invested and used to build up the employee's own pension pot in accordance with the Scheme's policies.

The contributions are managed by a trust, NEST Corporation, representing the employees and the employer shares no gain or loss on those funds. The employer is responsible only for its pension cost contributions and nothing else and does not bear the risks related to the plan rather those risks are borne by employees.

Employer's pension cost contributions are charged to operating expenses as and when they become due. The current year's contributions are in note 6 below.

Local Government Pension Scheme

Some employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme, i.e. the Essex Pension Fund, which is administered by Essex County Council. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

To assess the value of the Employer's liabilities at 31 March 2020, the actuaries have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with FRS102.

To calculate the asset share, the actuaries have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

1.6 Expenditure on Other Goods and Services

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

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative services
- 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; and
- The cost of the item can be measured reliably and
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- They form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

Tenant Improvements

Property, plant and equipment are capitalised where they are tenant improvements made on leased properties that cost at least £5,000 and add value to the leased property such that it is probable that future economic benefits will flow to the Trust for more than one year over the remaining lease term.

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

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

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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.

In accordance with HM Treasury requirements, Land and Building assets are valued every 5 years, with an interim valuation at the end of the intervening 3rd year. The District Valuer is a professionally qualified Valuer and works in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual'.

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 in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

The Trust applies the following useful lives to property, plant and equipment assets. The lives applied to building assets are based on the latest valuations received from the district valuer.

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings - owned	Structure	4	66
	Engineering and installations	3	44
	External works	5	60
Buildings - PFI schemes	Structure	57	60
	Engineering and installations	21	26
	External works	39	42
Plant, machinery and equipment	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT Hardware	5	10
	Other engineering works	5	15
Furniture and fitting	Furniture	10	10
	Soft furnishings	7	7
Motor vehicles		7	7

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease previously recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'

Impairments

In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

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

De-recognition / Assets Held for Sale

Assets intended for disposal, are reclassified as 'Held for Sale' once 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'. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the net sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Depreciation ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated assets

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

Donated assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI Contract)

PFI transactions which meet the IFRIC12 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.

1.8 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 and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Intangible assets are capitalised when they are capable of being used in Trust activities for more than one year; they can be valued; and have a cost of at least £5,000.

Internally generated intangible assets

Internally generated goodwill, mastheads, publishing titles, consumer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

The Trust does not have any internally-generated intangible assets.

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.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

Amortisation

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

The Trust applies the following useful lives to amortise intangible assets to arrive at the assets residual value'

Main Asset Category	Sub Category	Useful Economic Life minimum (in years)	Useful Economic Life maximum (in years)
Intangible assets	Software	5	15

1.9 Investment Properties

Investment Properties are those assets which are held solely for the purpose of generating rental income or capital appreciation within the meaning of IAS 40. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

On initial recognition, Investment Properties are measured at fair value and are subsequently re-valued annually, with any gain or loss arising being dealt with in the Statement of Comprehensive Income, in accordance with IAS40.

The Trust currently has properties which are leased to housing associations, other NHS organisations and private tenants, following the decommissioning of the services that were previously rendered from these properties.

1.10 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.

1.10.1 The Trust as lessee

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.

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. Leased land is treated as an operating lease.

1.10.2 The Trust as lessor

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.

1.11 Inventories

Inventories are stated at lower of cost and net realisable value.

1.12 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 ONS.

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

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 are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured 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 and contract receivables and contract assets, 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.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Provision for debtor impairment

A provision will be provided against the recovery of debts, where such a recovery is considered doubtful. Where the recovery of a debt is considered unlikely, the debt will either be written down directly to the Statement of Comprehensive Income, or charged against a provision to the extent that there is a balance available for the debt concerned, and thereafter charged to operating expenses.

De-recognition

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

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

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020.

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 21 but is not recognised in the Trust's accounts.

Non clinical risk pooling

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

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 25 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.15 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the 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 of the audit of the annual accounts.

1.16 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme 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 judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

1.17 Taxation

Essex Partnership University NHS Foundation Trust is a Health Service body within the meaning of s519AICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within the categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519 A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not

related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. There is no tax liability arising in the current financial year.

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.

1.19 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 the HM Treasury's FReM.

1.20 Capital commitments

For ongoing capital projects at the balance sheet date, the value of capital commitments will be based on the value of contracted work not yet completed at the balance sheet date. The value of the capital commitment is disclosed at note 23.

1.21 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see 'third party assets' above). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, 'interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

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.

1.23 Key Sources of Judgement and 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:

Provisions

Provisions have been made in line with management's best estimates and in line with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The Trusts post-employment benefits are rebased periodically subject to life expectancy assumptions as issued by Government Actuary Department. The real discount rate issued by the HM Treasury annually is also applied to the provision to determine the provision required as at the end of the financial year. The real discount rate applicable on 31 March 2020 was -0.50% (the previous year's rate was 0.29%). The total provisions relating to post-employment benefits as at the end of the financial year was £7,570k.

The Trust also holds a provision for its expense obligations in relation to the redevelopment of the former Severalls hospital site. This obligation is as a result of a joint Education Agreement and Highways (NAR3) Agreement that the Trust has with the Essex County Council along with Homes England building consortium, to provide financial support to the new housing development in terms of highways and schools. Whilst the obligation relating to the Education agreement has now been fulfilled, that which relates to the Highways Agreement is yet to be fulfilled. The Trust therefore maintains a provision of £5,797k with the expected timing of cashflow being over the next two years. The real discount rate applicable on 31 March 2020 was 0.51%.

Apart from the above provisions, the Trust has no other material provisions, or provisions which may change materially as a result of any underlying uncertainty.

Pensions

The valuations of the NHS Pensions Scheme liability and the Local Government Pension Scheme are carried out by the schemes' actuaries. These involve a degree of actuarial and financial assumptions and estimates.

Assumptions regarding valuation of Investment Properties, Land and Buildings

The Trust's Investment Properties, Land and Buildings are valued by the District Valuer. This involves a significant degree of judgement and estimation techniques and the results reflect the specialist professional assessment of the conditions within the external property market.

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 and RICS UK National Supplement ('Red Book'), the Valuer has declared a 'material valuation uncertainty' as at the year ending 31st March 2020, as disclosed in notes 11.2 and 12. This is on the basis of uncertainties in markets caused by COVID-19. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Assumptions regarding depreciation of Property, Plant and Equipment and Intangible Assets

The depreciation of Buildings is based on the value and life of the assets as periodically determined by the District Valuer.

The depreciation of other assets is based on the value and life of the assets in line with the accounting standard, IAS 16 *Property, Plant and Equipment*. The Standard requires that the useful life of an asset be reviewed regularly and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under the

Accounting Standard, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

The following are the judgements, apart from those involving estimations (see above) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

Consolidation of the EPUT Charity Accounts with the Trust Accounts

The accounting standards require consolidation of a group of entities under the control of a parent where there exists the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. As the Trust is a corporate trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund, hence controls it, and the purpose of the Charities is to assist NHS patients, hence the Trust benefits from its activities, the requirements of the relevant accounting standards is normally applicable in the preparation of the Trust Accounts.

However, In line with IAS 1, *Presentation of Financial Statements*, specific disclosure requirements set out in individual accounting standards or interpretations need not be satisfied if the information is not material. The net assets of the Charity is about 0.4% of the Trust's total assets employed, and are therefore not considered to be material in the context of the Trusts wider accounts. As such, the Board of Directors have noted and approved that the Charities Accounts will not be consolidated into the main Trust Accounts for 2019/20. This is subject to an annual materiality review each financial year.

1.24 Change in Accounting Estimate

The Trust reviews the useful lives of its non-current assets, including IT assets to identify assets where the expectations of the length of useful lives of the assets exceed previous estimates. Where this is the case, the carrying amounts of the relevant assets are adjusted as a result of the adjustment of their useful lives, in line with current expectations of the future benefits associated with the assets.

1.25 Operating Segments

Under International Financial Reporting Standards, operating segments are components of an entity that engage in separate revenue earning activities, have discrete financial information available, and whose results are reviewed regularly by the entity's chief operating decision maker. Activities or departments of an organisation that earn no or incidental revenues would not be operating segments.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker of the Trust. The Chief Operating Decision Maker of the Trust is the Trust Board.

The Trust's activities constitute a single segment of healthcare activity provided wholly in the UK, are subject to similar risks and rewards and all assets are managed as one central pool. And this is consistent with the Trust's monthly financial report to the Trust Board.

1.26 Limitation of auditor's liability

In line with guidance from the Financial Reporting Council, the Trust's external auditor, Ernst & Young LLP, have limited their liability in respect of their external audit work. The limitation on auditors' liability for external audit work is £2m.

1.27 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2019/20. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being anticipated for implementation in 2020/21.

- 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.

  HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

- IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted. The Trust does not expect the adoption of this standard to have a material impact on the 2023/24 accounts.

1.28 Transfer by absorption

For functions that have been transferred to the Trust from another NHS/local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

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

1.29 Prior Period Adjustment

Prior period adjustments may arise from a change in accounting policy or in correcting a material error.

Changes in accounting policies are only made when required by proper accounting practices or when the effect of the changes will provide more reliable or relevant information regarding the impact of transactions, other events and conditions on the Authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise), by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors identified in prior period amounts are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

New or updated information may give rise to reclassifications between balances in the Statement of Financial Position, thereby leading to the restating of their opening balances under the new classifications.

There was no prior period adjustment during the financial year 2019/20.

Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by nature)	2019/20	2018/19
	£000	£000
Cost and volume contract income***	33,938	26,281
Block contract income	160,524	169,095
Clinical partnerships providing mandatory services (including S75 agreements)	2,744	4,153
Other clinical income from mandatory services	15,334	15,483
Community services income from CCGs and NHS England***	72,787	65,619
Income from other sources (e.g. local authorities)	6,594	5,698
Private patient income	45	21
Agenda for Change pay award central funding*		3,092
Additional pension contribution central funding**	8,738	
Other clinical income	608	-
Total income from activities	**301,312**	**289,442**

*The 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.

***Some contract income which were previously reported under Block Contract Income in 2018/19 have been reclassified more accurately this financial year, under Cost and Volume Contract Income and Community services Income from CCGs and NHS England. The 2018/19 value that would have been reclassified from Block Contract Income to these headings total £15,499k.

Note 2.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	**£000**
NHS England	47,842	41,706
Clinical commissioning groups	223,896	219,160
Department of Health and Social Care	-	3,092
Other NHS providers	11,587	4,412
Local authorities	15,295	18,260
Non-NHS: private patients	45	21
Non NHS: other	2,647	2,791
Total income from activities	**301,312**	**289,442**

Note 3 Other operating income	2019/20			2018/19		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	469	-	**469**	493	-	**493**
Education and training	7,550	-	**7,550**	7,571	-	**7,571**
Non-patient care services to other bodies	98	-	**98**	100	-	**100**
Provider sustainability fund (PSF)	3,274	-	**3,274**	8,778	-	**8,778**
Income in respect of employee benefits accounted on a gross basis	693	-	**693**	779	-	**779**
Charitable and other contributions to expenditure	-	27	**27**	-	29	**29**
Rental revenue from operating leases	-	2,778	**2,778**	-	2,751	**2,751**
Other income	9,187	-	**9,187**	8,791	-	**8,791**
Total other operating income	**21,271**	**2,805**	**24,076**	**26,512**	**2,780**	**29,292**

Note 3.1 Analysis of other contract income

	2019/20 £000	2018/19 £000
Catering	96	90
Pharmacy sales	42	38
Staff accommodation rental	55	65
Estates recharges (external)	1,594	2,309
IT recharges (external)	6,567	5,288
Other income not already covered (recognised under IFRS 15)	833	1,001
Total other contract income	9,187	8,791

Note 4 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20 £000	2018/19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	916	771

Note 5 Operating expenses

	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC bodies	2,999	3,813
Purchase of healthcare from non-NHS and non-DHSC bodies	5,600	5,021
Staff and executive directors costs	232,878	221,110
Remuneration of non-executive directors	183	171
Supplies and services - clinical (excluding drugs costs)	5,746	5,821
Supplies and services - general	5,828	7,657
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	5,109	5,007
Consultancy costs	1,757	2,499
Establishment	5,281	6,002
Premises	18,666	16,114
Transport (including patient travel)	3,962	3,972
Depreciation on property, plant and equipment	5,340	5,044
Amortisation on intangible assets	1,206	1,255
Net impairments	50	100
Movement in credit loss allowance: contract receivables / contract assets	(1,217)	782
Increase/(decrease) in other provisions	(345)	1,313
Change in provisions discount rate(s)	397	-
Audit fees payable to the external auditor		
audit services- statutory audit	60	67
Internal audit costs	112	108
Clinical negligence	1,748	1,785
Legal fees	304	(185)
Insurance	347	325
Research and development	549	561
Education and training	2,508	2,308
Rentals under operating leases	9,181	11,371
Redundancy	(792)	755
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI /	1,367	1,721
Car parking & security	746	770
Hospitality	31	40
Losses, ex gratia & special payments	1,041	55
Other services, eg external payroll	1,923	1,677
Other	(94)	(1,703)
Total	**312,471**	**305,336**

Note 6 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	173,281	170,690
Social security costs	17,020	15,902
Apprenticeship levy	836	753
Employer's contributions to NHS pensions	28,938	20,171
Pension cost - other	265	252
Other post employment benefits	(107)	(144)
Termination benefits	158	44
Temporary staff (including agency)	14,553	15,149
Total gross staff costs	**234,944**	**222,817**
Recoveries in respect of seconded staff	-	-
Total staff costs	**234,944**	**222,817**

Note 6.1 Retirements due to ill-health

During 2019/20 there were no early retirements from the trust agreed on the grounds of ill-health (3 in 2018/19). The estimated additional pension liabilities of these ill-health retirements is £0k (£99k in 2018/19).

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

Note 6.2 Director Remunerations and Staff Costs

The analysis of directors' remunerations and pension benefits for the year ended 31 March 2020 are in the Remuneration Report section of the Annual Report.

The analysis of staff costs, average staff numbers and staff exit packages for the year ended 31 March 2020 are in the Staff Report section of the Annual Report.

Note 6.3 Employee retirement benefit obligation

Note 6.3.1 Amounts recognised in the SoCI

	2019/20	2018/19
	£000	£000
Current service cost	(187)	(252)
Interest expense / income	(27)	(43)
Past service cost	(78)	-
Administration expenses	(5)	(7)
Total net (charge) / gain recognised in SOCI	**(297)**	**(302)**

Note 6.3.2 Principal actuarial assumptions

	2019/20	2018/19
	%	%
Discount rate	2.35	2.40
Pension increases	1.90	2.40
Rate of increase in salaries	2.90	3.90

Note 6.3.3 Amounts recognised in the Statement of Financial Position

	2019/20	2018/19
	£000	£000
Present value of the defined benefit obligation	(16,419)	(18,288)
Plan assets at fair value	16,216	17,132
Net defined benefit (obligation) / asset recognised in the SoFP	**(203)**	**(1,156)**
Fair value of any reimbursement right	-	-
Net (liability) / asset recognised in the SoFP	**(203)**	**(1,156)**

Note 6.3.4 Change in benefit obligation

	2019/20	2018/19
	£000	£000
Present value of the defined benefit obligation at 1 April	**(18,288)**	**(18,252)**
Prior period adjustment	-	-
Present value of the defined benefit obligation at 1 April - restated	**(18,288)**	**(18,252)**
Transfers by absorption	-	-
Current service cost	(187)	(252)
Interest cost	(436)	(459)
Contribution by plan participants	(38)	(51)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	2,294	179
Benefits paid	314	547
Past service costs	(78)	-
Present value of the defined benefit obligation at 31 March	**(16,419)**	**(18,288)**

Note 6.3.5 Change in fair value of plan assets

	2019/20	2018/19
	£000	£000
Plan assets at fair value at 1 April	**17,132**	**16,502**
Prior period adjustment	-	-
Plan assets at fair value at 1 April -restated	**17,132**	**16,502**
Transfers by normal absorption	-	-
Interest income	409	416
Remeasurement of the net defined benefit (liability) / asset:		
- Return on plan assets	(1,292)	573
- Actuarial gain / (losses)	141	-
Contributions by the employer	102	137
Contributions by the plan participants	38	51
Benefits paid	(314)	(547)
Plan assets at fair value at 31 March	**16,216**	**17,132**

Note 6.3.6 Remeasurement in Other Comprehensive Income

	2019/20	2018/19
	£000	£000
Return on funds assets in excess of interest	(1,292)	573
Other actuarial gains/(losses) on assets	141	-
Change in financial assumption	1,590	(814)
Change in demographic assumptions	101	993
Experience gain/(loss) on defined benefit obligation	603	-
Remeasurement of the net assets /(defined liability)	**1,143**	**752**

Note 6.3.7 Projected pension expenses

	2020/21
Service cost	175
Net interest on defined liability	4
Administration expenses	5
Total	184
Employer contribusions	126
Total	126

Note 6.3.8 Sensitivity analysis

Adjustment to discount rate	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	16,108	16,419	16,736
Projected service cost	171	175	179
Adjustment to long term salary increase	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	16,440	16,419	16,399
Projected service cost	175	175	175
Adjustment to pension increases and deferred revaluation	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	16,717	16,419	16,127
Projected service cost	179	175	171
Adjustment to life expectancy assumptions	**+1 year**	**None**	**-1 year**
Present value total obligation	17,002	16,419	15,857
Projected service cost	180	175	170

Note 7 The Late Payment of Commercial Debts (interest) Act 1998.

There was a total interest payment of £239 relating to the late payment of commercial debts in the year ended 31 March 2020 (2018/19: £91).

Note 8 Operating leases

Essex Partnership University NHS Foundation Trust as a lessor

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

	2019/20 £000	2018/19 £000
Operating lease revenue		
Minimum lease receipts	2,778	2,751
Total	**2,778**	**2,751**

	2019/20			2018/19
	Building £000	Other £000	Total £000	Total £000
Future minimum lease receipts due:				
- not later than one year;	1,701	487	2,188	2,177
- later than one year and not later than five years;	437	374	811	1,543
- later than five years.	462	-	462	700
Total	**2,600**	**861**	**3,461**	**4,420**

Essex Partnership University NHS Foundation Trust as a lessee

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

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	9,181	11,371
Total	**9,181**	**11,371**

	2019/20			2018/19
	Building £000	Other £000	Total £000	Total £000
Future minimum lease payments due:				
- not later than one year;	8,299	1,293	9,592	10,236
- later than one year and not later than five years;	4,709	881	5,590	6,324
- later than five years.	49,707	-	49,707	50,487
Total	**62,715**	**2,174**	**64,889**	**67,047**
Future minimum sublease payments to be received	-	-		

Note 9 Finance income and Finance expenditure

Note 9.1 Finance income

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

	2019/20 £000	2018/19 £000
Interest on bank accounts	474	371
Other finance income	409	416
Total finance income	**883**	**787**

Note 9.2 Finance expenditure

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

	2019/20 £000	2018/19 £000
Interest expense:		
Loans from the Department of Health and Social Care	188	234
Main finance costs on PFI and LIFT schemes obligations	1,711	1,763
Contingent finance costs on PFI and LIFT scheme obligations	866	628
Total interest expense	**2,765**	**2,625**
Unwinding of discount on provisions	(9)	-
Other finance costs	436	459
Total finance costs	**3,192**	**3,084**

Note 10 Intangible assets

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	**16,983**	**-**	**16,983**
Additions	1,064	116	**1,180**
Disposals / derecognition	(46)	-	**(46)**
Valuation / gross cost at 31 March 2020	**18,001**	**116**	**18,117**
Amortisation at 1 April 2019 - brought forward	**9,784**	**-**	**9,784**
Provided during the year	1,206	-	**1,206**
Disposals / derecognition	(34)	-	**(34)**
Amortisation at 31 March 2020	**10,956**	**-**	**10,956**
Net book value at 31 March 2020	**7,045**	**116**	**7,161**
Net book value at 1 April 2019	**7,199**	**-**	**7,199**

Note 11 Property, plant and equipment

	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 2019 - brought forward	**49,425**	**144,032**	**1,140**	**105**	**5,062**	**388**	**12,984**	**2,185**	**215,322**
Additions	-	2,590	-	2,419	229	-	2,432	-	**7,670**
Revaluations	-	(141)	-	-	-	-	-	-	**(141)**
Disposals / derecognition	-	(50)	-	(39)	(13)	-	-	-	**(101)**
Valuation/gross cost at 31 March 2020	**49,425**	**146,431**	**1,140**	**2,486**	**5,279**	**388**	**15,416**	**2,185**	**222,750**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**4,202**	**46**	**-**	**3,539**	**361**	**10,461**	**2,185**	**20,794**
Provided during the year	-	4,476	46	-	300	21	496	-	**5,340**
Revaluations	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(5)	-	-	(13)	-	-	-	**(18)**
Accumulated depreciation at 31 March 2020	**-**	**8,673**	**92**	**-**	**3,827**	**382**	**10,957**	**2,185**	**26,116**
Net book value at 31 March 2020	**49,425**	**137,758**	**1,048**	**2,486**	**1,452**	**6**	**4,459**	**-**	**196,634**
Net book value at 1 April 2019	**49,425**	**139,830**	**1,094**	**105**	**1,523**	**27**	**2,523**	**-**	**194,528**

	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 - brought forward	**49,541**	**132,000**	**1,140**	**6,895**	**5,027**	**388**	**11,591**	**2,185**	**208,767**
Transfers by absorption	-	-	-	-	-	-	(99)	-	**(99)**
Additions	-	4,280	-	48	52	-	1,261	-	**5,641**
Impairments	(30)	0	-	-	-	-	-	-	**(30)**
Revaluations	34	1,568	-	-	-	-	-	-	**1,603**
Reclassifications	(120)	6,184	-	(6,722)	-	-	323	-	**(335)**
Disposals / derecognition	-	-	-	(116)	(17)	-	(92)	-	**(225)**
Valuation/gross cost at 31 March 2019	**49,425**	**144,032**	**1,140**	**105**	**5,062**	**388**	**12,984**	**2,185**	**215,322**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**(0)**	**-**	**-**	**3,253**	**335**	**10,099**	**2,185**	**15,872**
Transfers by absorption	-	-	-	-	-	-	(20)	-	**(20)**
Provided during the year	-	4,273	46	-	299	26	400	-	**5,044**
Revaluations	-	(71)	-	-	-	-	-	-	**(71)**
Disposals / derecognition	-	-	-	-	(13)	-	(18)	-	**(31)**
Accumulated depreciation at 31 March 2019	**-**	**4,202**	**46**	**-**	**3,539**	**361**	**10,461**	**2,185**	**20,794**
Net book value at 31 March 2019	**49,425**	**139,830**	**1,094**	**105**	**1,523**	**27**	**2,523**	**-**	**194,528**
Net book value at 1 April 2018	**49,541**	**132,000**	**1,140**	**6,895**	**1,774**	**53**	**1,492**	**-**	**192,895**

Note 11.1 Property, plant and equipment financing

	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	49,425	105,760	1,048	2,486	1,452	6	4,459	-	**164,636**
On-SoFP PFI contracts and other service concession	-	31,897	-	-	-	-	-	-	**31,897**
Owned - donated	-	101	-	-	-	-	-	-	**101**
NBV total at 31 March 2020	**49,425**	**137,758**	**1,048**	**2,486**	**1,452**	**6**	**4,459**	**-**	**196,634**

Note 11.2 Revaluation of property plant and equipment

In line with the Trust's accounting policy, a revaluation of land and buildings was not due this financial year. However, as recommended by international accounting standards (IAS 16), the Trust carried out an assessment of its asset carrying amounts in comparison to values obtained from the District Valuer as at 31st March 2020, to ensure that the carrying amounts of assets do not differ materially from their fair value at the Statement of Financial Position date. No revaluation was required following this assessment.

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 and RICS UK National Supplement ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report used in carrying out this assessment. This is on the basis of uncertainties in markets caused by COVID-19. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Of the £188,231k net book value of land and buildings subject to valuation, £177,597k relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced. There has been no significant reduction in the occupancy, use and demand for NHS properties as a result of Covid-19. The Trust therefore concludes that its measurement of assets is materially accurate.

Note 11.3 Remaining Economic lives of Property, Plant and Equipment

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings - owned	Structure	4	66
	Engineering and installations	3	34
	External works	5	60
Buildings - PFI schemes	Structure	57	60
	Engineering and installations	21	26
	External works	39	42
Plant, machinery and equipment	Medical and surgical equipment	1	14
	Office equipment	0	0
	IT Hardware	1	9
	Other engineering works	2	9
Furniture and fitting	Furniture	0	0
	Soft furnishings	0	0
Motor vehicles		0	1

Note 11.4 Assets under PFI Contract

	2019/20 £000
Cost or valuation	
Cost/Valuation at 1 April 2019	33,182
Additions during the year	235
Cost/Valuation at 31 March 2020	**33,417**
Accumulated depreciation	
Cost/Valuation at 1 April 2019	(759)
Provided during the year	(762)
Accumulated depreciation at 31 March 2020	**(1,520)**
Net Book Value at 1 April 2019	32,424
Net Book Value at 31 March 2020	**31,897**

EMI Homes – PFI

In 2004, two homes were opened for the provision of care for the Elderly Mentally ill which have since been re-designated under CQC registration as Nursing Homes. The construction has been financed by a private finance initiative, between the legacy South Essex Partnership Trust (now Essex Partnership University NHS Foundation Trust) (the grantor) and Ryhurst (the operator), under a public private service concession arrangement.

The term of the arrangement is 30 years, over which the grantor will repay the financing received from the operator, ending in 2033. At the end of the financing period legal ownership will pass from Ryhurst to Essex Partnership University NHS Foundation Trust.

During the period of the arrangement the grantor will have full and sole use of the properties to provide the health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract. No material capital expenditure is included in the contract arrangement.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

Forensic Unit - PFI

In November 2009 a new forensic unit was opened to provide low and medium secure services. The construction of the new facility has been financed by a private finance initiative between the legacy South Essex Partnership Trust (now Essex Partnership University NHS Foundation Trust) (the grantor) and Grosvenor House (the operator), under a public private service concession arrangement.

The term of the arrangement, over which the grantor will repay financing received to the operator, is 29 years ending in 2037. At the end of the financing period legal ownership will pass from Grosvenor House to Essex Partnership University NHS Foundation Trust.
During the period of the arrangement the grantor will have full and sole use of the unit to provide health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

Finance Leases

There were no assets held under finance leases and hire purchase contracts at the end of the reporting period and therefore there was no depreciation charged in the statement of comprehensive income.

Note 12 Investment Property

	2019/20 £000	2018/19 £000
Carrying value at 1 April - brought forward	**18,145**	**18,105**
Movement in fair value	190	(295)
Reclassifications to/from PPE	-	335
Disposals	(800)	-
Carrying value at 31 March	**17,535**	**18,145**

The Trust's policy is to annually revalue its investment properties in accordance with accounting guidance. The revaluation provided by the District Valuer showed an increase of £190,000 during 2019/20.

The valuation exercise was carried out in February 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards and RICS UK National Supplement ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of the above investment properties.

With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust in making the annual revaluation adjustments required for its investment property valuation. Therefore the Trust concludes that its measurement of investment properties is materially accurate.

In December 2019, Coach House, Grays was sold.

Note 13 Inventories

	2019/20 £000	2018/19 £000
Drugs	137	159
Wheelchairs	252	291
Total inventories	**389**	**450**

Note 14 Trade and Other Receivables

	2019/20 £000	2018/19 £000
Current		
Contract receivables	18,235	22,674
Allowance for impaired contract receivables / assets	(2,136)	(4,301)
Prepayments (non-PFI)	1,604	2,005
PDC dividend receivable	-	35
VAT receivable	328	365
Other receivables	92	61
Total current receivables	**18,123**	**20,839**

Note 14.1 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**4,301**	**-**	**-**	**4,470**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			4,470	(4,470)
New allowances arising	2,400	-	4,035	-
Reversals of allowances	(3,617)	-	(3,253)	-
Utilisation of allowances (write offs)	(949)	-	(951)	-
Allowances as at 31 March	**2,136**	**-**	**4,301**	**-**

Note 15 Non-current assets held for sale

	2019/20 £000	2018/19 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**550**	**968**
Assets sold in year	-	(318)
Impairment of assets held for sale	(50)	(100)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**500**	**550**

As at 31st March, 2020, the Trust held one property for sale i.e. No. 4 The Glade, Bedfordshire.

Note 16 Cash and cash equivalents movements

	2019/20 £000	2018/19 £000
At 1 April	**63,289**	**60,028**
Transfers by absorption	-	309
Net change in year	4,433	2,952
At 31 March	**67,722**	**63,289**
Broken down into:		
Cash at commercial banks and in hand	1,033	1,322
Cash with the Government Banking Service	66,689	61,967
Total cash and cash equivalents as in SoFP	**67,722**	**63,289**

Note 17 Trade and other payables

	2019/20 £000	2018/19 £000
Current		
Trade payables	3,816	6,859
Capital payables	2,802	104
Accruals	20,722	20,338
Social security costs	2,680	2,721
Other taxes payable	1,948	1,946
PDC dividend payable	93	-
Other payables	2,794	2,771
Total current trade and other payables	**34,855**	**34,738**

Note 18 Other liabilities

	2019/20 £000	2018/19 £000
Current		
Deferred income: contract liabilities	2,663	1,564
Total other current liabilities	**2,663**	**1,564**
Non-current		
Net pension scheme liability	203	1,156
Total other non-current liabilities	**203**	**1,156**

Note 19 Borrowings

	2019/20 £000	2018/19 £000
Current		
Loans from DHSC	1,666	1,670
Obligations under PFI, LIFT or other service concession contracts	900	1,123
Total current borrowings	**2,566**	**2,793**
Non-current		
Loans from DHSC	10,588	12,225
Obligations under PFI, LIFT or other service concession contracts	25,600	26,500
Total non-current borrowings	**36,188**	**38,725**

The Trust holds four single currency term loans from the Secretary of State for Health as follows:

	Amount Outstanding (Current) £000	Amount Outstanding (Non-Current) £000	Interest Rate	Repayment Date
Loan 1	737	372	2.65%	March 2022
Loan 2	500	500	1.42%	March 2022
Loan 3	425	3,602	2.17%	March 2030
Loan 4	4	6,114	0.58%	March 2022
	1,666	**10,588**		

The Trust is responsible for ensuring that it is able to repay its borrowings and any associated interest charges.

Note 20 On-SoFP PFI, LIFT or other service concession arrangements

Note 20.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

	2019/20 £000	2018/19 £000
Gross PFI, LIFT or other service concession liabilities	**43,060**	**45,895**
Of which liabilities are due		
- not later than one year;	2,541	2,835
- later than one year and not later than five years;	10,800	10,443
- later than five years.	29,719	32,617
Finance charges allocated to future periods	(16,560)	(18,272)
Net PFI, LIFT or other service concession arrangement obligation	**26,500**	**27,623**
- not later than one year;	900	1,123
- later than one year and not later than five years;	4,884	4,264
- later than five years.	20,716	22,236
	26,500	**27,623**

Note 20.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

	2019/20 £000	2018/19 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**98,732**	**103,253**
Of which payments are due:		
- not later than one year;	5,178	5,054
- later than one year and not later than five years;	20,878	20,369
- later than five years.	72,676	77,830

Note 20.3 Analysis of amounts payable to service concession operator

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	**5,067**	**4,942**
Consisting of:		
- Interest charge	1,711	1,763
- Repayment of balance sheet obligation	1,123	830
- Service element and other charges to operating expenditure	1,293	1,227
- Revenue lifecycle maintenance	74	494
- Contingent rent	866	628
Total amount paid to service concession operator	**5,067**	**4,942**

Note 20.4 PFI commitment in respect of the service element

	2019/20 £000	2018/19 £000
Of which commitments are due		
Within one year	1,246	1,205
2nd to 5th year (including)	5,222	5,045
Later than five years	16,135	17,249
Total	22,603	23,499

Note 21 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Redundancy £000	Other* £000	Total £000
At 1 April 2019	**5,306**	**2,803**	**99**	**1,785**	**7,754**	**17,746**
Change in the discount rate	253	222	-	-	(78)	397
Arising during the year	-	-	28	297	715	1,040
Utilised during the year	(459)	(157)	(25)	(855)	(512)	(2,008)
Reversed unused	(86)	(273)	-	(1,088)	(195)	(1,642)
Unwinding of discount	(25)	(13)	-	-	29	(9)
At 31 March 2020	**4,989**	**2,582**	**102**	**139**	**7,713**	**15,524**
Expected timing of cash flows:						
- not later than one year;	303	163	102	139	**2,515**	**3,222**
- later than one year and not later than five year	1,215	659	-	-	**5,197**	**7,071**
- later than five years.	3,471	1,760	-	-	**1**	**5,231**
Total	**4,989**	**2,582**	**102**	**139**	**7,713**	**15,524**

* Other provisions consist mainly of provisions for dilapidation costs of leased buildings and obligations in relation to the redevelopment of the former Severalls hospital site.

The total value of clinical negligence provisions carried by the NHS Resolution on the Trust's behalf as at 31 March 2020 was £4,739,812 (2018/19: £8,564,014).

22 Movements on Reserves

	Total	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2019 - brought forward	**80,539**	**62,672**	**(1,156)**	**19,023**
Surplus/(deficit) for the year	**5,925**	-	-	5,925
Transfers between reserves	**-**	(185)	(190)	375
Revaluations - property, plant and equipment	**(141)**	(141)	-	-
Remeasurements of defined net benefit pension scheme liability / asset	**1,143**	0	1,143	0
Taxpayers' equity at 31 March 2020	**87,466**	**62,346**	**(203)**	**25,323**

23. Capital Commitments

There were no capital commitments under expenditure contracts at 31 March 2020.

24. Events after the Reporting Period

24.1 Authorising Accounts for Issue

In accordance with IAS 10, the Trusts Annual Accounts were authorised for issue by the Chief Executive / Accounting Officer on 24 June 2020.

25. Contingencies

As at 31 March 2020, the Trust had contingent liabilities in respect of the liabilities to third parties scheme totaling £67,208 (2018/19: £86,871).

In addition, the Trust had a contingent liability in respect of a possible prosecution and related fine by the Health and Safety Executive (HSE). These events occurred in the former North Essex Partnership NHS Foundation Trust which have been investigated by the HSE. As a result of the investigation the HSE believes that the Trust may be in breach of Section 3 of the Health and Safety at Work Act 1974 and it is their intention to proceed with a prosecution for this breach. The Trust is unable to reliably measure the amount of any potential obligation and the timing of any liability at the time of preparing the accounts.

26. Related Party Transactions

Essex Partnership University NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other foundation trusts are considered related parties. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2020 the Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year and at the period end, the Trust had material transactions with other NHS bodies namely NHS Mid Essex CCG, NHS North East Essex CCG, NHS Thurrock CCG, NHS West Essex CCG, NHS Basildon and Brentwood CCG, NHS Castle Point and Rochford CCG, NHS Southend CCG, Health Education England, NHS England, Department of Health and Social Care.

During the year and at the period end, the Trust had material transactions with other public sector bodies namely Essex County Council, Southend-on-Sea Borough Council, Her Majesty's Revenue and Customs and NHS Pensions.

Other than those disclosed under note 26.1, during the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with Essex Partnership University NHS Foundation Trust.

The Governors appointed to the Council of Governors may also be members of Boards and Committees of local stakeholder organisations. Local stakeholder organisations can nominate an individual as a Governor on the Council under the following arrangements:

Three Local Authority Governors, one each appointed by:

- Essex County Council
- Southend on Sea Borough Council
- Thurrock Council.

Two Partnership Governors appointed by partnership organisations, one each appointed by:

- Essex University and Anglia Ruskin University (joint appointment)
- CVS Essex

Essex Partnership University NHS Foundation Trust is the Corporate Trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund. During the year ended 31 March 2020, the Trust received income of £27,240 from the Charity for administrative services provided by the Trust on behalf of the Charity. The Trust did not receive any capital payments. All the members of the Corporate Trustee are also members of the Essex Partnership University NHS Foundation Trust Board.

26.1 Director's Interests

During the year, none of the Board Members or parties related to them has undertaken any transactions with Essex Partnership University NHS Foundation Trust.

27. Financial Instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of information that enables users of the accounts to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. Because of the continuing service provider relationship that the Trust has with the local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Credit risk

Over 90% of the Trusts income is from contracted arrangements with commissioners. As such any material credit risk is limited to administrative and contractual disputes.

Where a dispute arises, provision will be made on the basis of the age of the debt and the likelihood of a resolution being achieved.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from cash made available from prior year surpluses; and Public Dividend Capital funding that may be available from the Department of Health and Social Care to fund particular projects. The Trust has also funded two of its buildings through Private Finance Initiative scheme. Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Interest-rate risk

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant interest rate risk.

Foreign currency risk

The Trust has negligible foreign currency income and expenditure.

Note 27.1 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	16,191	**16,191**
Cash and cash equivalents	67,722	**67,722**
Total at 31 March 2020	**83,913**	**83,913**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	18,434	**18,434**
Cash and cash equivalents	63,289	**63,289**
Total at 31 March 2019	**81,723**	**81,723**

Note 27.2 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	12,254	**12,254**
Obligations under PFI, LIFT and other service concession contracts	26,500	**26,500**
Trade and other payables excluding non financial liabilities	27,338	**27,338**
Provisions under contract	7,954	**7,954**
Total at 31 March 2020	**74,046**	**74,046**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	13,895	**13,895**
Obligations under PFI, LIFT and other service concession contracts	27,623	**27,623**
Trade and other payables excluding non financial liabilities	27,301	**27,301**
Provisions under contract	9,638	**9,638**
Total at 31 March 2019	**78,456**	**78,456**

Note 27.3 Maturity of financial liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	32,662	34,181
In more than one year but not more than two years	13,787	3,710
In more than two years but not more than five years	4,877	15,921
In more than five years	22,720	24,644
Total	**74,046**	**78,456**

Note 28 Third Party Assets

The Trust held £205,300 (2018/19: £186,620) cash at bank and in hand at 31 March 2020 which relates to monies held by Essex Partnership University NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

Note 29 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	22	15	57	16
Constructive losses*	1	726	-	-
Bad debts and claims abandoned	19	70	46	14
Total losses	**42**	**811**	**103**	**30**
Special payments				
Compensation under court order or legally binding arbitration award	5	4	1	1
Ex-gratia payments	18	52	36	47
Special severance payments	-	-	2	70
Extra-statutory and extra-regulatory payments	14	259	-	-
Total special payments	**37**	**315**	**39**	**118**
Total losses and special payments	**79**	**1,126**	**142**	**148**
Compensation payments received		-		-

*Constructive loss is in relation to contract exit fee