NHS

Midlands Partnership

NHS Foundation Trust

A Keele University Teaching Trust

Annual Report and Accounts

2019-20

Midlands Partnership NHS Foundation Trust

Annual Report and Accounts
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Contents

Page

Performance Report

- Overview 6
- Business Model and Strategy 7
- Introduction from the Trust Chairman 10
- and from the Chief Executive 10
- Highlights 13
- Our Services 15
- Key Issues and Risks 18

Accountability Report

- Director's Report 23
- Remuneration Report 39
- Staff Report 54
- NHSFT Code of Governance 68
- Membership Report 89
- Statement of Accounting Officer's Responsibilities 102
- Annual Governance Statement 103

Financial Report 110

Financial Statements 112

Auditors Report

Financial Accounts

Performance Report

Overview

The overview offers a short summary to provide the user with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Midlands Partnership NHS Foundation Trust was formed on 1 June 2018 following a merger between South Staffordshire and Shropshire Healthcare NHS Foundation Trust and Staffordshire and Stoke on Trent Partnership NHS Trust.

Midlands Partnership NHS Foundation Trust provides physical and mental health, learning disability and adult social care services across Staffordshire, Stoke-on-Trent and Shropshire. We provide a vast range of community services for adults and children and specialised services such as rheumatology and rehabilitation, which are delivered in venues ranging from health centres, GP practices, community hospitals and people's own homes.

The Trust also provides services on a wider regional or national basis including perinatal, eating disorder and forensic services. We deliver out of area sexual health services and our Inclusion service offers psychological and drug and alcohol services, in the community and in prisons, and has contracts across the country. We also provide genitourinary medicine services.

As an organisation we serve a population of 1.5 million, over a core geography of 2,400 square miles, and employ around 8,500 members of staff.

We have close links with local universities including Keele and Staffordshire.

Our turnover for the year was around £442 million

For more information, log on to our website at https://www.mpft.nhs.uk/

Business Model and Strategy

Our mission

Our mission statement 'focusses on today and what we do' not on 'tomorrow and what we want to become'. It is focussed around the service user: '**Together we are making life better for our communities**'.

Our values

People
Whilst it was fed back that all of the values we engaged on were equally as important as each other the core value that resonated the most was 'putting our staff, service users, carers & communities at the centre of what we do'. We have simply captured this as '**Putting people at the heart of what we do**'.

Empowerment
Having the opportunity to make choices, take the initiative and make decisions was also highlighted as important. Not only to feel empowered to transform services, drive improvement but also empowered to improve care and wellbeing – this was also true of our service users and patients and the importance of being able to self-manage their own health and care. We have captured this in our value: '**Empowering people to improve care and wellbeing**'

Partnership
We all recognise the importance of partnership working and feedback clearly supported this. '**Delivering better health, better care in partnership**' sets out our ambition to build relationships for the future that will improve services, improve access to services, deliver better care co-ordination, reduce duplication and ensure that quality health care is maintained.

Our behaviours

Our behaviours set out what we expect of ourselves and each other, they bring our values to life and guide the way we behave and make our culture 'do-able' – we believe that by leading by example, being caring and compassionate, honest and trustworthy, respectful and listening to and engaging with our colleagues, service users and patients we can absolutely bring our values to life and in so doing help to define our responsibilities as employees of MPFT to improve the quality of care we provide as well as ensuring that MPFT is a great place to be.

Strategic Framework

Strategic framework

Objectives

To provide high quality health & social care services

- Our CQC rating will not fall below an overall rating of 'Good' and the CQC will see evidence of outstanding practice in an increasing number of services
- We will engage in a comprehensive programme of research to enable practice to be built on the best available evidence
- People who use our services will be happy about the way they are treated and will have genuine opportunities to make an impact on service improvements
- Teams will be supported to make continuous quality improvement the norm
- We will learn from mistakes and take steps to reduce future errors

Building partnerships to benefit the health and wellbeing of our local population

- To be a key partner in the delivery of the STPs strategic objectives
- To be an active partner in Alliance Boards working together to achieve the vision for an ICS
- Working in partnership to deliver ICTs and STs
- Developing pathways across organisational boundaries to reduce hospital attendance / admission
- Establish strategic partnerships across core sectors and identify new partnership opportunities

To expand our service portfolio to enrich services

- Identify opportunities for business growth
- Identify opportunities to grow the business organically
- Identify opportunities for new business growth in defined areas
- Retain service contracts that are profitable

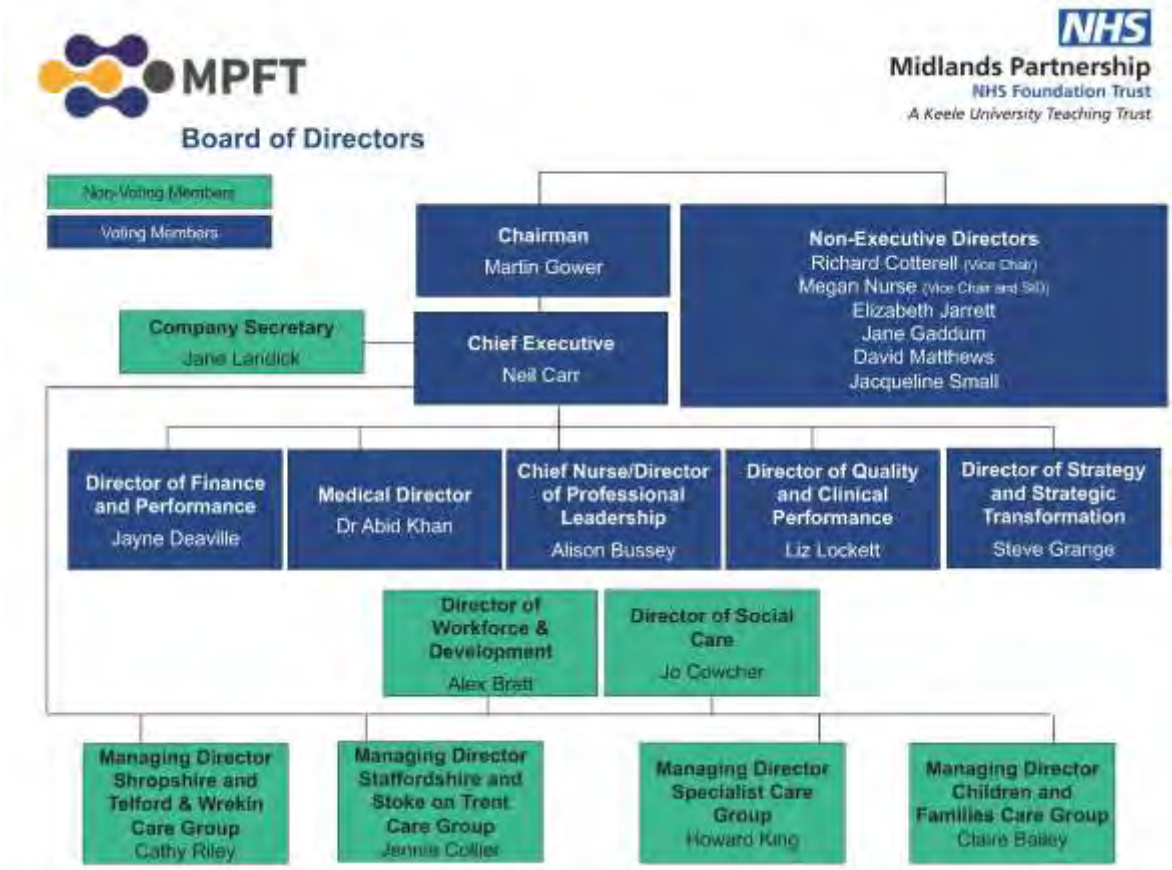
To make our Trust a fantastic place to work

- Staff engagement and empowerment
- Talent attraction and development
- Staff health and wellbeing
- Leadership and team working

To use our resources to maintain a sustainable, effective organisational offer

- Estates
- IM&T and Integrated Care Records
- Workforce
- Governance and processes
- Effective Financial management

Organisation Structure



Introduction from the Trust Chairman

Martin Gower

I am delighted to report a positive year for the Trust during which we have continued to consolidate our organisation and increasingly see the benefits of physical and mental health services coming together, including improved access to services, less duplication and confusion, and ultimately more effective and efficient services to manage increasing demand.

As a relatively new organisation we know it is important to focus on getting our culture right and our mission, values and behaviours are now embedded in the organisation. Our staff, service users, carers, governors and other stakeholders all support us in living our values and demonstrating what MPFT stands for.

As Chairman I am well supported by both the Trust Board and the Council of Governors and am confident of the experience and effective skill mix of our Executive and Non Executive Directors. I complete my term of office at the end of June 2020 and am delighted to be handing over the Chairmanship to my Non Executive Director colleague Richard Cotterell. I know he will continue to support the Trust in its efforts to provide outstanding care.

On behalf of the Trust Board I would like to extend my thanks to all those involved in ensuring our organisation retains its focus on our service users and carers. We have extremely hardworking and committed people working at all levels of our organisation and we would not be able to provide the high quality, effective care that we do without the contribution of both clinical and corporate staff

Martin Gower
Chairman

… and from the Chief Executive

Neil Carr

I am proud to report on a successful year which has seen positive reports from external bodies, partners and our staff.

During 2019-20 we have consolidated our organisation and despite only reaching our second birthday in June have gained recognition locally, regionally and nationally. We have continued to have a clear focus on the delivery of high quality care for our service users and supported and encouraged our workforce. At the same time we have achieved all of our financial targets and continued to maintain and develop services.

Our external regulator, the Care Quality Commission have carried out further assessments of services across the Trust, confirming our overall 'Good' rating and in particular recognising improvements to urgent care services with the walk-in centre at the

Haywood Hospital, Burslem, and the minor injuries unit at Leek Moorlands Hospital both receiving Good ratings in all five areas inspected by the CQC.

We have also seen other external recognition of our services with more of our services achieving accreditation by the Royal College of Psychiatrists and awards to individuals and teams across the organisation. We were delighted to be shortlisted for seven Health Service Journal awards – the most for any one organisation, and to be named the winner of the Health and Local Government Partnership of the Year award for our innovative community libraries partnership with Staffordshire County Council.

Our mission, values and behaviours, identified by service users, carers, staff and partners are well embedded throughout the Trust and we continue to work together to ensure we are truly living these values and demonstrating our commitment to providing a positive patient experience at all times.

We have continued to refine our Care Group structure which enables teams to come together and work across geographies, services and professions. Our ambition to accrue benefits through integration continues to bear fruit, for example the implementation of joint physical and mental health checks in partnership with primary care and the success of the 'frailty hubs' implementing the staying well pathway for older people. Our Telford Improving Access to Psychological Therapies (IAPT) service has created an innovative partnership with musculoskeletal services recognising the impact of long term physical conditions on mental wellbeing. We have also developed a specialist service recognising the impact of dementia in a prison setting.

Staff engagement has continued to be a priority with staff encouraged to suggest large and small changes and to identity what needs to be done and how to solve the knotty problems. Recognising the challenges of physically bringing people together to share ideas, an app solution has enabled people to post their thoughts. Our staff survey results continue to benchmark well across all categories and our response rate remains one of the highest for our trust type demonstrating that our colleagues value this opportunity to share their views.

We are committed to continuous quality improvement and our goal is to bring about positive change. Key to this is providing staff with the tools and techniques to make, and sustain, improvements and we implement the Virginia Mason Production System, an internationally recognised programme designed to improve patient safety and quality.

The people who use our services and those who care for them are at the heart of all we do and ensuring they have the perfect patient experience motivates all staff, from Board to ward. At Board level we continue to have patient stories at all of our meetings, and to ensure the learning from these is recognised and acted upon. Patient feedback at all levels informs service development and improvement and we are continually looking at how we can better engage with people who have lived experience of our services

I believe our Trust is a partner of choice for a range of organisations and we continue to explore how working with others can enhance the services we offer. We are able to work with a wide range of different groups and organisations such as the Royal Philharmonic Orchestra who supported a fantastic initiative making music with stroke patients. Colleagues from our Inclusion service have been leading a new initiative aimed at eliminating Hepatitis C working with the NHS Substance Providers Alliance (NHS SMPA) and Gilead Life Sciences. MPFT is proud to be a member of three new partnerships

which will change the way some specialist mental health services are provided in the West Midlands. This alternative approach is called a New Care Model and enables the organisations delivering services to take a much more active role in commissioning and managing the way care is provided. We are the lead provider for Adult Eating Disorders services and is an active partner of the Provider Collaborative Board for Adult Secure Care (led by Birmingham and Solihull Mental Health NHS Foundation Trust) and CAMHS Tier 4 (led by Birmingham Women's and Children's Hospital).

The confidence our system places in us has been demonstrated with the award of new contracts, including those to provide autism services; community services in East Staffordshire; perinatal services; additional diabetic retinopathy services; Staffordshire wellbeing services; and offender personality disorder services.

The end of this financial year saw the initial impacts of the coronavirus pandemic and I wish to pay tribute to all my colleagues for their handling of this unprecedented situation. Whether working on the frontline, responding to the requirements to social distance and work from home, or providing corporate and other support services, MPFT staff have continued to offer effective, timely and compassionate care. We have been devastated to lose a colleague to the disease, and heartbroken at the deaths of so many across the country, but heart-warmed by the support and encouragement of so many from our local communities. We have learned many lessons from the new ways of working and are committed to keeping the good things such as video consultations; online meetings; and streamlined pathways.

Throughout the year, and most notably during the recent months staff have routinely gone the extra mile, and in many cases, many extra miles. I would particularly like to recognise the fantastic work of our IT department who made it possible for colleagues to work effectively from home, and especially to implement video consultation so we could continue to support many of those needing our services whilst maintaining social distance. Colleagues have also created some excellent health and wellbeing resources to support staff during this period.

I look forward to the coming year and to continued efforts to provide effective, timely services, where and how people need them. We are committed to continuing to play our part in the successful delivery of Sustainability and Transformation Partnerships (STP) in both Staffordshire and Shropshire and will continue to look for opportunities to improve and develop care for local people. This year we will have the additional challenge of recovery, restoration and reimaging our services following the COVID-19 pandemic and we recognise that this will have long lasting effects on all health and care services.

I look forward to our continued delivery of the best possible community health care, mental health, learning disability and social care services to benefit our local communities, staff and the partners we work with.

Neil Carr OBE
Chief Executive

Highlights 2019-20

The Better Together Awards were designed to recognise exceptional contributions to service, by individuals & teams, by clinical & non-clinical staff. Over 165 nominations were received for the nine awards. More recognition for the work we do.

Dr Alex Ball from the Broadfield Ward at Haywood Hospital was invited to the launch of a national report on Acquired Brain Injury at Westminster to which she contributed a fantastic success story for neuro rehabilitation.

Nov 2018 saw the first Rapid Process Improvement Workshop (RPIW) in a prison setting to improve referrals process to meet the increasing demand, eliminate duplicated referrals & to ensure all services users are seen face to face within five working days.

The Quality Improvement Team delivers our QI Academy & QI programme. Providing resources and training, enabling teams to make changes, add value & reduce waste. Creating capacity to continue to provide high quality health & social care services.

Ward Sister, Sarah Oliver, was recognised as one of 100 outstanding nurses in a #wecommunities Twitter poll. Sarah was nominated by Chief Nurse, Alison Bussey, for her drive & energy to continuously improve the patient experience.

A new partnership offered local people access to specialist weight management advice. Gym and Tonic in Uttoxeter hosted weight management groups run by the Specialist Adult Dietetic Service, which is provided by Midlands Partnership NHS Foundation Trust

The community managed library in Heath Hayes introduced a friendship group to reduce isolation and encourage support networks. At one session two older gentlemen introduced a young boy to playing dominoes.

"I am immensely grateful to all staff on Broadfield Ward, Drs, nurses & health care assistants were always very kind & supportive. The OTs worked hard to make me independent. The physios worked hard to help me regain muscle strength & nerve responses".

During workshops for women who suffered domestic abuse, a tree of hope displaying positive thoughts & images was created. The silhouette of a woman at the base of the tree reflects the way women described feeling when they first walked through the door of the refuge.

www.mpft.nhs.uk website went live! Our new website went live, putting all of our public-facing information in one place for the first time.

The LOVE Awards were launched. Staff are able to show appreciation to each other. Bringing Our Values to Life.

The Brockington Unit, Stafford, provides inpatient services to women experiencing psychological & emotional difficulties related to the latter stages of pregnancy, childbirth & early motherhood. Keeping mother & baby together to develop a healthy relationship.

We were delighted to welcome Dr Rashmi Shukla CBE, Regional Director Public Health England, Midlands & East of England & Dr Sue Ibbotson the Centre Director for West Midlands Public Health England to the Trust.

Inspected and rated
Good
CareQuality Commission

CQC inspectors rated us as Good overall and wards for older people with mental health problems were given an outstanding in the effective domain.

We celebrated our first birthday & reflected on the change & transition during this busy, challenging year. Vital to create the right culture and be a values-led organisation, where everyone demonstrates the right behaviours.

The Social Work Learning Academy hosted a Social Work Celebration Day, theme of the day: 'The Importance of Relationships.' The first cohort of Think Ahead participants took an active role throughout the day. Allowing staff to connect with similar professions.

Two serving prisoners have worked with staff from MPFT's Inclusion Service to create a pioneering and successful substance misuse recovery programme

MPFT shortlisted for seven HSJ Awards! The most for any one organisation. And our partnership with @StaffordshireCC for the provision of libraries won first prize.

HSJ AWARDS 2019 GRI
WE ARE PROUD TO BE FINALISTS

Our partnership with the Royal Philharmonic Orchestra and Keele University is aiding stroke recovery through making music together.

At our Trust Festival, 350 people enjoyed a range of stalls and activities illustrating the variety of Trust services. The theme of the event was health & wellbeing and attendees also had the opportunity to sign the Rainbow Pledge in support of the LGBT+ community.

MPFT's research conference attracted over 120 delegates. The day was opened by Neil Carr, Chief Executive. Martin Gower, Chair, and Ruth Lambley-Burke, Head of Research & Innovation, were hosts.

We celebrated the involvement of our service users, carers & volunteers at an annual Celebration Day. Over 180 service users, carers, volunteers, staff & representatives from our partner organisations gathered at St George's Hospital.

Genni the therapy dog joined MP Theodora Clarke; High Sheriff of Staffordshire Ashley Brough and Cllr Ann Edgeller for a tour of Brocton House inpatient ward.

In one week the CRIS team reviewed 75 patients in their own home, 65 of these were able to stay at home with a medical management plan rather than being sent to hospital.

Our Services

STAFFORDSHIRE/STOKE-ON-TRENT CARE GROUP

North Adult Physical Health

- Home First
- Social Care - Assessment Case Management, Review & Safeguarding (S75)
- Hospital Social Care Assessment Support
- Tissue Viability
- Occupational Therapy
- Physiotherapy
- Speech and Language Therapy
- Asylum Team
- Podiatry
- AHP Referral Centre
- Specialist Falls
- Community Nursing
- Cancer and support therapies
- Palliative Care
- Chronic pain management
- Long term conditions – heart, respiratory and diabetes

Adult Mental Health

- IAPT (North and South Staffordshire)
- In-patients (adult acute, older adult, MOD, PICU)
- Dementia Memory Service
- Dudley Dementia Team
- Dementia Liaison Team
- Crisis Resolution/Home Treatment
- Mental Health Pathway Teams
- Mental Health Social Workers
- Adult Liaison Psychiatry
- Community Libraries

Haywood/Leek Hospitals

- Walk-in Centre (Haywood)
- Minor Injuries Unit (Leek Moorlands)
- Intermediate Care and Rehab Inpatient wards
- Specialist Rehab Medicine Ward / Outpatient Services
- Amputee Rehab & Limb Fitting
- Spasticity Management Service inc. Botulinum and Intrathecal Baclofen
- Stroke Rehab Ward
- Community Stroke Team
- Rheumatology Day Care and outpatient services
- IMPACT Community Pain Team
- Specialist Physio and Occupational Therapy Services
- Musculoskeletal Interface Service
- Osteoporosis & Fracture Liaison Service

South Adult Physical Health Services

- Intermediate Care
- Social Care - Assessment Case Management, Review and Safeguarding (S75)
- Hospital Social Care Assessment Support
- Hospital Discharge Teams
- Occupational Therapy
- Physiotherapy
- Speech and Language Therapy
- Adult Podiatry
- Specialist Falls
- Community Nursing
- Community Rehabilitation (including Stone Rehabilitation)
- Palliative Care
- Chronic pain management
- Long term conditions – heart, respiratory and diabetes
- Dietetics

Specialist Services

- Physical Health Psychology
- Neuro-Psychology

SHROPSHIRE/TELFORD & WREKIN CARE GROUP

Adult Mental Health

- In-patients (adult acute, older adult, dementia)
- IAPT (Telford and Shropshire)
- Admin. hubs
- Dementia Memory Service
- Community Mental Health Pathway Teams
- Crisis Resolution/Home Treatment
- Adult Liaison Psychiatry

Children's Mental Health

- BeeU services

SPECIALIST SERVICES CARE GROUP

Sexual Health
- Sexual Health and HIV (Telford, Stafford, Stoke and North Staffordshire, Shropshire and Leicester)

Forensic Services
- In-patients : Security Team (Stafford and Shropshire); Medium Secure (Stafford); Low Secure (Stafford and Shropshire)
- Reach Out and Community Forensics (Stafford and Shropshire)
- Personality Disorder Services (Stafford)
- MBT Treatment (Stafford)
- PIPE (Stafford)
- Youth Offender Health (Staffordshire)
- Liaison and Diversion

Improving Access to Psychological Therapies (IAPT)
- Thurrock

Learning Disabilities
- Learning Disabilities (Community)
- Intensive Support Service
- Learning Disabilities Nursing

Inclusion Services
- Substance Misuse/Drug and Alcohol (Buckingham, Thurrock, Hampshire, Isle of Wight and Telford)
- Prisons (Buckingham, Isle of Wight, Yorkshire, Birmingham, Worcester, Oxfordshire, Staffordshire, Derbyshire)

Adult Physical Health
- Dental
- Diabetic Retinopathy (Staffordshire and Shropshire
- Court Diversion

Other Specialist
- Eating Disorders – in-patients and community
- Speech and Language Therapy (Staffs)
- PAD Team (Staffordshire)

CHILDREN & FAMILIES CARE GROUP

Universal Services
- 0-19 Family Health & Wellbeing Service (Staffordshire)
  Health Visiting (0-5) (Stoke-on-Trent)
- Public Health Advisory Service (5-10) (Stoke-on-Trent)
- Targeted Intervention (School Nursing 5-19) (Stoke-On Trent)
- School Age Immunisation Service (Staffordshire and Stoke-on-Trent)

Targeted Services
- Children's Dietetics (South Staffordshire)
- Children's Podiatry (South Staffordshire)
- Children's Physiotherapy (Staffordshire & Stoke-on-Trent)
- Children's Speech & Language Therapy Physiotherapy (Staffordshire & Stoke-on-Trent)
- Children's Occupational Therapy (Staffordshire & Stoke–on-Trent))
- Children's Audiology (South Staffordshire)
- Community Paediatrics (South Staffordshire)
- Special School Nursing (Staffordshire)
- Children's Diabetes Nursing Team (North Staffordshire)
- Children's Epilepsy & Respiratory Nurse (North Staffordshire)
- Children's Community Nursing (Staffordshire & Stoke-on-Trent)
- Community Complex Care (Staffordshire & Stoke-on-Trent)

Mental Health Services
- CAMHS (South Staffordshire)
- CAMHS Early Years (South Staffordshire)
- CAMHS Outreach (South Staffordshire)
- CAMHS LD (South Staffordshire)
- CAMHS Eating Disorders (South Staffordshire)
- Sustain+ (Looked after Children – County Wide) until 31/3/20
- Schools Mental Health Support (East Staffordshire District)
- CYP Autism Services (Interim Provider – South Staffordshire)
- Perinatal Mental Health (South Staffordshire & Shropshire Community & Regional Inpatient Unit)

New and Significantly Revised Services

The Trust has a number of new or significantly revised services this year;

- South Staffordshire Autistic Spectrum Condition – Children & Young People (CYP) Diagnosis & Intervention Service
- Shropshire, Telford and Wrekin Perinatal Service
- Staffordshire Perinatal Service
- Diabetic Eye Screening Service, Staffordshire and Shropshire
- Community Rapid Intervention Service (CRIS)
- Offender Personality Disorders Community Services, Derbyshire & Leicestershire
- Staffordshire Community Improving Access to Psychological Therapies (IAPT) Service (from 1st April 2020)
- East Staffordshire Community Services (from 1 April 2020)

MPFT 2019-20 Annual Activity and Selected KPIs

Physical Health	**2019/20**
Hospital Daycase	3627
Hospital Inpatient Spells	1894
Hospital Outpatients Appointments	95920
Physical Health Contacts	1648025
Walk in Centre / Minor Injuries Unit Attendances	62102
Percentage of patients on incomplete pathways waiting no more than 18 weeks from referral to treatment (RTT)	97.6%
Percentage of A&E Patients with a total time in the department of 4 hours or less	98.9%

MPFT / Mental Health	**2019/20**
Hospital Inpatient Spells	1,811
Mental Health Contacts	425,936

The proportion of those on Care Programme Approach (CPA) discharged from inpatient care who are followed up within 7 day	97.1%
The number of admissions to the Trust's acute wards that were gate kept by the crisis resolution home treatment team	99.4%

Key Issues, Opportunities and Risks

The Trust promotes a positive risk culture that encourages its employees to consistently use its risk management policies, Assurance Plan and Risk Register to identify and control risks which may adversely affect the Trust's operational ability to meet its principle objectives and where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level.

The Trust Board currently has five identified strategic risks that are monitored and reviewed by a lead Executive Director and the appropriate Trust Board committee. These strategic risks are also reviewed by the Trust Board and Audit Committee. These top 5 strategic risks, are those where the potential impact would be highest should controls not be in place. All five of the strategic risks are further detailed within the Trust Assurance Plan. The Trust's detailed risk register is linked to each of these 5 strategic risks.

During this year we have considered our risks associated with COVID-19. These are included within the Trust risk register, and linked to the relevant strategic risk.

The five strategic risks are detailed below

Strategic Risk	Key Controls
The Trust may not be able to evidence that all services achieve and maintain all fundamental standards to a minimum level of "good" across all domains. This may result in some services being sub-optimal and a lack of ability to assure commissioners, regulators and/or the public that we are delivering on our quality objectives and our regulatory requirements.	• Performance management framework to ensure Trust wide monitoring of all key performance measures
Failure to develop viable and innovative new business opportunities and respond commercially within a tightened economic environment.	• New tender pathway developed and deployed and all tenders and processes have sufficient clinical engagement and are led operationally • Competitive tendering processes in place that are monitored through Business Development & Investment Sub-Committee
The new way of contracting with Staffordshire CCG's (Intelligent Fixed Payment System) from 2019/2020 will introduce new risks to ensuring that income is sufficient to provide the FT's services. This system requires a focus on economy wide service delivery within a fixed cost not on individual organisational activity growth.	• Established structures and processes for reporting and monitoring performance against cost improvement plans • Links with Quality Governance Committee • Maintaining Finance & Use of Resources Rating / Single Oversight Rating • Contractual arrangements with host CCG commissioners • The Trust is an integral part of the local

	health economy system (STP) operational and service transformation planning process. This forms part of the Staffordshire Intelligent Fixed Payment (IFP) governance arrangements which are overseen by the IFP Review Board
The estates flexibility and capacity to function as a core asset within an integrated healthcare economy is limited by age, suitability, sufficiency, geographic relevance and the fragmented historical organic nature that the estate has been built, acquired and inherited from previous organisational structures.	• Estates Strategy • Capital development plans • Business cases • Backlog maintenance assessments
The Trust may not be able to recruit and retain sufficient numbers of clinical, technical and managerial staff due to national workforce supply issues and skills shortages.	• Robust Operational Management structures in Place • Business Continuity plans in place • Organisational Development Strategy • Robust processes for medical and Nursing revalidation, recruitment and selection • Monitoring of key staffing metrics • Workforce Planning

Each year, as a minimum, the Trust Board of Directors undertakes a strategic risk review to ensure that those risk areas that have potential to cause the highest impact:

- are clearly identified
- have that key controls and positive sources of assurance sited
- have executive level ownership
- are regularly reviewed by the relevant Board committee

In determining our strategic risks we have considered our objectives, our sustainability and future opportunities and successes. We assess our risk appetite using the Good Governance Framework which enables us to determine our level of risk maturity and the impact our key strategic risks have on the deliverability of our Trust objectives, our appetite for tendering for new business and the sustainability of our current services,

Response to Covid-19

During the early days of the pandemic in March 2020, the Trust acted very quickly to respond to the level 4 national emergency, establishing an Incident Co-ordination Centre and addressing the immediate priorities of ensuring timely and agile responses to emerging guidance, addressing the concerns and anxieties of staff, service users and carers and taking the necessary steps to ensure the availability of PPE as well as playing a central role in supporting the system response within the local health and social care economy.

At the time of writing this report we remain at level four of a national incident and Covid-19 is still circulating in the community and present in our services.

Our planning assumption is that the working arrangements established during the initial response to the pandemic, home working and virtual consultations, will continue for the remainder of this calendar year for the majority of colleagues and where face-to-face contact is not essential

A number of services were stood down or delivered differently to enable us to concentrate our resources on responding to the immediate needs of the pandemic. The Trust is now in the process of restoring many of these services.

However, in considering our restoration plans, a key assumption should be that whatever we put back will look different to both staff and service users. We will focus on the outcome – what is the outcome that each intervention, section of work and service is trying to achieve? How can this be done in ways that reduce travel, face to face contact etc.?

This will mean we need to consider what needs to change to give us the flexibility to deliver services in different ways – Increased IT, different locations, opening times, and weekend or shift working etc.? Are there different ways to deliver the service to get similar/same results?

We recognise we will also need to consider that;

- Colleagues working at home temporarily may need to alter their working space if they are going to work from home for an extended period
- Complying with the outcome of the working safely risk assessments will require buildings to be used very differently. There is not enough space to re-occupy all our buildings as they were prior to Covid and comply with the requirements to work safely

We will also take into account;

- There will be multiple phases of service restoration as government guidance changes so what we start with needs to be delivered in a way that can be scaled up (as well as down) and that acknowledges that what we first start with is unlikely to be the final delivery model .
- Decisions on the shape of service restoration should be made at the lowest possible level – those delivering the service are usually best placed to recommend how to do it differently.
- Engagement with key stakeholders should ensure that any proposed changes are owned by all. By working with individual commissioners, taking account of the systems in which we work and fully engaging with service users should help to minimise any risks from the changes that are made and help to manage expectations on what can be achieved.

The services that we have to restore and those that we want to restore are being co-ordinated through the respective Sustainability and Transformation Partnerships to manage the risks and interdependencies across providers within a geographic area.

The internal governance of this process is captured by the Recover, Restore & Re-imagine Strategy. The monitoring and reporting of operational aspects of restoration takes place at the Programme Delivery Group, which reports into Directors Delivery Forum.

Going Concern Disclosure

After making enquiries the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Environmental Impact

Our vision is to be a sustainable Trust delivering high quality care in a resource efficient and sustainable manner. We will achieve this through a combination of investment in energy efficient technologies (e.g. LED lighting, updated heating systems, renewable technologies); implementing small but important changes to sustainable development models; promoting sustainability via environmental campaigns and Sustainability Champions and involving stakeholders, staff and service users in shaping sustainable future.

Over the past year we have completed a number of sustainability actions;

- We support the running of local food banks and have food collection points at St George's Hospital and St Michael's Court
- A combination of solar panels and smart lighting has been installed at the Bridge, Stafford and solar panels have been installed on Trust Headquarters, Brocton House and Chebsey House at St George's Hospital.
- MPFT collaborates with charities such as 'Beat the Cold' and 'Keep Shropshire Warm' that offer free energy advice and warm homes discounts for eligible service users.
- Electric vehicle charging points have been installed at St George's Hospital, Redwoods and Haywood Hospital. These points are available for staff, service users and visitors.
- An energy/sustainability quiz has been created and is available online for all staff. The aim of the quiz is to promote an awareness of energy spend within MPFT and its environmental impact.
- Policies to reduce single use products such as food containers, cups, cutlery, plates etc have been put in place. This includes encouraging staff to bring their own cups and bottles to meetings and to provide their own containers for takeaway meals from staff restaurants.

Other community initiatives

The Trust is keen to play its part in the life of the local community and particularly recognises the importance of promoting health and wellbeing messages and helping to reduce the stigma traditionally associated with mental ill health. For example, a diabetes bus took information out to local communities; we have contributed to items on local radio and in other local media outlets; Governor Members and the Membership Office have hosted events such as World Mental Health Day and Mental Health Awareness Week in local shopping centres and libraries.

As a major local employer we understand the responsibility, and benefit, of supporting young people with work experience and access to training. Our work experience website offers help and guidance to anyone hoping to spend time in any of the Trust's services and colleagues have supported local careers fairs and events. We are committed to offering a range of apprenticeships and development opportunities.

Students from schools across Staffordshire and Shropshire have once again had the opportunity to attend our popular Aspiring Doctors. Open to students aged 14+ who are considering a career in medicine, these programmes aim to inspire and inform the young people about careers in the NHS.

Colleagues across the Trust also contribute time and money to local and national charities through various fundraising activities.

Signed: Date: 25 June 2020

Neill Carr
Chief Executive

Accountability Report

Directors' Report:

The Directors of the Trust are:

Chairman:
Martin Gower

Non Executive Directors
Richard Cotterell
Jane Gaddum
David Matthews
Megan Nurse
Jacqueline Small

Chief Executive
Neil Carr

Executive Directors
Alison Bussey
Jayne Deaville
Steve Grange
Abid Khan
Liz Lockett

Directors
Jo Cowcher
Alex Brett

More information about all the Directors can be found in the section on the NHS Foundation Trust Code of Governance from page 70. This includes details of other individuals who have been Directors at any point during the financial year.

It is the view of the Directors that this Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. (C1.1)

A register of interests is maintained in relation to all Trust Board members. This is available on the Trust website or by application to the Company Secretary at Trust Headquarters.

The Trust has not made or received any political donations.

The NHS foundation trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Better Payment Practice Code

The Trust's performance against the policy has remained consistent throughout 2019/20. The cumulative Public Sector Payment Policy (PSPP) for the financial year 2019/20 was 84.5% for number of invoices and 80.1% for the value of invoices paid within 30 days.

	31st March 2020 Number of Invoices	**31st March 2020 £'000**
Non NHS		
Total bills paid in the year	68,858	192,023
Total bills paid within target	59,071	162,470
Percentage of bills paid within target	**85.8%**	**84.6%**
NHS		
Total bills paid in the year	2,277	79,204
Total bills paid within target	1,065	54,838
Percentage of bills paid within target	**46.8%**	**69.2%**
Total		
Total bills paid in the year	71,135	271,227
Total bills paid within target	60,136	217,308
Percentage of bills paid within target	**84.5%**	**80.1%**

The Trust paid £5k interest under the Late Payment of Commercial Debts (Interest) Act 1998 and these were all Non NHS invoices.

The Trust has other income totalling £26m and total income from the provision of goods and services for the purposes of the health service in England of £416m which is greater than its other income and therefore has met its requirements under Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

NHS Improvement's Well Led Framework

The Care Quality Commission Inspection Report published in July 2019 rated the Trust "good" for well-led. In particular the report found that the managers at all levels in the trust had the right skills and abilities to run a service providing high-quality sustainable care and that leaders had the skills, knowledge and experience to perform their roles, had a good understanding of the services they managed and were visible in the service and approachable for patients and staff. In addition, the trust had a vision of what it wanted to achieve and workable plans to turn it into action and managers had developed the vision with involvement from staff, patients, and key groups representing the local community. The report found that staff knew and understood the trust's vision and values and applied them to the work of their team and that managers across the trust promoted a positive culture that supported and valued staff, creating a sense of common purpose based on shared values. The senior leadership team modelled those values and behaviours and had high visibility throughout the organisation.

A review of the Trust's governance arrangement which were implemented when the Trust was established in June 2018 was undertaken in August 2019 and received by the Board in October 2019. The review concluded that the governance arrangements in place were robust and fit for purpose and the Board were able to confirm that it was assured that this was the case.

There are no material inconsistencies between the annual governance statement, annual and quarterly board statements required by the Compliance Framework; the quality report and the annual report or reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

The governance of quality is assured through the Quality Governance Committee (QGC), reporting to the Board of Directors. Each year, the QGC reviews its terms of reference and conducts an evaluation to provide assurance that its duties are fully delivered. The meeting action log ensures that improvements identified are monitored and closed when complete. During 2019/20 these included improvements to Care Group reporting and alignment of receipt of annual reports to the Committee.

Patient care:

Being a foundation trust enables us to;

- Build on and improve positive relationships with service users, carers, staff, partners and local people and be more accountable to the communities we serve.
- Strengthen our internal processes and systems to meet the challenges of modern health services
- Develop locally based specialist services
- Respond better to market opportunities
- Continue to invest in capital developments

Information on the Trust's performance against key health targets and arrangements for monitoring improvements in quality of healthcare and progress towards targets can be found in the Single Oversight Framework section on page 109.

Pages 16-19 offer a broad overview of service developments and improvements during the year including any new or significantly revised services.

The Trust has not been in breach or suspected breach of its licence during this financial year.

Single Oversight Framework:

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

- Quality of care
- Finance use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

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

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Midlands Partnership Healthcare NHS FT has been placed in segment 3 and there are no enforcement actions being taken by NHS Improvement (Monitor). This segmentation information is the trust's position as at 31st March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources 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 Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019/20 Scores				2018/19 Scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital sevice capacity	2	2	4	3	4	4	4	4
	Liquidity	1	1	1	1	1	1	1	1
Financial Efficiency	I&E margin	2	2	3	3	3	4	4	4
Financial controls	Distance from finanical plan	1	1	2	1	3	4	4	4
	Agency spend	4	3	4	4	3	3	4	3
Overall scoring		3	2	3	3	3	3	3	3

Improving Services Based on Feedback

Training/Learning

- Infant and Faltering Growth training developed to ensure staff are aware of the flexibility in terms of weighing intervals outside of the guidelines which recommend only weighing every 6 months.
- 'Me, Myself and Autism' Sensory Workshop developed, aimed at children and young people aged 9-14 years old provided by the Children and Young People's Autism Service
- 'Introduction to Autism' Parent Workshop developed and available on the Trust public website for parents.
- Reflective training session delivered to district nursing teams by the Trust's Palliative Care Lead

Review of Procedures/Processes/Policies

For the following examples where processes/standard operating procedures have been reviewed, staff awareness to these has been raised within the related teams:

- Faltering Growth new Standard Procedures introduced inclusive of current NICE guidelines
- Standard Procedures updated to implement additional checks which are now required to ensure service user contact details are updated when incoming referrals for bone density scans are actioned.
- Clinical Escalation process reviewed to ensure that for service users who decline personal care support over a period of days on discharge from hospital.
- District Nurses leave a 'we visited card' if the service user is not at home.
- Updated compliance checklists for individual Tribunal hearing venues setting out the 'Minimum Requirements for Tribunal Hearings following a service user becoming agitated during a Tribunal in an unfamiliar venue.
- Reviewed process in which Local Access Point refer to District Nursing teams to book referrals onto the District Nursing caseload following a Continuing Health Care needs assessment.
- Procedure developed to ensure that it is clear on clinical correspondence sent to GPs who are responsible for carrying out actions highlighted, for example when the GP should be making further referrals to other services.
- Protocol has been developed within community mental health services to help avoid confusion with regard to reimbursement of travelling expenses as a service user had been informed that they would need to use public transport to travel to appointments.
- Review of process regarding communication with GPs promptly when a clinical decision is made within Community Mental Health Teams following a delay in a GP receiving notification about a change of medication.
- Following a service user's driving licence being revoked, the process has been updated, utilising national guidance, to ensure clear information is provided to staff on

how and when to disclose information to the DVLA. Guidance has been signed off by the Inclusion Governance Committee and implemented across services. This has also been disseminated to all doctors and staff within the Trust.

Information/Communication

- Nurse Triage Process for the Walk in Centre updated to reflect the need at times to refer to an alternative service should a Consultant review is not clinically indicated.
- Communication took place with families that remain on the wait list for the BeeU Service detailing agencies which can be contacted for support, including information of how to contact the Duty Clinician within the BeeU Service if the risk to the young person is increasing.
- After a family member was unable to leave the ward due to the doors being locked, an intercom between wards was installed to enable a call to the nurses to open connecting doors could be made. There is a telephone in situ to call staff, but if there is any delay in the call being connected, the intercom is there for use also.

Staff Reminded of Processes

The following details examples of where staff have been reminded of processes/procedures currently in place:

- With regards to concerns over lack of information about care package costs – process reiterated at team meeting to ensure that a copy of social care assessment must be sent out and evidence of this recorded on healthcare records. Supervisors check that this has been completed on each case during monthly supervision which has also been implemented. Training and learning actions implemented with immediate effect.
- Following concerns over missing property/money on the wards, staff were reminded of the process for managing service users' money; the process has been printed and put on lockers so that all staff, including bank and agency, will be aware.

Service Re-design

- Service redesign within Sexual Health Services with implementation of a new system to make the service easier to access. Service users now have the option to book appointments online to address difficulties experienced with accessing the service via telephone. Service users are now also able to book appointments further in advance, up to 3 months, to address issues with appointment availability. Service waiting times have decreased and now every patient is triaged by a registered nurse before either being seen or signposted to the most appropriate clinic or service. Patients are now seen within 30 minutes by a Triage Nurse.

Stakeholder relations

We believe that partnerships are our future, both for the way in which we deliver services and also in the way that we deliver the 'business'. We deploy a robust framework in order to assess our current and potential partners which protects our organisation and ensures we fully understand what kind of relationship we are getting into. All formal partnerships and potential partners are tested against a core set of values based qualities and these partnerships are then detailed legally in contracts and sub contracts.

An illustration of our key relationships;

- Local Authorities, including county and borough councils
- Clinical Commissioning Groups (CCGs)
- NHS Trust Development Agency
- NHS Improvement
- Care Quality Commission
- Third sector (social enterprise and community interest companies), voluntary and charitable organisations
- Healthwatch
- Health Overview and Scrutiny Committees
- Universities
- Local MPs
- Ministry of Defence
- Home Office and Prisons
- Other trusts, including NHS foundation trusts
- Independent sector
- NHS Vanguard partners
- Primary Care Networks

The Trust is working in partnership with stakeholders across the health and care economy to develop new models of care which will work independently but at the same time be inter-dependable and form a single approach to the delivery of enhanced primary and community care. The framework includes general practice, locality care hubs and multi-speciality community providers which work together to develop new pathways of integrated care that support local people. MPFT is the lead provider for Adult Eating Disorders services and is an active partner of the Provider Collaborative Board for Adult Secure Care (led by Birmingham and Solihull Mental Health NHS Foundation Trust) and CAMHS Tier 4 (led by Birmingham Women's and Children's Hospital).

We have a track record of working in partnership to develop and deliver services.

Our contract with the Ministry of Defence to provide inpatient mental health care for serving military personnel is now in its thirteenth year. This service is delivered as part of a network with the Trust acting as the lead for the seven participating NHS organisations.

An innovative partnership has been established with the Armed Forces Institute of Mental Health Pakistan with Pakistani military doctors spending time in the Trust to gain additional skills in mental health and psychiatry. The Trust benefits from the knowledge

and skills of the military doctors who bring a fresh perspective and also provide additional medical capacity to local mental health services.

The Community Rapid Intervention Service (CRIS) is an integrated service provided in partnership by University Hospital of North Midlands (UHNM) and Midlands Partnership NHS Foundation Trust (MPFT) for patients at risk of needing an admission to hospital. This new service aims to provide care closer to home and prevent an unnecessary visit to Accident and Emergency (A&E).

Our award winning partnership with Staffordshire County Council provides eight community libraries that offer volunteering opportunities to over 250 citizens, alongside wellbeing activities for local communities that support the de-stigmatisation of mental health.

In Shropshire and Telford & Wrekin a joint approach between Improving Access to Psychological Therapies (IAPT) services and the local musculoskeletal (MSK) service offers people being treated for musculoskeletal pain and long term conditions rapid screening for mental health concerns. We have seen a significant reduction in GP appointments and presentations at Accident and Emergency departments and reduced numbers of work days lost.

Formal Consultation

The Trust has not initiated any formal consultations in this financial year. An informal engagement process was undertaken following the fire at the George Bryan Centre to collect feedback on future mental health services in Tamworth and Lichfield for working age adults and those over 65.

In addition, the Trust remains committed to ensuring all stakeholders are given the opportunity to be engaged in improving and developing services. Service users, carers, commissioners, representatives of partner and local third sector organisations regularly contribute to discussion and debate around future plans and feedback is welcomed and acted upon.

MPFT was also an active partner in the CCG-led consultation on the future of local health and social care services Northern Staffordshire which included community services and community hospitals.

Consultation with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas

- Focus groups – these are set up by the Trust for specific purposes when, for example, services are planning changes or to support research into better care. They are also sometimes set up by external organisations such as the CQC or Healthwatch to provide us with independent feedback.
- Community Engagement Group – set up to improve engagement with the wider local communities to promote inclusion, reduce stigma and health inequalities. This group aims to support the Trust to provide services, which are free from stigma and, with the input and perspective of the community including service users and their carers, are

designed to promote positive health and wellbeing through a combination of interactive workshops and formal meetings.

- Health Service User Group – set up to work in partnership with local authority services, Healthwatch, public sector organisations and a wide variety of private and voluntary sector organisations to deliver improvements through involvement.

Improvements in patient/carer information

- We continue to use our website and associated individual Team sites (microsites) to provide information on our organisation and services. This is continually amended and updated in response to service changes and feedback.
- This year we have focussed on developing methods in which to communicate with our service users and carers where we advertise involvement opportunities, and provide updates to our involvement representatives. This information is now included:
    - On our "Getting Involved" website (https://gettinginvolved.mpft.nhs.uk/),
    - On our Facebook page "MPFT NHS Involvement"
    - In our Involvement Newsletter which is co-produced with service users and carers.
- We have also updated and developed new leaflets and other promotional material in relation to raising concerns and compliments and service user and carer involvement which now includes our registration form.
- 'Mystery Shopper' programme (in which service users and carers comment on their experiences – as they experience them at the point of contact) launched – with leaflets and assessment forms developed.
- 'Second Opinions and Consent to Treatment' leaflet created by mental health services in co-production with service users and carers – providing information to service users and carers on what action to take if they wish to request a second opinion and information about when clinical staff require their consent with regards to treatment
- 'Weekend Packs' in Neurorehabilitation Services are now available which include therapy exercises to address the reduction in Physiotherapy availability at weekends
- Rehabilitation Services have developed their website to include information about what is needed to prepare people for admission to the rehabilitation ward.
- Forensic Services have re-designed their website to include a raft of information for forensic carers, including visiting arrangements, 'a Forensic Carer's Journey and 'Your Rights as a Carer'.
- Carers' Packs were reviewed in Eating Disorder Services which has reduced carer anxiety which aids their ability to support their loved one.
- A directory of information was published to enable Forensic Services users to enrol onto educational courses.

- Service users and carers involved in the development of a quality evaluation form for testing of new continence products – product roadshows were then set up across the Trust to promote the new produce range and inform staff, service users and carers.

Any other public and patient involvement activities

Service user and carer involvement is an extremely important and valuable resource to the Trust. Our focus is to listen to our service users, their families and carers and act upon their valued input to learn lessons, improve and sustain change. It is also important to us that there is genuine partnership working between service users, carers and professionals and that involvement is meaningful and effective in all aspects of our organisation and that this changes people's lives for the better. This means that involvement is not only reactive, based upon the feedback that people who use our services provide but that we are proactively involving our service users and carers in planning, commissioning and governance to maximise outcomes.

The Trust is signed up to the 4Pi National Involvement Standards which is a framework developed with service users and carers. This is a framework on which to base standards for good practice and to monitor and evaluate involvement.

Service User and Carer Involvement Activity

Ongoing Involvement and Engagement Activity
We continue to involve our service users and carers in a programme of regular activities:

- Mystery shoppers – service users, carers and parents are asked to be 'mystery shoppers'. This can help us gain real insights into the experience of people using our services. They are asked to feed back on their experiences as they are experiencing them – providing real-time feedback on which to build and sustain service improvement.
- Patient-Led Assessments of the Care Environment – this is a system for assessing the quality of the patient environment. People who use our services are trained to carry out PLACE assessments annually alongside staff, feeding back on their observation and working with our Facilities and Estates Teams to facilitate improvements to the services.
- Forums – We have service user and carer forums in all localities. Forums focus on reviewing consistent themes from feedback and co-producing solutions, for example improvements to discharge planning.
- Community meetings – regular community meetings take place in in-patient areas including forensic services. Peer Support Workers facilitate these meetings for service users and carers to raise issues that are then addressed directly by the clinical teams.
- Patient Stories – people who use our services are sometimes asked to share their experiences of our services at meetings of the Trust Board of Directors, the Council of Governors, Mental Health Legislation Committee, Aspiring Medics Programme and at various other meetings/committees.

- Service User and Carer Involvement in Recruitment and Selection – service users and carers take place in recruiting new staff at all levels within the organisation,
- Service User and Carer Involvement in Research - a group of service users and carers interested in research meet quarterly in our Patient and Carer Experience – Research Group (PACE-R).

Celebrating Involvement
The Service User and Carer Involvement Celebration Day is an annual event to highlight involvement taking place across the Trust. In July 2019, we celebrated the involvement of service users, carers and volunteers at our 14th Annual Celebration Day. Over 180 people attended the event including service users, carers, volunteers, staff and representatives of other organisations we work alongside. Many service users, carers and volunteers contributed to the planning and presentation or were in attendance. A service user from Forensics co-chaired the event with a Non-Executive Director and shared his own story with attendees.

The day consisted of presentations on the theme of maintaining health and wellbeing. An award winning animal assisted therapist from Critterish' Allsorts demonstrated the healing power of animals with a selection of animals including a friendly lizard and python. We heard about the value of peer working from service users; from a service user volunteer about the work being done by the Haywood Foundation to help people with arthritis, and from 'Being Me', a group to support people with a learning disability who cross-dress. We also learnt about Brain Gym' a new approach to working with people who have eating disorders; about service users and professionals working together in mental health to improve physical health and life expectancy; and about the services provided to help service users stay included in their communities. People also took part in a wide variety of break-out sessions offering therapeutic activities from Lego therapy to belly dancing. A lunchtime session of Tai Chi was also popular. Closing the event was the presentation of the 'Involvement for Impact' Service User and Carer Awards which has 8 categories now, more categories than in the 13 years these awards have been given. They recognised some of the impressive involvement, volunteering and personal development taking place in our services.

Service User and Carer Involvement during 2019/2020
During the year, a number of additional key projects began:

<u>Consultation</u>

- NHS Long-Term Plan – focus groups held in community mental health and forensic services to engage with people using services in relation to aspects of the NHS LTP and gain feedback on how we could improve health and care systems for people locally.
- Pelvic Health Consultation - 25 service users were involved in the procurement process for the home delivery contract for continence products.
- Service User and Carer Involvement in the Nursing Strategy - A task and finish group was held with service users and carers to discuss what they consider most important when engaging with nursing staff.

Training

- Engaging with Carers Workshops – four co-produced and co-delivered workshops held with the aim of understanding challenges that staff encounter when engaging with carers. Feedback from the workshops has been incorporated into the 'Engaging with Carers' training package which is currently being developed
- Values-Based Recruitment and Selection Training – this training has been co-produced to provide service users and carers with the knowledge and skills to undertake interviews for staff and was first delivered in December 2019
- 'Introduction to Involvement' training - co-produced and co-delivered through the Wellbeing and Recovery College. This is for staff, service users and carers who want to know more about involvement and to support people to gain confidence in working in partnership with staff to bring about positive change.
- Person-centred care planning – co-ordination of care and record keeping - training was co-produced and co-delivered in support of care and risk management across the community adult mental health pathways.
- Supporting Parents – Autism Services - An 'Introduction to Autism' presentation has been produced to provide parents with advice and information which is supplementary to the support provided by the Autism Services Team. Parents have been involved in providing feedback on this video presentation which is available on the Trust website.

Forums

- Review of service user and carer groups and forums – forums were reviewed, along with our service user/carer chairs, in 2019/20; the groups are now focussing on reviewing consistent themes from feedback which then inform involvement co-production projects, e.g. improvements to discharge planning and development of a wellness plan.
- Eating Disorder Services - The Eating Disorders Service commenced a Carers/Families/Lived Experience Involvement Hub in November 2019. The forum has been set up in which service development is the focus and with attendees support to be able to enhance service provision. The purpose of the group is for attendees to evaluate and improve the service.

Co-Production

- Social Care Project – a steering group have reviewed and updated information contained in care files. Development of information leaflets/fact-sheets (including easy-read), FAQs and process mapping which is being incorporated into the yellow 'care file' provided to service users and carers.
- Musculo-skeletal conditions and mental health wellbeing – working in partnership with Keele University and Quality Improvement Lab to increase the awareness of and support for people with mental health issues and musculoskeletal (MSK) conditions by collaborating with the public, patients and clinicians.
- Lifestyle and Prevention Task and Finish group –the aim of this project was to improve the support we provide in terms of wellbeing and prevention, such as social

prescribing. Service users and carers shared their experiences and collectively identified priorities for the organisation, such as discharge planning and strengthening peer support in the organisation. These priorities are being taken forward in co-production with service users and carers.

- Discharge/Care Planning - The Involvement Team and Service Manager for Mental Health Pathways are working on a new project to co-produce solutions, along with service users and carers, to improve discharge planning.

Complaints Handling

The Trust's process of complaints handling is based on the model of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 and Principles of Good Complaint Handling released by the Parliamentary and Health Service Ombudsman (PHSO). The Trust supports and works to the principles advocated by the Parliamentary and Health Service Ombudsman and complies with the following standards outlined in "My Expectations for Raising Concerns and Complaints" (PHSO 2014).

The Trust observes the principles set out in the Trust's Duty of Candour Standard Operating Procedure in the complaint handling process, by offering full and honest explanations, which is in accordance with Duty of Candour and CQC Regulation 20 (Duty of Candour).

Good quality complaints handling is vital to ensuring continuous improvement in the quality and safety of care we provide. It is therefore essential that we listen to what service users, carers and families tell us about our services, particularly when they feel they have had a poor experience, or when things have gone wrong. It is essential as care providers that we recognise the humanity and individuality of the people raising concerns or complaints and respond to them with sensitivity, compassion and professionalism.

The Trust is committed to improving people's experiences by identifying mistakes, putting them right quickly, apologising, promoting a culture of openness and actively encouraging feedback and sharing of learning. This reflects the requirements of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

Rather than making a distinction between formal or informal complaints, PALS concerns or other feedback from service users or their representatives, the Trust's overriding concern is that however they are classified, the issues raised are taken seriously and resolved, whenever possible, at a local level by front-line staff and managers. Greater emphasis is placed on the swift resolution of straightforward complaints at source and every member of staff is responsible for supporting people who wish to give feedback or raise concerns about the services they receive.

The Trust is committed to:

- Ensure that patients, service user and their representatives are treated with courtesy and that they receive appropriate support throughout the handling of a complaint and the fact that a complaint has been made this will not adversely affect the patient or service user's future treatment

- Acknowledge mistakes when they happen, apologise and explain what went wrong and put things right quickly and effectively
- Ensure that the organisation learns lessons from complaints and uses these to improve NHS services

Patient Advice and Liaison Service

We strive to put service users and carers at the centre of everything we do. The Trust welcomes the opportunity to learn from feedback received via PALS concerns, compliments and surveys which often results in service improvements.

We are an organisation that considers learning from complaints as an essential and valuable opportunity to share good working practice and to improve standards of service delivery. The PALS and Experience Team work closely within our clinical teams to highlight any themes and trends on a regular basis and provide support to the teams to bring about positive change, and to share good practice across the Trust. Information is reported to the Quality Governance Committee and Care Group Quality Sub-Committees, where opportunities for learning are explored and share improvements made as a result of feedback. On an annual basis, a review of the themes and trends from complaints, concerns and compliments is undertaken, which includes learning and service improvements that has taken place over the year.

Rather than making a distinction between formal or informal complaints, PALS concerns or other feedback from service users or their representatives, the Trust's overriding concern is that however they are classified, the issues raised are taken seriously and resolved, whenever possible, at a local level by front-line staff and managers. Every member of staff is responsible for supporting people who wish to give feedback or raise concerns about the services they receive and greater emphasis is placed on the swift resolution for the service user.

The Patient Advice and Liaison Service (PALS) listen to concerns and advise how they are able to help to resolve these issues promptly. PALS provide information, such as signposting to internal and external teams who may be able to help them. PALS take measures, where appropriate, to provide information so that policies and working practices are amended to improve services and prevent the concern happening again. The aim of PALS is to be influential in improving standards of care by listening to and acting on service users' and carers' comments.

Statement as to disclosure to auditors

For each individual who is a director at the time that the report is approved, so far as the director is aware, there is no relevant audit information of which the NHS foundation trust's auditor is unaware and the director has taken all the stops that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS foundation trust's auditor is aware of that information.

Income disclosures required by Section 43(2A) of the NHS Act 2006

The Trust has met the requirement of Section 43(2A) of the NHS Act 2006 requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

Remuneration Report

Senior managers' Remuneration Policy

With regard to the requirement to outline payments to those staff earning above the threshold of £150,000 this currently applies to the Chief Executive Officer. The Medical Director's remuneration is also above this threshold, however, this reflects the clinical role held by the postholder in addition to the Medical Director component of the role. As with all senior manager remuneration, the pay rates are set are based what is considered reasonable based on benchmarked data from NHS providers of a comparable size, turnover, staffing numbers and complexity

Senior Managers' Remuneration Policy - Executive Directors

Very Senior Manager (VSM) pay is used in the Trust for Executive Directors. This enables pay at higher rates than Agenda for Change pay rates and is the most common reward mechanism for senior staff in the NHS. Salary is the key remuneration component of the overall reward package for all staff and is designed to support the long-term strategic objective of recruiting and retaining appropriately educated, trained and motivated staff.

A performance related bonus element of the executive director pay structure is designed to support the strategic objective of ensuring our staff are engaged and empowered to deliver the highest quality of service. The decisions of the Remuneration and Nominations Committee are summarised below along with the criteria used to determine the bonus award.

The Committee is supported in its decision making by a robust appraisal and supervision framework. Executive Directors are subject to the same capability arrangements as other Trust staff. The primary performance measurement is an annual appraisal conducted by the Chief Executive for the Executive Directors and by the Trust Chair for the Chief Executive. Performance is assessed against individual objectives and the overall performance of the Trust with a clear line of sight to the Trust's long and short term strategic objectives and their achievement. The Remuneration and Nominations Committee has the discretion to vary starting salary for those on VSMs terms and conditions within the agreed salary scale in line with skills, experience and market conditions.

As a high-performing Trust, MPFT regularly reviews VSM and remuneration policies through the Remuneration and Nominations Committee with a view to successfully attracting, recruiting and retaining well qualified, experienced executives, including clinicians, into the most senior leadership positions. MPFT has a strong track record of developing its own talent and has an executive remuneration policy that has enabled a flexible and autonomous approach with full accountability to the Board.

Both the executive director and non-executive director Remuneration and Nominations Committees have a clear mandate to ensure compliance with the Trust's policies on recruitment and retention with respect to equality and inclusion, as well as actions identified in support of the Workforce Race Equality Standard (WRES), the Workforce Disability Standard (WDES) and the overall Equality Delivery System, which reflects the Trust's strategic aims regarding the equality and inclusion agenda and priorities.

No individual is involved in any discussion or decision regarding their own pay.

Senior Managers' Remuneration Policy – Non Executive Directors

The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in other Trusts of comparable size and complexity taking account of benchmarking information. Account is also taken of the performance of the Trust, the time commitment and responsibilities required of the Non-Executive Directors as well as the skills, knowledge and experience required on the Board to meet current and future business needs and succession planning. 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. Non-Executive Directors' remuneration is non-pensionable. No individual is involved in any discussion or decision regarding their own pay.

Service contracts obligations

There is no obligation on the foundation trust which:

- is contained in all senior managers' service contracts;
- is contained in the service contracts of any one or more existing senior managers (not including any obligations in the preceding disclosure); and/or
- the foundation trust proposes would be contained in senior managers' service contracts to be entered into and which could give rise to, or impact on, remuneration payments or payments for loss of office but which is not disclosed elsewhere in the remuneration report.

The Fit and Proper Persons test is applied to executive, non-executive directors and non-voting members of the Trust Board. All members of the Board have declared their compliance with this and their contracts reflect the requirements of the test.

Policy on payment for loss of office

All Executive Directors have permanent contracts of employment with the Trust. Agenda for Change terms and conditions regarding loss of office apply to all senior managers other than Executive Directors, who are entitled to six months' notice.

Where loss of office (dismissal) occurs, payments will be paid in accordance with the senior manager's contract, including notice and contractual redundancy pay (if applicable).

The circumstances of the loss of office and the senior manager's performance are not relevant to any exercise of discretion.

Executive Director Remuneration and Nominations Committee

The Remuneration and Nominations Committee, established to consider the remuneration of Executive Directors and other staff not covered under Agenda for Change, comprises Non-Executive Directors and is chaired by Trust Chair. The main functions include:

- To advise the Trust Board of Directors about remuneration and terms of employment for the Chief Executive and Executive Directors and other members of staff not covered under Agenda for Change.
- To review the structure, size and executive composition of the Board of Directors, including development and succession planning.
- To identify nominations and recommend appointments to Executive Directors posts within the Trust
- To advise on pay awards for staff not covered by Agenda for Change

Key areas discussed by the Executive Director Remuneration and Nominations Committee in support of the strategic objectives of the Trust and to ensure the Board attracts and retains high calibre personnel with the skills to deliver the organisation's objectives were as follows:

- the basic remuneration of executive directors and non-voting Board members represents a set sum with no incremental progression and was reviewed based on NHS Improvement benchmarking data and in comparison with staff on Agenda for Change payscales as well as taking into account the current portfolios of postholders and other than agreement of an inflationary increase equivalent to that applied to staff on Agenda for Change, no other changes were found to be required during 2019/20.
- The committee reviewed the performance criteria on which payment would be paid for 2018/19 and agreed that:
  - A full bonus of a maximum of 5% for Directors and 12.5% for the Chief Executive would be paid to all Directors if the Trust ended 2018/19 in NHSI Segment 2, and without any Enforcement Notices from the CQC.
  - 1.5% of bonus would be withheld if the Trust was placed into NHSI Segment 3
  - 3.5% of bonus would be withheld if the Trust received a CQC Enforcement Notice.
  - No bonus would be paid to any Director if the Trust was placed into Segment 4

It was agreed that it was important to keep the criteria simple and objective and that it was important also to weight the bonus toward quality whilst ensuring financial control, by linking 3.5% of the bonus to the achievement of no CQC enforcement notices. In consequence, a payment of 3.5% was made to executive directors and non-voting members, and 11% to the Chief Executive.

A 5% performance bonus for 2019/20 was agreed for application to executive and non-voting Board members based on the following conditions, which it was agreed reflected the three strategic performance areas of finance, quality and workforce:

- A full bonus to be paid to all Directors if the Trust ends 2019/2020 having met its control total, without any Enforcement Notices from the CQC and with no Staff Survey themes below the national average
- 1.5% of bonus to be withheld for each of the above three criteria not being met
- A 12.5% bonus for 2019/2020 to be paid to the Chief Executive, subject to the same conditions as above.
- In addition it was agreed that no interim director should be paid a bonus and that should any Director experience a period of long term sickness absence, each case should be reviewed on an individual basis. Where a Director is/has been suspended

or subject to Fit and Proper Persons issues individual circumstances should be reviewed and referred to the RANC for consideration. The decision of the RANC was confirmed as final with no right of appeal. Bonus payments were agreed to be made once the Trust's accounts had been audited.

- The RANC agreed to review the criteria used to evaluate the performance bonus on an annual basis.
- The Committee is supported in its work by Jane Landick, Company Secretary and Alex Brett, Director of Workforce and Development and for matters relating to the remuneration of the Director of Workforce and Development, by Angie Astley, Head of Workforce Development and Learning
- In line with national guidance, the Trust received from NHS Improvement, approval of the Remuneration and Nominations Committee's recommendation and rationale to pay the CEO more than £150K. This recommendation was based on national benchmark information relating to relevant comparators.

The Remuneration and Nomination committee will be meeting in 2020/21 to review the executive remuneration using relevant benchmarking data, national guidance and comparisons with Agenda for Change pay grades.

Nominations: The RANC (ED) made one Executive Director appointment during 2019/20 to replace **Therèsa Moyes as** Director of Quality and Clinical Performance who retired on 9th June 2019 and was replaced by Liz Lockett, formerly Associate Director of Quality and Risk with MPFT with effect from 10th June 2019.

One new non-voting Board member was appointed during 2019/20 with the appointment of Alex Brett, who was appointed as Director of Workforce and Development from 3rd June 2019, following the resignation of Greg Moores.

Remuneration and Nominations Committee (ED)	27/06/2019
Martin Gower (Chairman)	✓
Richard Cotterell (Non-Executive Director/Vice Chair)	X
Megan Nurse (Non-Executive Director/Vice Chair/SID)	✓
David Matthews (Non-Executive Director)	✓
Jacqueline Small (Non-Executive Director)	✓
Elizabeth Jarrett (Non-Executive Director)	✓
Jane Gaddum (Non-Executive Director)	✓

The Remuneration and Nominations Committee, established to consider the remuneration of Non-Executive Directors, comprises Governor Members and is chaired by the Lead Governor/Deputy Chair of the Council of Governors.

The Remuneration and Nominations Committee (Non-Executive Director) is appointed and authorised by the Council of Governors, to set appropriate remuneration and terms of appointment for the Chair and Non-Executive Directors, and is guided by best practice and market trends. It may also be called upon to provide advice to the Council of Governors on other contractual issues relating to Non-Executive Director appointments in the Foundation Trust, such as remuneration, which includes all aspects of remuneration (including any allowances), provisions for other benefits, as well as arrangements for termination of appointment. The main functions include:

- To receive advice as necessary on overall remuneration and terms and conditions of appointment for Non-Executive Directors
- To set levels of remuneration and terms of appointment for Non Executives
- To advise the Board of appropriate remuneration strategies for Non-Executive Directors
- To monitor the performance of Non-Executive Directors through the Trust Chair
- To monitor the performance of the Trust Chair

The Remuneration and Nominations Committee have a fundamental role to assist the Board of Directors with its oversight role by:

- Periodic review of the numbers, structure and composition (including the person specifications) of Non-Executive Directors, to reflect the expertise and experience required, and to make recommendations to the Council of Governors.
- Developing succession plans for Non-Executive Directors, taking into account the challenges and opportunities facing the trust
- Identifying and nominating candidates to fill Non-Executive Director posts
- Keeping the leadership requirements of the Trust under review, to ensure the continued ability to provide cost effective, high quality and appropriate health services.

The Non-Executive Director Remuneration and Nominations Committee met on four occasions during 2019/2020:

Remuneration and Nominations Committee (NED) * virtual meeting	10/04/2019*	03/09/2019	10/12/2019*	10/02/2020
Martin Gower, Chairman	✓	✓	X	X
Simon Jones, Lead Governor	✓	✓	✓	✓
Ravi Bhakhri, Governor Member	✓	✓	✓	✓
Helen Allen, Governor Member	✓	✓		
Ian McComiskie, Governor Member	✓	✓	✓	✓
Lilian Owens, Governor Member	✓	✓	✓	✓
Karen Nixon, Governor Member			✓	X

As a consequence of these meetings:

- In April 2019 the Council of Governors approved the Non-Executive Director Remuneration and Nominations Committee recommendation relating to a second term of office for three of the non-executive directors:

	Start Date	**End Date**
Megan Nurse	13 June 19	12 June 22
Richard Cotterell	26 May 19	25 May 22
David Mathews	1 September 19	31 August 22

- In September 2019, the Remuneration and Nominations Committee received the annual appraisal summaries for the Chair and non-executive directors and made a recommendation to the Council of Governors to award the equivalent uplift to the Chair and non-executive directors as had been applied to Trust staff for 2018/19 which equated to £2,075 per annum, pro rata, which was subsequently approved by the Council of Governors.
- In December 2020, the Remuneration and Nominations Committee made recommendations to the Council of Governors surrounding the timescale and process for Chair and Non-Executive Director recruitment processes which would be required over the coming months and in connection with this, the application of new NHSE/I guidance terms of the job description and person specification for the role of Chair and the rate of remuneration for future Chair and non-executive director appointments. The recommendations were subsequently approved by the Council of Governors.
- In February 2020, the Remuneration and Nominations Committee met to appoint a new Chair to take up post following the conclusion of the current Chair's second term of office on 30th June 2020. The Council of Governors subsequently formally approved the appointment of Richard Cotterell, one of the non-executive directors, for a three year term of office from 1st July 2020.
- The non-executive director remuneration table reflects additional payments for individuals carrying out the roles of Audit Committee Chair, Vice Chair and Senior Independent Director which are in line with equivalent payments to non-executive directors in the NHS
- that national guidance was anticipated during the course of the year which would set new national rates for chair and non-executive director remuneration. The Committee is supported in its work by Jane Landick, Company Secretary and Alex Brett, Director of Workforce and Development. No other advice was sought from any individual, who was not a director or employee of the Trust

Salaries and Allowances of Senior Managers

See table on page 46-48

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

The banded remuneration of the highest-paid director in Midlands Partnership NHS FT in the financial year 2019/20 was £215k - £220k (2018/19, £175k - £180k). This was 8.06 times (2018/19, 6.40) the median remuneration of the workforce, which was £27,260 (2018/19, £28,050). However a review of 2018/19 highest-paid director was undertaken and on a like for like basis incorporating the clinical pay element, the highest paid banded remuneration was £225k-£230k rather than the £175k-£180k, which also alters the multiple of the median remuneration of the workforce to 8.05 from 6.40.

In amending the highest paid director this means a movement is similar between the year on year multiples with no significant reason for the slight 0.01 increase in multiple. With the exception of the amendment to the highest paid director this multiple has been calculated on the same basis of previous years.

In 2019/20, 0 (2018/19, 1 now restated to 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £14,856 to £219,774 (2018/19 £9,489 - £211,787).

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

The performance related pay element is contingent on two conditions being met; delivery of the 2019/20 Financial Plan, and the Trust not receiving any formal Warning Notices from the Care Quality Commission. Provided these two conditions are met the element will be paid in full. Partial performance will not be recognised, ie if either the Financial Plan is not delivered and/or a Warning Notice is received from the CQC, no performance related element will be paid to any eligible Director.

In accordance with Department of Health guidance on Very Senior Manager remuneration all remuneration over £150,000 is referred to the Secretary of State for approval following benchmarking of national comparators.

(nb Median Remuneration Disclosure has been subject to audit).

There have been no payments for loss of office during this financial year.

Salaries and Allowances of Senior Managers

Name and title	2019-20							2018-19						
	Salary & Fees (bands of £5,000) £0	Taxable Benefits (to the nearest £100) £0	Annual Performance-Related Bonuses ** (bands of £5,000) £0	Long Term Performance Related Bonuses (bands of £5,000) £0	Pension-related Benefits (bands of £2,500) £0	Other (bands of £5,000) £0	Total (bands of £5,000) £0	Salary & Fees (bands of £5,000) £0	Taxable Benefits (to the nearest £100) £0	Annual Performance-Related Bonuses (bands of £5,000) £0	Long Term Performance Related Bonuses (bands of £5,000) £0	Pension-related Benefits (bands of £2,500) £0	Other (bands of £5,000) £0	Total (bands of £5,000) £0
M Gower - Chairman, commenced 1st July 2014	**55-60**	**0**	**0**	**0**	**0**	**0**	**55-60**	**55-60**	**0**	**0**	**0**	**0**	**0**	**55-60**
I Wilson - Non Executive left 31/10/18	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10-15**	**0**	**0**	**0**	**0**	**0**	**10-15**
P Bunting - Non Executive, left 30/11/18	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10-15**	**0**	**0**	**0**	**0**	**0**	**10-15**
R Cotterell - Non Executive, commenced 26/5/16	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**
M Nurse - Non Executive, commenced 13/6/16	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**
D Matthews - Non Executive, commenced 1/09/16	**20-25**	**0**	**0**	**0**	**0**	**0**	**20-25**	**20-25**	**0**	**0**	**0**	**0**	**0**	**20-25**

J Gaddum - Non Executive, commenced 1/6/18	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**	**5-10**	**0**	**0**	**0**	**0**	**0**	**5-10**
E Jarrett - Non Executive, left 31/12/19	**10-15**	**0**	**0**	**0**	**0**	**0**	**10-15**	**10-15**	**0**	**0**	**0**	**0**	**0**	**10-15**
J Small- Non Executive, commenced 1/12/18	**15-20**	**0**	**0**	**0**	**0**	**0**	**15-20**	**5-10**	**0**	**0**	**0**	**0**	**0**	**5-10**
N Carr – Chief Executive	**175-180**	**6,400**	**15-20**	**0**	**0**	**0**	**205-210**	**175-180**	**5,900**	**0-5**	**0**	**0**	**0-5**	**190-195**
J Deaville – Director of Finance & Performance & Deputy Chief Executive	**145-150**	**4,600**	**5-10**	**0**	**1132.5-1135**	**0**	**1290-1295**	**145-150**	**4,200**	**0-5**	**0**	**0**	**0**	**155-160**
A Bussey - Chief Operating Officer, commenced 19/12/13	**125-130**	**3,300**	**0-5**	**0**	**155-157.5**	**0-5**	**290-295**	**135-140**	**4,600**	**0-5**	**0**	**115-117.5**	**0**	**260-265**
A Khan - Medical Director - Commenced 8/11/15*	**215-220**	**2,300**	**0-5**	**0**	**0**	**0**	**220-225**	**220-225**	**0**	**0**	**0**	**0**	**0-5**	**225-230**
S Grange - Director of Strategy & Strategic Transformation, commenced 1/4/10 ***	**135-140**	**4,600**	**0-5**	**0**	**5-7.5**	**5-10**	**155-160**	**135-140**	**4,600**	**0-5**	**0**	**0**	**0**	**140-145**
T Moyes - Director of Quality & Clinical Performance, left 9/6/19	**20-25**	**0**	**0-5**	**0**	**0**	**0-5**	**25-30**	**120-125**	**0**	**0-5**	**0**	**0**	**0-5**	**130-135**
L Lockett - Director of Quality & Clinical Performance, commenced 10/6/19	**95-100**	**0**	**0**	**0**	**1230-1232.5**	**0-5**	**1330-1335**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

G Moores - Director of Workforce & Development, left 31/5/19	**15-20**	**300**	**0-5**	**0**	**0**	**0**	**20-25**	**115-120**	**2,100**	**0-5**	**0**	**0**	**0**	**120-125**
A Brett - Director of Workforce & Development, commenced 3/6/19	**90-95**	**0**	**0**	**0**	**87.5-90**	**0**	**180-185**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
J Cowcher - Director of Adult Social Care commenced 1/6/18	**40-45**	**0**	**0-5**	**0**	**157.5-160**	**0**	**205-210**	**85-90**	**0**	**0**	**0**	**0**	**0**	**85-90**
J Collier - Managing Director Staffordshire Care Group, commenced 2/1/19	**105-110**	**0**	**0-5**	**0**	**37.5-40**	**0**	**145-150**	**25-30**	**0**	**0**	**0**	**482.5-485**	**0**	**505-510**
K Murphy, Managing Director Children & Families Care Group, ceased 30/9/18	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**35-40**	**0**	**0**	**0**	**0**	**0**	**35-40**
C Bailey - Acting Managing Director Children & Families Care Group, commenced 2/1/19	**105-110**	**1,700**	**0-5**	**0**	**702.5-705**	**0**	**810-815**	**45-50**	**500**	**0**	**0**	**0**	**0**	**45-50**
H King- Managing Director Specialist Care Group, commenced 1/6/18	**105-110**	**2,500**	**0-5**	**0**	**425-427.5**	**0**	**535-540**	**90-95**	**2000**	**0**	**0**	**0**	**0**	**90-95**
C Riley- Managing Director Shropshire & Telford Care Group, commenced 1/6/18	**105-110**	**3,100**	**0-5**	**0**	**20-22.5**	**0**	**130-135**	**75-80**	**0**	**0**	**0**	**572.5-575**	**0**	**650-655**

Nb. J Cowcher left MPFT on 1/9/19 and is now employed by Staffordshire County Council and there is no recharge to the Trust.

Taxable Benefits' relates to motor vehicles

* Medical Director Salary & Fees is split £67k in relation to his Director Role and £151k in relation to his clinical duties within the organisation

** All Annual Performance Related Bonuses are deferred until the accounts have been completed and signed off

*** Director of Strategy & Strategic Transformation commenced August 2016 as Programme Director - Enhanced Primary and Community Care Transformation, Staffordshire STP in addition to his substantive role within SSSFT. An additional payment of £10k per annum has been allocated to the additional role of Programme Director in support of system change and delivery of the Sustainability and Transformation Plan within Staffordshire.

Pension Benefits

	2019-20								2018-19						
Name and title	Normal Retirement Age	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2019 (to the nearest £1,000) £000	Real increase in Cash Equivalent Transfer Value (to the nearest £1,000) £000	Cash Equivalent Transfer Value at 31 March 2020 (to the nearest £1,000) £000	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2018 (to the nearest £1,000) £000	Real increase in Cash Equivalent Transfer Value (to the nearest £1,000) £000	Cash Equivalent Transfer Value at 31 March 2019 (to the nearest £1,000) £000
J Deaville – Director of Finance & Performance & Deputy Chief Executive	60	47.5-50	147.5-150	45-50	145-150	0	0	0	0	0	0	0	967	0	0
S Grange - Director of Commercial Development	60	0-2.5	0	35-40	80-85	624	4	660	0-2.5	0	35-40	85-90	540	68	624
T Moyes, Director of Quality & Clinical Performance	60	0	0	0	0	0	0	0	0	0	0	0	1319	0	0
L Lockett, Director of Quality & Performance		42.5-45	117.5-120	55-60	145-150	0	838	1057	0	0	0	0	0	0	0
A Bussey, Chief Operating Officer	55	7.5-10	22.5-25	65-70	195-200	1253	187	1489	5-7.5	15-20	55-60	165-170	1003	219	1253
A Brett, Director of Workforce & Development		2.5-5	5-7.5	30-35	65-70	460	59	560	0	0	0	0	0	0	0
J Collier - Managing Director Staffordshire Care		2.5-5	0-2.5	20-25	50-55	299	20	341	20-25	47.5-50	20-25	45-50	0	299	299

Group														
K Murphy, Managing Director Children & Families Care Group		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82.5-85**	**25-30**	**195-200**	**773**	**0**	**0**
C Bailey - Acting Managing Director Children & Families Care Group		**30-32.5**	**70-72.5**	**30-35**	**70-75**	**0**	**527**	**542**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
H King- Managing Director Specialist Care Group		**20-22.5**	**5-7.5**	**20-25**	**5-10**	**0**	**280**	**294**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C Riley- Managing Director Shropshire & Telford Care Group		**0-2.5**	**0**	**30-35**	**20-25**	**442**	**21**	**488**	**27.5-30**	**20-22.5**	**27.5-30**	**20-25**	**0**	**442**	**442**
J Cowcher - Director of Adult Social Care		**2.5-5**	**0**	**5-10**	**0**	**0**	**35**	**99**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note: Non-Executive members do not receive pensionable remuneration. A Khan Medical Director employments are non-pensionable and N Carr is not in the Pension Scheme. J Deaville left the pension scheme in 2017-18 and rejoined in 2019-20

Director and Governor Expenses

Name	Position	2019/20 Total	2018/19 Total
		£00	£00
N Carr	Chief Exec	26	11
J Deaville	Exec	5	0
A Khan	Exec	7	2
T Moyes	Exec	0	59
L Lockett	Exec	7	0
A Bussey	Exec	4	1
S Grange	Exec	4	3
M Gower	Chair	65	70
P Bunting	Non Executive Director	0	0
I Wilson	Non Executive Director	0	26
E Nicholson	Non Executive Director	0	0
R Cotterill	Non Executive Director	24	17
R Hilton	Non Executive Director	0	0
D Matthews	Non Executive Director	28	21
J Gaddum	Non Executive Director	24	15
S Nixon	Non Executive Director	0	0
M Nurse	Non Executive Director	29	21
E Jarrett	Non Executive Director	4	10
J Small	Non Executive Director	38	0
Eccleston	Governor Member	1	0
Gilmore	Governor Member	2	0
Haroon	Governor Member	2	0
Iles	Governor Member	1	0
Matthews	Governor Member	5	0
Mccomiskie	Governor Member	1	0
Milham	Governor Member	8	0
Owens	Governor Member	0	0
Roberts	Governor Member	2	0
Smith	Governor Member	4	0
R Bhakhri	Governor Member	0	12
L Owens	Governor Member	0	3
K Bailey	Governor Member	0	11
F Doran	Governor Member	0	5
A England	Governor Member	0	5
J Gill	Governor Member	0	2
P Jetson	Governor Member	0	13
M Harron	Governor Member	0	8
L Roberts	Governor Member	0	2
D Clements	Governor Member	0	6
J Smith	Governor Member	0	12
		291	**335**

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and currently do not allow for a potential future adjustment arising from the McCloud judgement.

Real Increase in CETV

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

The CETV may have been calculated using different methodologies at 31st March 2019 and 31st March 2020 due to the introduction of GMP indexation (also known as GMP equalisation), and therefore this may have an impact on the calculated real increase in CETV figure.

Signed: Neill Carr Date: 25 June 2020

Chief Executive

Staff Report

The Trust has around 8000 members of staff, based in our services across the country. We are committed to ensuring they are properly equipped and supported to carry out their roles effectively.

Average Number (WTE)

Note 5.3 Average number of employees (WTE basis)	Total 2019/20 No.	Permanent 2019/20 No.	Other 2019/20 No.	Total 2018/19 No.	Permanent 2018/19 No.	Other 2018/19 No.
Medical and dental	**209**	183	26	**216**	183	33
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**904**	854	50	**861**	827	34
Healthcare assistants and other support staff	**2,918**	2,754	164	**2,313**	2,079	234
Nursing, midwifery and health visiting staff	**2,118**	2,012	106	**2,139**	2,035	104
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**1,135**	964	171	**1299**	1,223	76
Healthcare science staff	**4**	4	0	**0**	0	0
Social care staff	**216**	216	0	**644**	644	0
Other	**0**	0	0	**0**	0	0
Total average numbers	**7,504**	**6,987**	**517**	**7,472**	**6,991**	**481**

NB. Within the Trust internal work has been completed post merger to align occupational codes and this has been reflected in the 2018/19 WTE.

Staff in Post by Gender – headcount 2019/20

Role	Female	Male	Grand Total
Board Level Director	6	6	12
Senior Manager	4	1	5
Employee	7084	1265	8349
Grand Total	**7094**	**1272**	**8366**

Annual Sickness by Staff Group 2019/20

Staff Group	Absence Rate %
Add Prof Scientific and Technic	4.45%
Additional Clinical Services	6.56%
Administrative and Clerical	4.60%
Allied Health Professionals	3.75%
Estates and Ancillary	4.81%
Healthcare Scientists	7.90%
Medical and Dental	2.37%
Nursing and Midwifery Registered	5.38%
Students	1.43%
Grand Total	**5.24%**

Note 4.2 Average number of employees (WTE basis)	2019/20 Total Number	2019/20 Permanent Number	2019/20 Other Number	2018/19 Total Number	2018/19 Permanent Number	2018/19 Other Number
Medical and dental	**209**	183	26	**191**	184	7
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**904**	854	50	**1,792**	1,760	32
Healthcare assistants and other support staff	**2,918**	2,754	164	**1,676**	1,455	221
Nursing, midwifery and health visiting staff	**2,118**	2,012	106	**2,118**	2,019	99
Nursing, midwifery and health visiting learners	**0**	0	0	**22**	22	0
Scientific, therapeutic and technical staff	**1,135**	964	171	**959**	893	66
Healthcare science staff	**4**	4	0	**2**	2	0
Social care staff	**216**	216	0	**644**	644	0
Other	**0**	0	0	**0**	0	0
Total average numbers	**7,504**	**6,987**	**517**	**7,404**	**6,979**	**425**
Of Which:						
Number of employees (WTE) engaged on capital projects	**5**	5	0	**0**	0	0

	Total £000	Permanently employed total £000	Other total £000
Salaries and wages	**238,903**	238,903	0
Social security costs	**22,535**	22,535	0
Pension cost - defined contribution plans employer's contributions to NHS pensions	**42,639**	42,639	0
Apprenticeship Levy	**1,170**	1,170	0
Pension cost - other	**625**	625	0
Termination benefits	**0**	0	0
Temporary staff - external bank	**16,471**		16,471
TOTAL STAFF COSTS	**322,343**	**305,872**	**16,471**

All of our Employment Polices and associated SOPs are Equality Impact Assessed using an assessment tool. The EqIA ensure that the Trust thinks about the likely impact of any proposed changes to Employment Policies and associated SOPs on its workforce. It helps to predict the impacts of the policy/SOP on different cohorts of the workforce (protected within the Equality Act 2010) and ensures any adverse or negative impacts are considered, reduced and mitigated. For example, the Trust is a Disability Confident Employer and as such guarantees an interview to candidates with a disability that meet the essential criteria for any advertised post. It is committed to making reasonable adjustments for candidates when attending for interview where such adjustments are

required. The Trust has also, through its Managing Attendance Policy and close working with occupational health specialists, supported staff whose health poses a challenge to their work and made a wide range of adjustments that help support individuals. In addition, the Trust has continued to make provisions for the access of training by staff with disabilities, for example provision of equipment and materials for staff with visual impairment

Equality and Inclusion

The Trust's Equality and Inclusion Assurance Group provides governance across the Trust and care groups on the delivery of the Equality Objectives which form the Equality and Inclusion Strategy. The compliance plan for each equality objective is reviewed to mark progress and will be reported to the EIAG and sub-committees of the Trust board.

The Gender Pay Report 2019-2020 has been submitted and is available on the Trust's website https://www.mpft.nhs.uk/about-us/equality-and-inclusion alongside the strategy and objectives for equality and inclusion. Information is also available from the *Cabinet Office website (https://gender-pay-gap.service.gov.uk/).*

The Trust's Workforce Strategy reflects the Equality Objectives in relation to workforce and enforces the delivery of a safe and inclusive culture. It reflects our findings from the workforce race and disability equality standards.

The Equality Delivery System 2 (EDS2) was assessed and completed for 2019. It is envisaged the Trust will utilise the revised EDS when launched by the NHS England. In the interim the EIAG will look at how each Care Group can take forward the EDS2 as an integral part of their business.

The Trust continues to deliver on the commitments under the Mindful Employer Charter, Disability Confident and Stonewall Diversity Champion. These will link with the recently revised Trust's Health and Wellbeing work streams. Staff equality networks have been developed. Each network will have a key role to support the delivery of the diversity and inclusion agenda and enable feedback/escalation to the senior leadership where Trust values behaviours and attitudes are not reflective of our Trust values. The Trust has been successful in establishing the NHS Rainbow Badge Pledge and has further increased its offer for training staff re: Lesbian, Gay, Bisexual and Trans+ Equality in policy and practice.

The Equality and Inclusion Team continue to work with colleagues to increase the equality and inclusion training and awareness portfolio for staff to develop wider understanding, skills and knowledge to support the reduction of health and social care inequalities for staff, service users and the communities we serve.

Partnership working across the health and social care economy has enabled the Trust to lead on the continuous improvement of accessible services and information. The Trust will establish community equality focused networks which will become sub-groups of the Trust's Community Engagement Group. This enables and enhances feedback to the Trust from seldom heard communities. This will also enable Care Groups to access local voices and groups to support local decision making, involvement and service awareness. This work links with the Trust's community engagement and involvement programme.

The Trust is keen to ensure that our services recognise and deliver culturally sensitive, inclusive, accessible and appropriate services which make a difference to individual lives and to ensure that the services provided do so without discrimination. We are committed to ensuring that our approach to our staff is the same as our approach to our service users: being open and transparent, focussed and based on our values.

We are committed to ensuring that our approach to our staff is the same as our approach to our service users: being open and transparent, focussed and based on our values. The Trust has continued to provide information to staff through its intranet, regular communications through an emailed global weekly update, an e-staff magazine (PEP Talk), video introductions and messages from senior staff, desktop messaging and social media.

Staff are consulted about changes through engagement events (eg on remodelling of services), Rapid Process Improvement Workshops (as part of the Trust's Lean Quality Improvement approach), and discussions on our intranet forum, as well as more formal consultation processes involving staff side organisations where Management of Change or TUPE may be involved.

Engaging and Involving Staff

The approach to staff engagement within Midlands Partnership Foundation Trust (MPFT) is one that ensures staff feel empowered, and listened to. The Trust uses many tools to support staff engagement, such as Quality Improvement (LEAN), face to face engagement which puts staff at the heart of solutions to improvement and in addition, an overarching Mission and set of Values and Behaviours.

All of the above will ensure that through the use of effective staff engagement, staff are supported to make simple changes they want to see in their own areas, and, in parallel, around divisional and Trust-wide changes that help tackle challenges staff face to improve care for patients and service users. Staff Engagement will now start to move forward digitally, and continue to focus on staff being able to find solutions to challenges, and through suggestions, feel enabled and empowered to drive forward improvement with the support of senior and executive colleagues.

It is recognised that a common language is key to the delivery of effective staff engagement within MPFT to engage staff at all levels, and it is this, along with the above tools, which will be owned and led by the Trust's Senior Management Team. The Trust's approach to staff engagement will create a culture that has a positive impact on morale; creating a happy and stable workforce who feel able to provide high quality care for our patients and service users. In addition, that staff recommend the Trust as a place to work or a place for their loved ones to be treated. It is also important to the Trust that staff feel supported in their own wellbeing and look forward to coming to work.

There are six staff governors on the Trust's Council of Governors who represent the views of colleagues from the various professional groups. The Trust senior managers meet monthly with staff side representatives via the Joint Staff Partnership. These meetings include consultations on proposed changes that may affect staff. Outside of these meetings, managers ensure informal consultation and engagement takes place with staff over potential changes.

In July 2019 the Trust undertook the Pulse Check with staff for a period of three weeks, a total of 1648 colleagues responded, offering 1880 simple solutions to make working at the Trust and being cared for within MPFT even better. Collectively, over 130 colleagues met at face to face Crowd Fixing Events in June 2019 which focused on the Trusts first Hot Topic - Happiness, Health and Wellbeing. During events, staff generated hundreds of solutions to this topic, and most importantly left feeling empowered to make those changes themselves back in their teams. A further 100 solutions were also generated by staff through a digital application in June 2019. Throughout the year, the Trust has continued to lead staff engagement through a variety of means, social media being a key tool and its #StaffLedChange tag.

Supporting Health and Wellbeing

The health and wellbeing of our staff is fundamental to ensuring they are fit and able to provide care for others and the Trust is committed to ensuring it has the right mechanisms in place to support staff when they have ill health, and to create the culture in which they are helped to stay healthy and well. This involves having the right management structures, work environment, policies or procedures, occupational health services, and opportunities to learn about health promotion.

The Trust is committed to preventing ill health and works hard to ensure that staff within the Trust recognise that their health and wellbeing is taken seriously. So it is positive to note that our Staff Survey results showed that there has been a 0.9% increase in staff feeling MPFT takes a positive action on H&WB.

During the year we continued to work with members of our H&WB Enabler Group to engage with our staff around H&WB matters in ways such as newsletters, surveys and conversational events. In March we broadened the scope of that group to include Staff Experience and Engagement Delivery (SEED). Through SEED we aim to drive action around the cause not the effect. We ensure that our energy is not tokenistic but instead actioned against a strong evidence base and also measured accordingly. We aim for MPFT to be a fantastic place to work, therefore through a solid focus on staff experience and engagement we will ensure amazing health and wellbeing for all.

Our core Occupational Health and Well Being Service is provided across the Trust's geography primarily by Team Prevent UK Ltd. Over the financial year 2019/20 over 5,300 referrals were made to this service through the form of Management/Self-Referrals, Health Surveillance requests, needle stick injuries and assessment of Work Health questionnaires. The service provides prompt access to a wide range of Occupational Health and Employee Well Being services including an Employee Assistance Programme (EAP), Counselling, Specialist Psychology and Physiotherapy. During this period there were c750 sessions accessed by staff and their families who accessed the Employee Assistance Programme through a blend of telephone and face to face sessions. 320 of these were individuals who were new to the service. Furthermore, COVID-19 pandemic emerged during months 11 and 12 of the financial year, Team Prevent supported the organisation with a wide range of advice including the development of risk assessment tools and management advice.

At the end of the financial year (month 12) work commenced on a comprehensive COVID-19 wellbeing support package that subsequently was recognised nationally. This includes:

- Exec briefing – increase visibility of senior leaders, answer key questions, (weekly at 1.30pm every Tuesday)
- Daily updates via email – key space for information, updated daily with key messages highlighted (Using SOOTHE as the branding)
- Dedicated intranet space and updates for well-being, including an app for link to help resources, weekly communications about well-being (SOOTHE)
- Coaching offer for leaders to seek support, emotional defusing, time out or work through specific issues for leaders/managers
- Leadership to navigate challenging times fortnightly webinar for leaders
- Virtual Staff networks to connect individuals across our diverse staff groups – BAME, Disability, LT conditions, LGBT+
- Team support and listening ear service, in conjunction with F2SU, Equality lead and staff side representation
- Lead Psychologist identified to consult with hotspot areas – District Nursing, Palliative Care, Home First, All Inpatient services

Additionally, new investment has been made to increase capacity for our specialist staff psychology. During the 12 months 26 referrals were made. An average number of sessions for a staff member is 12. The service has been running at 0.8wte.
Valuing our staff is one of our core values and we work hard to work with managers and teams to help them function as effectively as possible, reinforcing the importance of creating a positive work environment. In addition it is important to celebrate and recognise staff commitment, dedication and achievement. In June 2019 we introduced our new LOVE (Living Our Values Everyday) Awards and since then we have received 1942 nominations.

Health and Safety

Ensuring the Health and safety of our staff, those who use our services and visitors is of key importance to the Trust and is embedded into our culture.

Through our Health, Safety and Security Team, oversight, advice, guidance and support is offered to all staff throughout the Trust. This includes topics such as Display Screen Equipment, Work Related Stress, Lone Working, Security Management, Risk Assessments, First Aid and more.

Policies and standard operating procedures are written for staff to use to ensure their health, safety and wellbeing and to ensure that we all meet the requirements of health and safety regulations.

The Trust uses two approaches to ensuring we meet our obligations; proactive planned monitoring of health and safety practice together with responsive intervention and support where incidents or risks are reported.

Planned Activity

Team self-assessment allows services to understand their own health and safety performance using a structured process. The results of self-assessment allow us to develop a focussed programme of support across the Trust to close gaps in process or awareness of health and safety requirements.

Assessments of premises are carried out by the Health, Safety and Security Team each generating a report detailing recommendations and actions to maintain health, safety and wellbeing for staff, patients, service users, visitors, and contractors.

Responsive Activity

The Trust uses an electronic incident reporting system to capture incidents and near misses. When an incident related to health and safety is reported, the Health and Safety Team receive an automatic notification allowing timely oversight and support to be given to our services. By proactively encouraging the reporting of incidents and near misses, the Trust supports an open and transparent reporting culture allowing lessons to be learned which can help prevent incidents from occurring again in the future.

The outcomes of proactive and responsive activity and data on health and safety incidents and near misses is reported through a number of governance routes within the Trust to ensure oversight, assurance and strong decision making. Reports are sent to the Trust's Health and Safety Committee, Quality Governance Committee and Operational Forums.

Inspection Activity

In July 2019, the Health and Safety Executive (HSE) carried out an announced inspection of Trust Services as part of their national inspection programme across the NHS. The Trust received a report following the inspection and the Trust was issued with three improvement notices to complete against set timescales. Progress is monitored by way of a developed action plan and evidence is sent to the HSE to confirm compliance against highlighted areas.

Our focus on health and safety allows the Trust to forge a strong health and safety culture which helps to ensure the health, safety and wellbeing of staff and all those that use, or come in contact, with our services.

Counter Fraud and Anti Bribery Culture

The Trust seeks to ensure that a comprehensive counter fraud and anti-bribery culture exists throughout the organisation as detailed in the Trust Policy for Fraud and Corruption and through the work undertaken by the Local Counter Fraud Specialist (LCFS). All such policy and procedure is subject to review by the LCFS to ensure all documentations is maintained in accordance with Service Condition 24 (SC24) of the NHS Standard Contract 2020/21. Fraud information is available on the Trust intranet and is effectively signposted on the Trust website, including information about the Trust's approach to Freedom to Speak Up. Regular articles appear in staff newsletters highlighting this important issue. The LCFS actively promotes such policies at all induction events and other awareness events.

Freedom to Speak Up

Effective speaking up arrangements protect patients and improve the experience of NHS workers. Ensuring that staff feel free to speak up about any concern they may have at work is really important. In fact, it is vital because it will help us to keep improving our services for all patients and the working environment for our staff.

Senior leaders and the entire Board at our Trust are committed to an open and honest culture and want to encourage staff to raise any concerns they might have at the earliest possible time. The Trust's Freedom to Speak Up Guardians ensure staff have easy and confidential access to help and support in raising any concerns. The Guardian's regularly report to the Trust Board on issues and themes raised with them. The FTSU Guardians and network of Champions are linking closely with Organisational Development as diagnostics are being improved to include more supportive mechanisms and become more proactive.

Staff Survey Results

The NHS National Staff Survey is carried out annually between October and December with results being published in the following February, results of which, aim to inform local improvements in staff experience and well-being.

For the purposes of the Annual Report, it is worth noting that there were a number of changes to the core survey in 2018; five questions were removed, two questions amended and eight questions added. The reports are now also presented via summary indicators (Key Findings replaced by 10 'themes' scored consistently on a 0-10pt scale, and positively scored so that a higher score will always indicate a better result). For 2019, a further theme of team working was added, making 11 'themes'.

Response rate

The Trust had a significantly above average response rate of 61%, equating to a total of 4782 staff. This is 1% lower than the response rate in 2018 and whilst slightly lower is a significant achievement given the amount of organisational change that has taken place in MPFT over the past 12 months. The average for Mental Health, Learning Disability and Community services nationally was 48.6% and out of a total of 32 Trusts of a similar type, MPFT achieved a joint second highest response rate. This achievement is a result of significant fieldwork prior to and during the survey period and through a rigorous engagement plan and campaign.

The Benchmarking Results

The following table sets out ranking order of theme results (by score result) for Midlands Partnership Foundation Trust

Theme	Our 2018 Score	Our 2019 Score	Benchmarking Group	Result
Safe Environment – Violence	9.6	9.6	9.5	Above Average
Equality and Diversity	9.4	9.4	9.1	Above Average
Safe Environment – Bullying and Harassment	8.4	8.3	8.2	Above Average
Quality of Care	7.4	7.5	7.4	Above Average
Immediate Managers	7.2	7.2	7.2	Average
Staff Engagement	7.0	7.1	7.1	Average
Team working	7.0	6.9	6.9	Average
Safety Culture	6.8	6.9	6.8	Above Average
Morale	6.3	6.3	6.3	Average
Health and Wellbeing	6.1	6.1	6.1	Average
Quality of Appraisals	5.8	6.0	5.7	Above Average

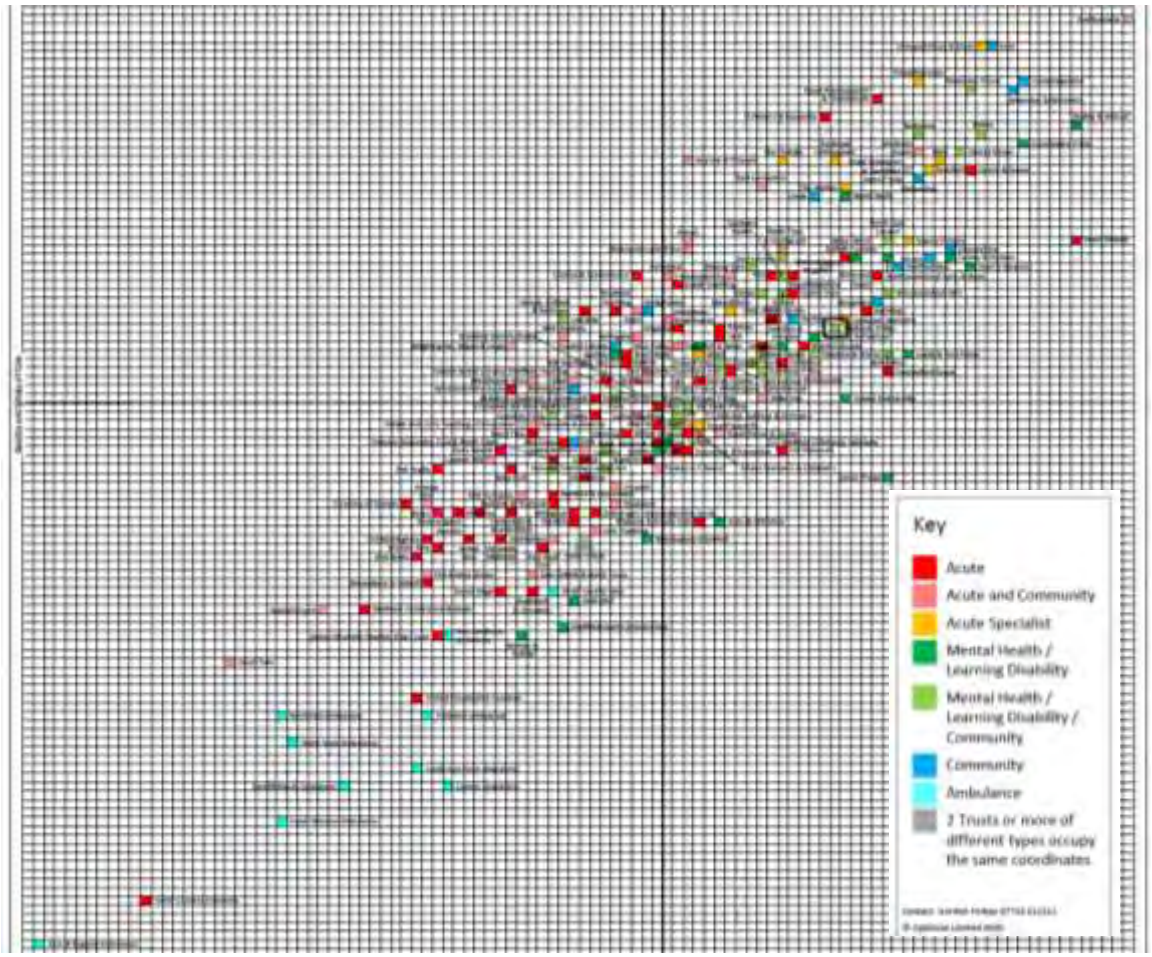
MPFT is one of only five Mental Health, Learning Disability and Community Trusts to have ***0 themes below average.***

The range between the best and worst scores across the NHS (within the Trust's category) shows similar results across all Trust's, meaning this climate is recognised nationally.

The Trust has achieved (7.1) in relation to staff engagement, following organisational change on a significant level through ongoing organisational change post-merger of two legacy organisations. This is an increase of 0.1 on the results of the 2018 staff survey and shows strategic staff engagement given its challenges. In two key areas (motivation and recommending the organisation) MPFT has seen improvements on all 6 questions, with significant increases of 2.7% on care is the organisations top priority and 2.5% on recommending MPFT as a place to work.

The Trust is reporting above average scores in relation to staff feeling safer from violence, lower levels of bullying and harassment, and equality and diversity amongst the workforce when compared with Trusts of a similar type nationally.

Optimise Limited, founders of Listening into Action, have developed a new LiA scatter map which shows "quality and safety of care" on the y axis, with "workforce at risk" on the x axis for all Trusts. The analysis is based on the appropriate elements of the relevant staff survey categories, including quality, safety and teamwork for "quality and safety of care"; and morale and staff engagement for "workforce at risk". Therefore, the higher on the vertical axis the trust's placement, the better the quality and safety of care in comparison with others, according to its staff and the further to the right a trust is, the more it is likely to have a stable, supported and enabled workforce. MPFT's position is outlined in black and shows MPFT is a good position, embedded in the top right handed quadrant.



Future priorities and targets

From analysis of the 2019 National Staff Survey, the following areas will become a focus of continuous improvement for 2020-2021.

Staff Engagement, whilst there has been an increase in this theme overall and improvements on 6 out of 9 questions, on the remaining aspect of staff engagement, the ability to contribute to improvements, all 3 questions have seen a decline in the score. This is an area of staff engagement MPFT will need to further increase attention in the coming months.

Morale has remained unchanged and was a common theme across all NHS organisations and shows the current challenges. It will be vital for MPFT as it continues to embed a culture where staff feel involved in changes, recommend the Trust as a place to work, look forward to going to work, and stay with our organisation longer.

Quality of appraisals, this theme saw the biggest increase and all 4 questions saw an improvement for MPFT, the highlights being a 5.6% increase in organisational values being discussed at appraisal and 3.2% increase in staff feeling valued following their appraisal. However, this will need continued focus over the next 12 months to ensure MPFT continues to make good progress in this area

Health and Wellbeing, on a positive note, there has been a 0.9% increase in staff feeling MPFT takes a positive action on H&WB. However, there have been an increase in staff

experiencing musculoskeletal problems, work related stress and coming into work when feeling unwell.

Immediate Managers, although average and some improvements were seen in key questions, this is a theme in which Trust wants to further ensure staff feel supported by their line managers in relation to training, learning or development and that they feel included and part of decisions affecting their work before they are made.

Staff Engagement, being part of the Trust values around empowering our workforce, staff engagement will focus on staff feeling empowered to make the changes that they want to see within their services and that their feedback is listened to and acted upon. It is also important that MPFT has a workforce where staff look forward to going to work.

The 2019 Staff Survey results have been used to inform a strategic 3 year Organisational Development plan for MPFT which will address improving staff experience, well-being, leadership development and organisational culture moving forward. This has been agreed at Trust Board.

The monitoring of such plans which are developed in response to the staff survey sits with the Workforce and Development Committee and ultimately, Trust Board, with improvement being measured through the yearly National Staff Survey and a regular pulse check.

The analysis undertaken will target hotspots and also areas of success so that good practice can be shared. Care and Corporate groups will be expected to act on survey results and build improvement plans into individual OD plans, and in addition, celebrate the great work already being undertaken within the Trust to continually improve communication.

Care Groups have developed action plans to localise our response to the staff survey and integrated these into their on-going engagement plans which is a key focus for Managing Directors of the Care Groups as part of their OD plans. MDs report progress to the Workforce Development Committee which reports into the Trust Board. Progress will also be reviewed at the next staff survey

Trade Union Facility Time disclosures

The data provided below is for 2018-19. Data for 2019-20 is not yet available, the reporting deadline is end of July. This information will be placed on the Trust website.

Table 1 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 employee number
21	19.48

Table 2 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%	0
1-50%	18
51%-99%	2
100%	1

Table 3 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.

Provide the total cost of facility time	£76466.23
Provide the total pay bill	£298540541.96
Provide the percentage of the total pay bill spent on facility time, calculated as:	0.03%
(total cost of facility time ÷ total pay bill) x 100	

Table 4 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	3.49%

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 Mar 2020	15
Of which:	
Number that have existed for less than one year at the time of reporting	1
Number that have existed for between one and two years at the time of reporting	4
Number that have existed for between two and three years at the time of reporting	6
Number that have existed for between three and four years at the time of reporting	2
Number that have existed for four or more years at the time of reporting	2

Table 2: For all 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 for longer than six months

Number of new engagements, or those that reached six months in duration between 01 Apr 2019 and 31 Mar 2020	1
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	1
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: 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.	6

The Trust has Guidelines on the engagement of off payroll workers (*Managers Information for IR35 Assessments and Governance Checks for Off Payroll Workers*) which sets out the requirement to seek authorisation for Off Payroll Workers via the Temporary Staffing Team (non medical) and Medical Staffing Team (medical locums) prior to engagement, this documentation includes authorisation documentation and flowcharts.

Expenditure on Consultancy

	2019/20	2018/19	2017/18	2016/17	2015/16
	£000	£000	£000	£000	£000
Total Costs	295	638	220	312	424

Staff Exit Packages

		Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Staff Exit Packages Agreed		**2019/20**	**2019/20**	**2019/20**
Exit package cost band (including any special payment element)				
<£10,000		4	0	**4**
£10,000 - £25,000		4	0	**4**
£25,001 - 50,000		3	0	**3**
£50,001 - £100,000		7	0	**7**
£100,001 - £150,000		8	0	**8**
£150,001 - £200,000		1	0	**1**
>£200,000		0	0	**0**
Total Number of exit packages by type		**27**	**0**	**27**
Total resource cost		1,733	0	1,733

The Trust made no non-contractual payments in 2019/20.

NHS Foundation Trust Code of Governance

The role of the Board of Directors (A.1.1)

The Board manages the Trust by:

- setting the overall strategic direction of the Trust within the context of NHS priorities
- regularly monitoring our performance against objectives
- providing effective financial stewardship through value for money, financial control and financial planning
- ensuring that the Trust provides high quality, effective and patient-focused services through effective clinical governance
- ensuring high standards of corporate governance and personal conduct
- promoting effective dialogue between the Trust and the local communities we serve

Decisions delegated to management are as defined within the Scheme of Delegation which is available via the Trust website or by request from the Company Secretary.

The Council of Governors advises the Trust on how best to carry out its work to meet the needs of service users and the wider community. It has a number of statutory duties, including to appoint the Chairman and Non-Executive Directors, and to ratify the appointment of the Chief Executive. The Council of Governors also determines the remuneration of the Chairman and Non-Executive Directors, receives the Trust's Annual Report and Accounts and Auditor's report, and appoints the Trust's external auditor. In addition the Council of Governors is required to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors; approve significant transactions; approve an application by the Trust to enter into a merger, acquisition, separation or dissolution; decide whether the Trust's non-NHS work would significantly interfere with its principal purpose and to approve amendments to the Trust's constitution.

Board of Directors:

The Trust Board recognises its responsibility collectively and individually for all aspects of the leadership of the Trust and the duty placed upon it, to conduct its affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that we provide high quality, sustainable care.

Equally, it is important that the Trust's leaders equip and encourage people at all levels to deliver continuous improvement in local health and care systems and gain pride and joy from their work and that there are robust governance processes in place to give the leaders of organisations, those who work in them, and those who regulate them, confidence about their capability to maintain and continuously improve services.

The Board of Directors regularly reviews its own performance through a process of self-assessment and peer review. Throughout the year externally facilitated Board Development Sessions have taken place on a regular basis. There has also been a continued focus on ensuring all Board members maintain compliance with mandatory training requirements and that new Non-Executive Directors appointed during the year benefitted from a comprehensive induction customised to their individual needs. (B6.1)

Board Development

During 2019/20, the Trust Board undertook Board Development workshops in June, August and October 2019 and in February and March in 2020.

During these workshops, the Board combined a focus on strategic and cultural development based on both individual and collective learning and leadership and included the following themes and focus:

- Quality including the Care Quality Commission Inspection Report and an overview of quality priorities for the Board
- Workforce and Development including the Staff Survey and an overview of W&D priorities for the Board
- Cyber Security training for Board members
- Equality and inclusion training and awareness for Board members
- The Board Governance Framework and the effectiveness of Board meetings and reporting
- The strategy and tactics for working with the Staffordshire and Shropshire Systems
- Primary Care Networks: building and sustaining relationships and momentum
- Intelligent Fixed Payment System (Staffordshire): risk and benefits
- A stocktake of the strategic and operational landscape and the strategic impacts and implications for MPFT including a Risk Appetite Review
- Understand the national and regional policy drivers and context and debating the commercial opportunities to explore for each care group
- The Board's stance on the key operational issues, including the corporate response
- Developing our Culture/our way of working and mapping the journey towards a learning organisation through a new OD strategy

Development activity also includes:

- Personal development arising from appraisal – all Board members have an annual appraisal, informing development needs for the Board as a collective as well as individually.
- Chair's meeting – the Chair meets routinely with the Non-Executive Directors as a group to discuss development needs and identify areas for improvement

Board Committees:

Midlands Partnership NHS Foundation Trust routinely undertakes an annual review of Board and committee governance. During 2019/20 this was undertaken during August/September 2019 and received by the Board of Directors at its October 2019 meeting.

Directors: (B1.1)

Annual performance appraisals are routinely undertaken for all Board members, summaries of which are made available to the Remuneration and Nomination

Committees. With respect to Non-Executive Directors, the appraisal processes include an evaluation and assessment of the independence of all Non-Executive Board members.

Based on the expertise and experience listed above, the Foundation Trust is confident that the necessary range of knowledge and skills exists within the Board of Directors and that its balance, completeness and appropriateness to the requirements of the NHS Foundation Trust constitutes a high performing Board. (B1.4)

Non-Executive Directors (NEDs) are normally appointed for a term of three years. If any of the grounds for exclusion or disqualification set out in the Constitution as it may be amended from time to time apply to a NED, then the appointment may be terminated. A NED must immediately notify the Chairman and the Company Secretary if any event occurs which would or may disqualify them from or make them ineligible to continue in the role as a NED. In addition, a NED may be removed as a NED at a general meeting of the Council of Governors at which the removal is approved by three-quarters of its members. (additional requirement)

A register of interests is maintained in relation to all Trust Board members. This is available on the Trust website or by application to the Company Secretary at Trust Headquarters. (additional requirement)

Making Sure the Board Understands the Views of Governor Members and Members (E1.5)

Board members meet with Governor Members prior to each Council of Governors meeting and are encouraged to attend the meeting itself. The Chief Executive delivers a report including an environment scan of key local and national policy developments and issues at each Council of Governors meeting. Summary reports of Council of Governors meetings are received by the Board, and in turn Governor Members receive the minutes and agenda for Board meetings and are encouraged to attend the public section. The Board and Council of Governors hold joint sessions each year and continue to ensure an emphasis is placed on ensuring the involvement of the Council of Governors in developing, shaping and commenting on the Board's strategic vision and forward planning. A Non-Executive Director sits on each Governor Member Engagement Group and two Non-Executive Directors routinely attend the Governor Member Steering Group. (B5.6)

All Directors confirm that so far as they are aware, there is no relevant audit information of which the Trust auditor is unaware and they have taken all the steps required to make themselves aware of any such information and establish that the Trust auditor is aware of it.

The Trust has a policy agreed by the Audit Committee and the Trust Board for the engagement of External Auditors for Non Audit Work. This policy sets out what threats to audit independence theoretically exist and thus provides a definition of non-audit work which can be shared by the Trust and KPMG LLP. It then seeks to establish the approval processes and corporate reporting mechanisms that will be put in place for any audit work that KPMG is asked to perform.

Compliance with the NHS Foundation Trust Code of Governance

The Board of Directors and the Council of Governors are committed to the principles of good corporate governance as detailed in the NHS Foundation Trust Code of Governance. Following publication of the revised Code of Governance in December 2013 (updated January 2014), a detailed review of the compliance position was undertaken in preparation for the annual report submission and the evidence to support compliance against each provision is referenced throughout the annual report. The Trust is therefore able to declare compliance with the code provisions with the following exceptions:

Code Provision (D.2.2) The Remuneration should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and any compensation payments. The Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the Board but should normally include the first layer of management below Board level.

Explanation

The Remuneration (and Nominations) Committee has delegated responsibility for setting the remuneration for Board Members comprising Executive Directors and non-voting Board members. All other senior managers are paid on Agenda for Change pay scales and salaries are set according to the job matching and evaluation processes as applied to all Trust staff and they do not therefore fall within the remit of the RANC.

Code Provision (B.1.d) All directors should be able to exercise one full vote, with the chairperson having a second or casting vote on occasions where voting is tied.

Explanation

The Board currently comprises of six executive directors (including the Chief Executive, seven non-executive directors (including the Chair) and six non-voting Board members, whose contribution and expertise is considered essential and integral to the Board's core role but without the need to assign voting rights to these individuals.

Information on Board Members (B1.4)

Non Executive Directors

Martin Gower Chairman
Start date: July 2014
Current term of office end date: June 2020

Martin Gower, Chairman, joined the Trust in July 2014. He had previously spent 3 years as Chairman of Coventry and Warwickshire Partnership NHS Trust who provided Mental Health, Learning Disabilities and general Community Services. He joined the NHS as a Non-Executive Director in August 2009. Previously his career had been in the Media in the UK, Ireland and the USA. He was Managing Director of South West Wales Publications and West Country Publications, then members of the Daily Mail and General Trust plc and later worked in the same capacity for Mirror Group Ireland, based in Belfast and at The Coventry Telegraph. Immediately prior to his work in the Daily Mail Group he was President and CEO of United Syndicated Services in Los Angeles, California. He has also served on the boards of the Prince's Trust in Wales, Young Enterprise Northern Ireland and was Chairman of the Institute of Directors in Coventry and Warwickshire. In his role as Chair of an NHS organisation Martin is committed to ensuring the delivery of safe, high quality services and to developments that will not only better the patient experience but that will be able to sustain these services in the long term.

The Chairman's other significant commitments are recorded via the register of interests maintained in relation to the Trust Board.

Richard Cotterell Non-Executive Director
Start Date: 26 May 2016
Current term of office end date: 25 May 2022

Richard Cotterell has been a Managing Director at Caterpillar Inc. since 2009 where he is responsible for a global Division which designs and manufactures off highway diesel and gas engines. He first started out with Caterpillar Inc. in 1997 and has undertaken a number of global executive roles and prior to joining the company worked in Consultancy, Telecoms and Defence sectors. Richard holds a BSc in Business Studies and an MBA from Warwick University. Richard brings extensive operational, commercial and financial skills to the Board. Since joining the Trust Richard is the Chair of the Finance and Performance Committee and Significant Transactions Committee and attends the Business Development and Investment Committee, Remuneration & Nominations, Audit Committee and Trust Board. (a, b, c, d)

Jane Gaddum Non-Executive Director
Start Date: 1 June 2018
Current term of office end date: 30 November 2021

Joining the Board from Staffordshire and Stoke-on-Trent NHS Partnership Trust, now part of MPFT, where she served as a Non Executive Director from March 2015, Jane has added corporate memory and understanding of the antecedent Trust. A strategic

commercial leader in complex global health and life sciences, as well as a business owner, Jane brings extensive experience of driving decision-making in large complex organisations. Much of her career has been spent influencing global investment decisions and corporate strategy at pharmaceutical giant AstraZeneca plc, and she brings personal experience of the enablers to successful organisational mergers. She is passionate about ensuring the future needs of service users, clinicians and those who fund healthcare are built into plans. Jane, who has a first degree and MBA, continues to run textile company Gaddum & Gaddum Ltd alongside projects in life sciences. Jane chairs the Trust Business Development and Investment Committee and is a member of the Audit Committee, Remuneration and Nominations Committee and Trust Board. (a, c, d)

David Matthews Non-Executive Director
Start Date: 1 September 2016
Current term of office end date: 31 August 2022

A qualified CPFA accountant, David joined the Board from Dudley and Walsall Mental Health Partnership where for 6 years he had been a Non-Executive Director and chair of its Audit Committee. He lives in Walsall and has previously been Director of Resources at two Staffordshire based Housing Associations and the Non-Executive Chair of a small Housing Association based in Walsall. Prior to this he held roles with Birmingham and Walsall Councils and the Black Country Development Corporation. David has personal experience of mental health services as a result of which he is committed to the provision of high quality services across all of the Trusts operations. David chairs the Trust Audit Committee and is a member of the Finance and Performance Committee, Service User and Carer Committee (virtual), Significant Transactions Committee, Remuneration and Nominations and Trust Board. (a, b, d,)

Megan Nurse Non-Executive Director
Start Date: 13 June 2016
Current term of office end date: 12 June 2022

Megan Nurse joined the Board from Calderstones Partnership NHS Foundation Trust where she has served as a Non Executive Director since May 2014. Calderstones provides specialist learning disability services across the North of England. Prior to this, Megan worked in Local Government and the Police Force within Greater Manchester. Megan was Assistant Chief Executive at Tameside Metropolitan Borough Council, where she led a multi-million transformation and change programme, alongside leading on strategy, quality and performance across the authority. Her interest and expertise lie particularly in ensuring the quality of services and in driving improvement in the use of resources and delivery of better services to service users. Megan is the Senior Independent Director and Vice Chair with specific responsibility for Shropshire, Telford and Wrekin. Megan is the lead Non Executive Director for Freedom to Speak Up (F2SU) and Doctors with Concerns; Chair of Workforce Development Committee; and is a member of the Audit and Quality Governance Committees. (a,d, e, f, i)

Jacqueline Small Non-Executive Director
Start date: 1 December 2018
Current term of office end date: 30 November 2021

Jacqueline Small has extensive experience of working in leadership roles within the NHS and local government where she has held a range senior Public Health management and executive level roles. She joined the Board from the Royal Wolverhampton NHS Trust where she served as a Non-Executive Director since 2017.

Her career since 1984 includes nursing, midwifery, and leadership roles that covered health improvement, commissioning, partnership working, community-based health improvement and wellbeing services and campaigns, and programme and project management in London, Birmingham and Staffordshire. Jacqueline trained as a Nurse and Midwife in Birmingham. She has a first degree in Social Policy, and an MSc in Health Promotion.

Jacqueline was appointed to the role of Non-Executive Director for MPFT from 1st December 2018. Jacqueline chairs the Quality Governance Committee and is a member of the Trust Board, Remuneration and Nominations Committee, Finance and Performance Committee, Workforce and Development Committee, Mental Health Legislation Committee, and Service User and Carer Committee (virtual). (f, d, b, e)

Executive Directors

Neil Carr OBE Chief Executive
Start date: May 2001
Chief Executive: 16 May 2007

Neil Carr joined the Trust at its inception in 2001 and has successfully led the Trust as CEO since 2007. A nurse by background with significant interest in strategic and transformational leadership and Mental Health strategy. Instrumental in delivering one of the first mental health foundation trusts and in 2007 led the first successful acquisition. A keen advocate of innovative partnerships and using foundation trust freedoms to be positively different, eg partnership with the MoD on national contracts for serving personnel and first national foundation trust network of provision. Neil was awarded the OBE for services to healthcare and holds an Honorary Doctorate for his contribution to leadership in health care. In April 2010 he was awarded a Fellowship of the Royal College of Nursing in recognition of an exceptional contribution to leadership. (d, i)

Alison Bussey Chief Nurse/Director of Professional Leadership
Start date June 2018
Director of Nursing and Chief Operating officer
Start date: December 2013

Director of Specialist Services
Start date: June 2012 End Date: December 2013

Alison Bussey joined the Trust in June 2012 having worked at Oxford Health holding both Nursing and Operational Director roles. She started her career in the NHS as a Nurse

having qualified as both an Adult and Mental Health Nurse. Alison has held a number of clinical and senior operational leadership positions, in Hertfordshire and Buckinghamshire. Her particular interests lie in leadership, patient safety, quality improvement and staff engagement.(b, e, f)

Jayne Deaville Director of Finance and Performance and Deputy Chief Executive
Start date: March 2001

Jayne is Director of Finance and Performance / Deputy Chief Executive at Midlands Partnership NHS Foundation Trust and has worked locally in Staffordshire in a number of NHS organisations for 30 years. She has experience across a broad range of services including Ambulance, Acute, Mental Health and Community Care.

Jayne's particular interests are in the strategic leadership of the finance and performance function and organisational governance, ensuring that excellent services go hand in hand with excellent financial performance. Jayne's experience over the past 20 years has included the merger of 3 organisations into one, programme managing this merged organisation to Foundation status in May 2006, playing an instrumental role in the acquisition of Shropshire Mental Health and Learning Disability Services in June 2007 and developing the business case for the re-design of services in Shropshire including the provision of a new inpatient facility. Latterly she financially led the acquisition of Community and Social Care services in Staffordshire to form one of the largest integrated Trust's in 2018. She now represents the organisation's financial interests in the Strategic Transformation Partnership arrangements across Staffordshire & Shropshire alongside her strategic leadership role at MPFT.

Jayne is a Fellow of the Chartered Institute of Management Accountants and holds a Master of Business Administration - Health Executive. (b,c,h,i)

Steve Grange Executive Director of Strategy, Commercial & Strategic Development and Programme Director: Enhanced Primary and Community Care STP Staffordshire
Start date: January 2005
Executive Director: 1 April 2010

Steve started in Industry and has worked across many NHS sectors including the Department of Health, Strategic Health Authority, Modernisation Agency, Primary Care Trusts, Specialised Services, Acute Sector and in the USA with the US Veterans.

Steve has a background in Specialised Clinical and IT Purchasing, Reforming Emergency Care, the development of Strategic Clinical Networks and a wide experience of general acute management in community, primary, secondary and tertiary care. He lectures on Healthcare Strategy, Programme Management, Partnership working, Clinical Network Development and NHS Commercial development. Steve is also a visiting professor of Wagner College New York.

Steve's particular interests revolve around leadership, strategic/organisational and commercial development and the formulation of strategic partnerships. He is formally qualified in Business and Project Management at degree level and has visiting seats in a number of universities including New York, USA. Steve has managed a number of large

projects, many of them national and is very proud to have project-led one of the first Mental Health style Foundation Trusts, and a number of complex acquisitions.

Steve has worked with the Military (MOD) and Veterans Agencies for many years, helping to align strategies and services to the UK and USA Military to Mental Health provision. Steve chairs the National NHS MOD Network and a number of military/NHS forums.

More recently Steve leads a programme supporting the redesign and enhancement of new models of care, primary care and general practice and alliance partnerships within the Staffordshire STP. Steve has always been committed to network style working and has developed numerous prime and sub-contracting, joint venture and social enterprise models that facilitate improved partnership leading to better care.

Steve is currently in his second term of chairing the NHS Providers Finance Directors & Commercial Leads Network.

Steve's personal passion revolves around martial arts and Chinese philosophy. Steve is a qualified martial arts instructor and martial arts author. He has been teaching for over 22 years. (c,i)

Dr Abid Khan Medical Director
Start Date: June 1993 (Medical Director from November 2015)

Dr Abid Khan is a Consultant Psychiatrist and the Clinical Lead for the Psychiatric Intensive Care Unit (PICU) here at Stafford. He has been involved in medical management for a number of years. He has past experience of being a Clinical Director of Mental Health Services for 13 years and held the office of Associate Medical Director and Deputy Medical Director before taking up his current role. In addition to the Medical Director role he also oversees the Caldicott Guardian role for the Trust. (c, f,i)

Liz Lockett Director of Quality and Clinical Performance
Start Date: September 2009
Executive Director: June 2019

Liz is a Registered Mental Health Nurse and has been qualified for 28 years. She has worked in a number of specialist nursing roles including that of Eating Disorders Clinical Nurse Specialist. Liz's passion for quality improvement and governance has driven her career over the past 15 years and for the last 10 years she has worked in for the Trust in a senior leadership role managing the quality agenda.

Liz executive portfolio spans safety, involvement and experience, quality improvement and Health & Safety and CQC regulatory performance. She is executive lead with responsibility for the Trust Quality Governance Committee and works closely with Clinical and Care Directors and Managing Directors to ensure quality and safety is consistently a key priority and focus for the Trust.

Alex Brett – Director of Workforce and Development
Start date: June 2019

Alex worked at the former SSSFT from 2009 as the Head of Organisational Development and then latterly as the Deputy Director of Workforce and Development. She left briefly in 2016 to undertake the Deputy Director role at Shrewsbury and Telford Hospitals to gain Acute Trust experience and went on to work as the Executive Director of Workforce at Combined Healthcare in 2017, before returning to MPFT in 2018 and successfully stepping into the Director of Workforce and Development role in June 2019. In addition to her role at MPFT, she currently leads the STP Workforce Programme across Staffordshire and is Vice Chair of the Local Workforce Action Board. She started her career originally as a nurse and was Professional Lead for District Nursing across North Staffordshire in conjunction with a Lecturer in Nursing role at Keele University, before moving on to operationally leading and managing community services in Stoke-on-Trent. She went on to pursue a career in Organisational and Workforce Development which progressed to her leading the full range of workforce and development services for many years, before she became a Board level Director. She is also a qualified Executive Coach and Team Coach. She has a Master of Arts degree in Management Learning and Leadership from Lancaster University (Business School) and is a Fellow of the Chartered Institute of Personnel and Development (CIPD). (e)

Jo Cowcher Director of Adult Social Care
Start Date: July 1995
Director of Adult Social Care: April 2017

Jo began her career as a Social Worker in a generic adult team before moving to a mental health team and remains a registered social worker to this day. From there Jo has taken a number of leadership roles which have been focussed both on adult social care and integrated health and social care team. Jo has specific interests in mental health and older people and the impact that physical health has upon this, safeguarding and driving forward the quality of social work and social care practice. She is committed to keeping social care high on the agenda of the organisation. Jo's current joint role with Staffordshire County Council gives her responsibility across all adult social care in Staffordshire.

Directors who held office at some point during this financial year:

Elizabeth Jarrett Non-Executive Director
Start date – 1 June 2018
End date – 31 December 2019

Elizabeth has 35 years' experience in social care and health services, over 20 of which have been spent in Staffordshire/Stoke-on-Trent. Her public sector management roles covered service provision, regulation and inspection, joint commissioning, partnership working and customer services, including complaints management, public information and user & carer engagement. Elizabeth worked as a Community Engagement lead on behalf of Healthwatch Staffordshire prior to her appointment as a Non-Executive Director with Staffordshire and Stoke on Trent Partnership NHS Trust (SSOTP) in October 2015. At SSOTP, Elizabeth chaired the Workforce Matters Committee, was Vice-Chair of the Quality and Safety Committee and has championed Safeguarding and Equality & Diversity agendas.

Elizabeth is passionate about the active involvement of patients, users and carers in the planning, delivery and monitoring of services and brings significant experience in this area. Elizabeth also has a particular interest in the integration of health and social care services across different organisations, sectors and disciplines.

Elizabeth took up her post as non-executive director for MPFT from 1st June 2018. Elizabeth is the lead Non-Executive Director for Service User and Carer Involvement, a virtual Committee, and is a member of the Workforce and Development Committee, Business Development and Investment Committee, Quality Governance Committee, Remuneration and Nominations and Trust Board. She is the link NED for the Children & Families Care Group, including the UNICEF baby-friendly standards and the lead NED for Equality and Inclusion with respect to service users and carers. (e, c, f, d)

Greg Moores Director of Workforce and Development
Start date: April 2011
End date : June 2019

Previous Trust roles: Interim Head of Human Resources from August 2010 – April 2011, Greg also undertook a secondment from July 2014 – January 2015 as the Director of Specialist Services. Since October 2016 Greg has also held the role of Programme Director (Workforce) for the Staffordshire Sustainability and Transformation Partnership, leading a wide ranging and ambitious programme on behalf of the health and social care economy. Greg spent his early career in the private sector before holding Human Resources posts in both local government and the NHS. Greg holds a Master of Arts in Human Resource Management and is a Fellow of the Chartered Institute of Personnel and Development (CIPD). (b,c,d,e)

Therèsa Moyes Director of Quality and Clinical Performance
Start Date: September 2005
Executive Director: 1 March 2011

End date: 9 June 2019

Therèsa's clinical background as a Consultant Clinical Psychologist over many years took her into leadership and management roles, championing changes to local services which resulted in her winning regional and national clinical governance, service transformation and leadership awards. Therèsa has also participated in national working groups influencing how we measure and improve quality and is currently on the CQC NHS coproduction group. As an accredited Healthcare Leadership Academy Facilitator, Therèsa provides 360 facilitation to all levels of staff, as well as coaching and mentoring to senior NHS colleagues. Outside of the NHS, Therèsa has previous experience of working as an independent management consultant, providing bespoke solutions to organisational change processes in FTSE 100 companies. Therèsa demonstrates commitment to all aspects of quality – learning from people's experiences of our services, improving safety and service effectiveness. She is the executive lead on the committees responsible for these areas, including the Quality Governance committee and works closely with other lead clinicians on the Board to ensure that quality comes first in the Trust. (a,b,f,i)

Committees of the Board: (membership in brackets under individual Board members)

a. Audit Committee - responsible for ensuring that the Trust Board receives independent assurance

b. Finance and Performance Committee - creates a control and performance management environment for a high performance organisation

c. Business Development and Investment Committee - ensures strategy is integrated, contestable and cost effective

d. Remuneration and Terms of Employment Committee - Non-Executive Directors advise the Board on appropriate remuneration for Directors and staff awards and pay

e. Workforce Development Committee - ensures a culture of staff engagement and staff learning and development is advanced.

f. Quality Governance Committee - responsible for developing systems that ensure services are safe, sound and compliant

h. Remuneration and Nominations Committee (Committee of the Council of Governors)

Audit Committee	24/05/2019	15/07/2019	14/10/2019	16/12/2019	16/03/2020
Richard Cotterell*	✓	✓	✓	✓	✓
Jane Gaddum*	x	x	✓	✓	✓
David Matthews*	✓	✓	✓	✓	✓
Megan Nurse*	✓	✓	✓	✓	✓
Jacqueline Small	✓	✓	✓	✓	✓
Jayne Deaville	✓	✓	✓	✓	✓
Therèsa Moyes	✓				
Liz Lockett	✓	x	✓	✓	X

(A1.2)

* Core members

Summary of Audit Committee Role (C2.2) (C3.9)

The Audit Committee is responsible for ensuring the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Organisation's activities in support of the achievement of the Organisation's objectives. It achieves this by:

- ensuring that there is an effective internal audit function providing appropriate independent assurance to the Audit Committee, Chief Executive and Board
- reviewing the work and findings of the External Auditor
- reviewing the findings of other significant assurance functions, both internal and external to the organisation
- reviewing the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work
- requesting and reviewing reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control
- reviewing the Annual Report and Financial Statements before submission to the Board and ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided

The Committee submits annual reports to the Board on the work that has been undertaken during the year, and undertakes a review of its effectiveness incorporating the views of the External and Internal Auditors.

KPMG LLP were appointed as the Trust's External Auditors following a competitive tender process on 4 January 2019, replacing PWC LLP. KPMG LLP have not undertaken any non-audit services

Trust Board Membership and Attendance	25/04/2019	30/05/2019	27/06/2019	25/07/2019	No public board	26/09/2019	31/10/2019	28/11/2019	No public board	30/01/2020	No public board	26/03/2020
Martin Gower, Chairman	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Claire Bailey, Managing Director	✓	✓	✓	✓	-	X	X	✓	-	✓	-	✓
Alex Brett, Director of Workforce and Development	*	*	✓	✓	-	✓	✓	✓	-	✓	-	✓
Alison Bussey, Chief Nurse	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	part
Neil Carr, Chief Executive	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Jennie Collier, Managing Director	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	part
Richard Cotterell, Non-Executive Director	✓	✓	X	✓	-	✓	✓	part	-	✓	-	✓
Jo Cowcher, Director of Social Care	X	X	✓	✓	-	✓	X	✓	-	✓	-	✓
Jayne Deaville, Director of Finance and Performance	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Jane Gaddum, Non-Executive Director	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Steve Grange, Director of Strategy and Strategic Transformation	✓	X	✓	✓	-	✓	✓	✓	-	✓	-	✓
Dr Abid Khan, Medical Director	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Howard King, Managing Director	✓	✓	✓	✓	-	✓	✓	✓	-	X	-	✓
Liz Lockett, Director of Quality and Clinical Performance	*	*	✓	X	-	✓	X	✓	-	✓	-	✓
David Matthews, Non-Executive Director	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Megan Nurse, Non-Executive Director	part	✓	✓	X	-	✓	✓	✓	-	✓	-	✓
Cathy Riley, Managing Director	X	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓
Jackie Small, Non-Executive Director	✓	✓	✓	✓	-	✓	✓	✓	-	✓	-	✓

Finance & Performance Attendance	18/04/2019	17/05/2019	14/06/2019	12/07/2019	09/08/2019	13/09/2019	11/10/2019	08/11/2019	13/12/2019	17/01/2020	14/02/2020	16/03/2020
Richard Cotterell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
David Matthews	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jacqueline Small	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓
Alison Bussey	x	x	x	x	x	x	x					
Jayne Deaville	✓	✓	x	✓	x	✓	✓	x	✓	✓	✓	✓
Therèsa Moyes	✓	✓										
Liz Lockett			✓	x	✓	✓	✓	x	✓	✓	x	x

Workforce and Development Core Membership Attendance	15/05/2019	10/07/2019	18/09/2019	20/11/2019	15/01/2020
Alison Bussey	✓	✓	×	✓	✓
Jayne Deaville	×	×	×	×	×
Jaqueline Small	✓	✓	✓	✓	✓
Megan Nurse	✓	✓	✓	✓	✓
Elizabeth Jarrett	✓	×	×	*	*
Greg Moores	✓	*	*	*	*
Alex Brett	*	✓	✓	✓	✓

Business Development and Investment Committee	29/04/19	17/06/19	22/07/19	23/09/19	28/10/19	25/11/19	27/01/20
Richard Cotterell	✓	x	✓	✓	✓	x	x
Jane Gaddum (Chair)	✓	✓	✓	✓	✓	✓	✓
Elizabeth Jarret	✓	✓	✓	*	*	*	*
Alison Bussey	x	x	x	x	x	x	x
Jayne Deaville	✓	x	✓	✓	✓	✓	✓
Steve Grange	✓	✓	✓	x	✓	✓	✓
Abid Khan	x	x	x	x	x	x	x
Dr Gul (attending for Dr Khan)		✓					
Dr Arora (attending for Dr Khan	✓		✓			✓	✓

Quality Governance Committee	04 2019	05 2019	06 2019	07 2019	08 2019	09 2019	10 2019	11 2019	12 2019	01 2020	02 2020	03 2020
Liz Lockett, Executive Director of Quality & Clinical Performance	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	×
Megan Nurse, Non-Executive Director	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jacqueline Small, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elizabeth Jarrett, Non-Executive Director	✓	✓	×	×	✓							
Therèsa Moyes, Executive Director of Quality & Clinical Performance	✓	×										
Jayne Deaville, Executive Director of Finance and Performance	×	×	×	×	×	×	×	×	×	×	×	✓
Jo Cowcher, Director of Adult Social Care	✓	×	×	✓	×	×						
Alison Bussey, Chief Nurse/Director of Professional Leadership	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓
Jay Srinivas, Consultant Psychiatrist (Representing Abid Khan)	×	✓	×	×	×	×	×	×	✓	✓	×	D
Amit Arora, Consultant Geriatrician/Associate Medical Director (Representing Abid Khan)	✓	×	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
Sara Reeve, Deputy Director of Quality and Clinical Performance	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓
Jane Landick, Company Secretary	✓	×	✓	✓	✓	✓	✓	×	✓	✓	×	×
Anne MacLachlan, Clinical and Care Director – Shropshire and Telford & Wrekin Care Group	✓	✓	×	✓	✓	×	✓	✓	D	✓	✓	D
James Shipman, Clinical and Care Director, Unplanned Care – Staffordshire and Stoke-on-Trent Care Group	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	D
Catherine Larkin, Clinical and Care Director, Planned Care and Mental Health – Staffordshire and Stoke-on-Trent Care Group	✓	✓	×	×	✓	✓	×	✓	✓	✓	✓	✓
Carolyn Gavin, Clinical and Care Director – Specialist Services Care Group	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	D
Elizabeth Elliott, Clinical and Care Director – Children and Families Services Care Group	✓	✓	✓	✓	×	✓	✓	×	✓	✓	✓	D
Rachel McKeown, Director of Allied Health Professionals	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓
Rachel Lucas, Director of Psychological Services	✓	×	✓	×	✓	✓	×	✓	×	✓	✓	×
Mohammed Azar, Deputy Director of Pharmacy and Medicine Optimisation	×	×	✓	×	×	✓	✓	×	×	×	×	×
Andrew Campbell, Chief Pharmacist	✓	✓	×	✓	✓	×	✓	✓	✓	✓	✓	✓

D indicates dialled in

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Trust Board Member Attendance at Council of Governors	**10/04/2019**	**26/06/2019**	**11/09/2019**	**11/12/2019**	**26/02/2020**
Martin Gower, Chairman	✓	x	✓	x	x
Alex Brett, Director of Workforce and Development	*	x	✓	✓	✓
Greg Moores, Director of Workforce and Development	✓	*	*	*	*
Alison Bussey, Chief Nurse	✓	x	x	x	✓
Neil Carr, Chief Executive	✓	✓	✓	✓	✓
Richard Cotterell, Non-Executive Director	✓	x	x	x	✓ (Chair)
Jo Cowcher, Director of Social Care	✓	x	x	x	x
Jayne Deaville, Director of Finance and Performance	x	x	✓	x	✓
Jane Gaddum, Non-Executive Director	✓	✓	✓	✓	✓
Steve Grange, Director of Strategy and Strategic Transformation	✓	x	✓	✓	✓
Dr Abid Khan, Medical Director	x	x	x	✓	✓
Liz Lockett, Director of Quality and Clinical Performance	*	x	✓	✓	✓
David Matthews, Non-Executive Director	✓	✓	✓	✓	✓
Megan Nurse, Non-Executive Director	x	✓ (Chair)	✓	✓ (Chair)	✓
Jackie Small, Non-Executive Director	✓	✓	✓	✓	✓
Elizabeth Jarrett, Non-Executive Director	x	✓	✓	*	*

Council of Governors

Governor Member	Constituency	Sub Division	Term of Office (if elected)	End date	10/04/2019	26/06/2019	11/09/2019	11/12/2019	26/02/2020
Karl Bailey	Public/Service User/Carer	Shropshire, Telford and Wrekin	1	09/2019	✓	✓	✓	*	*
Sarah-Marie Bailey	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2022	*	*	*	x	x
Ravi Bhakhri	Public/Service User/Carer	Staffordshire	3	09/2021	x	x	✓	✓	✓
Jack Barber	Public/Service User/Carer	Staffordshire	3	09/2021	x	x	✓	✓	✓
Maggie Matthews	Public/Service User/Carer	Staffordshire	3	09/2021	✓	✓	x	x	✓
Peter Cross	Public/Service User/Carer	Staffordshire	3	09/2019	✓	✓	✓	✓	*
Fiona Doran	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	✓	✓	✓	x	x
Gareth Ecclestone	Public/Service User/Carer	Staffordshire	3	09/2021	✓	x	✓	✓	x
Suzanne Gilmore	Public/Service User/Carer	Staffordshire	3	09/2022	*	*	*	✓	✓
Mohammad Haroon	Public/Service User/Carer	Staffordshire	3	09/2019	✓	✓	✓	*	*
Peter Jetson	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2019	✓	✓	✓	*	*
Ian McComiskie	Public/Service User/Carer	Staffordshire	3	09/2020	✓	✓	✓	✓	x
Simon Meadows	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	x	✓	x	*	*
John Millham	Public/Service User/Carer	Staffordshire	3	09/2021	✓	✓	x	✓	✓
Helen Smart	Public/Service User/Carer	Staffordshire	3	09/2020	x	x	x	x	x
Janet Smith	Public/Service User/Carer	Regional/National	3	09/2020	✓	✓	x	✓	✓
Paul Stanley	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2022	x	✓	x	*	x
Pauline Pearsall	Public/Service User/Carer	Staffordshire	3	09/2021	✓	✓	x	x	*
Lesley Roberts	Public/Service User/Carer	Staffordshire	3	09/2021	✓	✓	✓	✓	✓
Nicholas Iles	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	✓	✓	✓	✓	x

David Tillett	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2022	*	*	*	x	✓
Helen Allen	Staff	Nursing	3	09/2019	✓	✓	✓	*	*
Emma Smith	Staff	Nursing	3	09/2022	*	*	*	*	*
Rubina Anjum	Staff	Medical	3	09/2019	x	✓		*	*
Guru Srinivasan	Staff	Medical	3	09/2022	*	*	*	✓	x
Nicola Sherwood	Staff	Non-clinical support	3	09/2020	x	x	✓	✓	✓
Sharon Edwards	Staff	Allied Health Professionals	3	09/2022	✓	x	✓	✓	✓
David Banks	Staff	Clinical Support	3	09/2020	x	x	x	*	*
Jenni Hodson	Staff	Social Care	3	09/2019	x	x		*	*
Karen Nixon	Staff	Social Care	3	09/2022	*	*	*	x	✓
Jonathan Price	Partner	Staffordshire County Council	n/a	n/a	*	x	x	x	x
Bernard Peters	Partner	Staffordshire County Council	n/a	n/a	x	*	*	*	*
Arnold England	Partner	Telford and Wrekin County Council	n/a	n/a	x		*	*	*
Simon Jones	Partner	Shropshire County Council	n/a	n/a	✓	✓	✓	✓	✓
Lilian Owens	Partner	Telford and Wrekin Voluntary Sector Forum	n/a	n/a	✓	✓	✓	✓	✓

Signed: Neill Carr Date: 25 June 2020

Chief Executive

Membership Report

Contact us: (E.1.4)

The Membership Office
Freepost RLUS_GBES_KBYL
Trust Headquarters
Corporation Street
Stafford
ST16 3SR

Telephone: 01785 783068 or 01785 783069 or 01785 783080
Email: membership@mpft.nhs.uk
Website: membership.mpft.nhs.uk

Deputy Company Secretary/Membership Manager – Jenny Smit
Membership Administrator – Phoebe Wickens
Corporate Administration Support Officer – Sandra Davis
Corporate Administration Support Officer – Caitlin Harvey
Corporate Administration Support Officer – Laura Henderson

The nominated lead governor is Simon Jones (A5,3)

Membership

To be eligible for membership of the public, service user and carer constituency, an individual needs to be aged 11 or over and live within Staffordshire, Shropshire, Telford/Wrekin; or in other parts of England and Wales. (additional requirement)

The staff constituency is divided into six classes: medical, nursing, allied health professionals, clinical support staff, non-clinical support staff and social care staff.

For the purposes of membership the constituency boundaries are Staffordshire, Shropshire, Telford/Wrekin; England and Wales as boundaries of the Regional/National Constituency. (additional requirement)

Number of members and in each constituency (additional requirement)

Constituency	**Number of members**
Staffordshire	10613
Shropshire, Telford and Wrekin	2966
Regional/National	2084
Total Public/Service User/Carer	**15890**
Staff	9134
Total	**25024**

Membership Strategy (additional requirement)

The purpose of this Strategy is to demonstrate how the Trust plans to retain its membership base, but more importantly to plan and evidence meaningful engagement with its members.

The Trust values the contribution of its membership and focuses on qualitative rather than quantitative membership levels and engagement. Our membership strategy outlines the various ways the Trust ensures we have a coherent and consistent approach to implementing the vision and objectives of the Trust and to how we maintain good governance of the organisation.

We aim to develop an active, progressive and developmental Membership base, which is representative of our geography and population. The strategy outlines a strong emphasis on using communication and engagement tools to deliver this objective with the support of our existing members, Governors, service users and carers.

The Strategy will be supported by a detailed implementation plan, a live document which is regularly updated. The implementation of the strategy is closely monitored and supported by the Membership Steering Group, reporting where appropriate to the Council of Governors.

The membership strategy aims to:

- Ensure that membership is representative of the community it serves and that all staff groups are given equal opportunity to become involved. This is supported by a governor working group focussing on membership recruitment.

- Enable varying levels of participation according to the needs and wishes of individual members.
- Ensure that there is a consistent approach to the development of the membership, ensuring active engagement with the current membership and the recruitment of new members and to also ensure that the membership is of sufficient size to deliver credible elections to the Council of Governors.

The membership strategy is a public document available on the Trust's website and by printed copy via the membership office. The strategy outlines the involvement of members, service users (via the involvement strategy) and the local community. (E.1.1)

The Trust has made progress in growing the membership and making this more representative of the communities we serve. The Board is confident that progress has been made in delivering the membership strategy and with regards to the effectiveness of members' engagement.(E.1.6 E1.5)

The Council of Governors comprises 32 Governors led by the Foundation Trust Chairman. The Deputy Chair and Lead Governor of the Council of Governors is Cllr Simon Jones, Partner Governor representing Shropshire County Council.

Constituency Meetings

The Council of Governors, with Trust support, run a series of public constituency meetings each year. These meetings are open and chaired by a Governor Member. They are advertised widely and key speakers are provided by the Trust, if so required. This programme of meetings allows Governor Members to engage with their constituents in an open environment. Feedback is taken from each meeting and acted upon as appropriate. These meetings take place across the Trust's geography in order to engage the public and members to whom the Trust is accountable. Examples of the themes for these meetings include Dementia; our local health economy – where are we now; Children's Services and Mental Health awareness. These meetings allow Governors to canvas the opinions of the Trust's members and the public on a whole range of matters including the Trust's forward plan, objectives, priorities and strategy. Community engagement workshops also allow governors to canvas the opinions of members in areas such as service user and carer involvement. These can be communicated back to the Trust Board by Governors through the Strategic Engagement Group, the Community engagement group or directly to the Board of Directors. (B.5.6)

Governors attending and/or participating in Trust events such as Board meetings, events, committees or engagement groups as agreed or invited by the Trust, and whose expenses are not paid by another organisation, are entitled to claim expenses including mileage or public transport costs, car parking, subsistence allowance and carer's allowance. The current rates payable are outlined in the Policy for the Reimbursement of Expenses of Governors and Members.

A register of interests is maintained in relation to all Governor Members on the Council of Governors. This is available from the Trust website or by application to the Company Secretary.

About the Council of Governors

The Council of Governors works in partnership with the Trust Board to ensure that the needs of the local communities are met.

The Council of Governors represents the views of the Trust's membership and the wider public; they seek assurance from the Board and in turn hold the Board of Directors to account through the Non-Executive Directors.

Whilst the Council of Governors meets 5 times per year, Governor led (and chaired) engagement groups deliver the duties, as follows;

Strategic Direction Group

The Trust's Strategic Direction Group continues to provide Governor Members an opportunity for engagement and influence on the strategic direction of the Trust. The group aims:

- to support the Trust Board's decisions to be commercially competent in strategic direction
- to be engaged and provide an external strategic focus on the direction of travel of the organisation
- to evaluate and provide mitigates to the risks associated with the above.

Over the past year there has been a focus on the future direction of the Trust and through this group Governors have been involved, informed and engaged and have had the opportunity to comment, influence and gain assurance with regards to future plans.

Membership Steering Group

The Membership Steering Group has a range of responsibilities including advising on Governor Development and Training, Governor engagement, ensuring effective joint working with the Board of Directors and effective Council of Governors' meetings, contributing to and approving Council of Governors meeting agendas and monitoring delivery of the Membership Strategy and implementation plan as well as other key tasks.

Performance and Assurance Group

The Performance and Assurance Group continues to seek assurance on key performance areas, where the Trust provides Governors with assurance regarding the Trust's performance.

The group plays an integral part in the Annual Quality Accounts process by commenting on how the Trust is performing against the essential standards of quality and safety as set out in the current CQC registration regulations.

Governor Training and Development

In addition to the Governors having access to training offered by the Trust for trust staff, the Trust provide an extended training and development plan designed specifically for Governors.

During 2019 and 2020 training has been offered to Governors. Two development days were held covering key areas including Quality Accounts; Quality Standards Assurance Visits; Constitution, Assurance, Accountability and Board Governance; IM&T Strategy;

Legal Services; Finance and Performance; Quality Improvement and PALs, Involvement, Service User and Carer Experience.

In addition, the Council of Governors are offered external training and development by attending network meetings and the GovernWell programme facilitated/provided by NHS Providers.

Holding the Board to account

The Trust endeavour to create and offer many opportunities to support and allow Governors the opportunity to hold the Board, to account through the Non-Executive Directors.

Examples include:

- Appraising the performance of the Chairman and Non-Executive Directors
- Receiving the Trust's Annual Report and accounts
- Gaining assurance and considering performance reports from the Board of Directors
- Receiving regular briefings from the Chief Executive at Council of Governors meetings
- Attending Board meetings and reviewing Board papers and minutes
- Listening to the views of service users, carers and the general public, and escalating when appropriate
- Regular attendance at engagement groups and the Council of Governors meetings by the Board of Directors
- A Non-Executive Director is assigned to each Governor engagement group
- Shadowing programme of Non-Executive Directors for Governors
- Public Board meetings
- Service ambassadors
- Joint Non-Executive Director and Governor visits to services
- Board attendance at constituency meetings
- Interview style questions between a Governor and a Non-Executive Director at Council of Governors meetings.

Governors also take part in a number of initiatives that enable the Trust to monitor and ensure the quality of services that it provides.

Examples include:

- Quality Assurance visits to teams, wards and services across the Trust. Participation in Patient Led Assessment of the Care Environment (PLACE) inspections
- Joint Trust Board and Council of Governors meetings are held annually. These are interactive session between the Board of Directors and the Council of Governors.
- Both executive directors and non-executive directors are invited to and regularly attend the Council of Governors meetings.
- Non-Executive Director membership of Governor Engagement Groups, with invitations extended to Executive Directors.

Elections to Council of Governors 2019-20

Constituency	Date	Seats	No. of Candidates	No. of Eligible Voters	Turnout
Staffordshire	08/08/2019	2	10	10,898	5%
Shropshire, Telford and Wrekin	08/08/2019	3	3	n/a	n/a
Staff (Medical and Dental)	08/08/2019	1	2	181	27%
Staff (Social Care)	08/08/2019	1	1	n/a	n/a
Staff (Nursing and Midwifery)	08/08/2019	1	3	1991	3%
Shropshire, Telford and Wrekin	18/12/2019	1	4	3076	10.2%

NHS FT Code of Governance disclosures

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

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
2: Disclose	Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	68
2: Disclose	Board, Nomination Committee(s), Audit Committee, Remuneration Committee		The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. ***Part of this requirement is also contained within paragraph 7.25 as part of the directors' report.***	73 39 42 81
2: Disclose	Council of Governors	A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should	87

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			also identify the nominated lead governor.	
Additional requirement of FT ARM	Council of Governors	n/a	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	83 86
2: Disclose	Board	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	74
2: Disclose	Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	72
Additional requirement of FT ARM	Board	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	72
2: Disclose	Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	39
Additional requirement of FT ARM	Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	n/a
2: Disclose	Chair / Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such	72

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			commitments should be reported to the council of governors as they arise, and included in the next annual report.	
2: Disclose	Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	91
Additional requirement of FT ARM	Council of Governors	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	n/a
2: Disclose	Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	69
2: Disclose	Board	B.6.2	Where there has been external	n/a

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	
2: Disclose	Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 7.92.	24
2: Disclose	Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	106
2: Disclose	Audit Committee / control environment	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	81
2: Disclose	Audit Committee / Council of Governors	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors	n/a

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	
2: Disclose	Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	81
2: Disclose	Board / Remuneration Committee	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	n/a
2: Disclose	Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the	90

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	
2: Disclose	Board / Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	91
2: Disclose	Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	89
Additional requirement of FT ARM	Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	90
Additional requirement of FT ARM (based on FReM Require-ment)	Board / Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors'	71 91

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.22 as directors' report requirement.	
Comply or explain	Remuneration Committee	D 2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	72

Statement of Chief Executive's Responsibilities as Accounting Officer of Midlands Partnership NHS Foundation Trust:

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

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

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trusts 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 trusts 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.

Signed: Neil Carr 

Chief Executive Date: 25 June 2020

Midlands Partnership NHS Foundation Trust Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

The Care Quality Commission rated the trust as "good" at its last review in July 2019. This included the Well Led domain indicating that the trust had a strong and experienced leadership team, supported by efficient reporting and governance structures. Non-executive directors and the council of governors were very active in providing independent oversight of the executive team.

Leadership arrangements for risk management are clearly documented in the Risk Management strategy, and further supported by Trust Business Plan objectives and individual job descriptions. Leadership starts with the Chief Executive having overall responsibility, and delegation to named Executive Directors and Group Managing Directors. The leadership is further embedded by ownership at a local level by managers taking responsibility for risk identification, assessment and analysis. In addition, the risk management system provides a holistic approach to risk, and terms of reference clearly outline the responsibilities of the overarching committee for risk management and other supporting risk committees and groups.

All new members of staff are required to attend a mandatory induction that covers key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend, and in addition to this, specific training appropriate to individuals' responsibilities as detailed within the Risk Management Strategy, is also provided. All training courses are available to all staff, and managers are encouraged to support further risk management training for all. There are many ways that the organisation seeks to learn from good practice and this includes incident reporting procedures, complaints and pro-active risk assessment. This information is filtered to frontline staff via the intranet, social media, group reports and staff newsletters.

The risk and control framework

The Risk Management Strategy clearly defines leadership, structure and the risk management process and is closely linked to the performance management system in operation within the Trust. Risks within the organisation are identified in many ways using many different methods. Once identified each risk is assessed and evaluated using the Australian / New Zealand 5 x 5 matrix (likelihood x impact, where 1 is low and 5 high). This method is the recognised NHS Risk Management Standard. The risk management process ensures that the practice is an ongoing exercise with a rolling programme of risk identification, assessment and analysis. Each Care Group and Directorate maintains its own risk register and any risk identified with a risk-rating factor of 15 or over is included in the Trust Risk Register, which is monitored by the Trust Board.

The key risks grappled with during the 2019/20 financial year have included the management of the financial position of the trust including the system position and in particular the cost improvement programmes, evidencing that services achieve and maintain all fundamental standards to a minimum level of “good” across all domains and the recruitment and retention of sufficient numbers of clinical, technical and managerial staff owing to national workforce supply issues and skill shortages. These have all been effectively managed throughout the year.

During the year, board members have participated in a robust programme of board development, which has demonstrated a strong commitment to maintaining an engaged and effective unitary board.

The Board regularly undertakes a comprehensive assessment of its Governance systems and processes, including the Trust Risk Appetite. These arrangements continue to be applied by the Trust Board with the risk appetite indicating how much, or little the Trust wishes to commit in terms of risk when reviewing service changes or investment. The trusts governance arrangements will continue to be reviewed regularly.

Risk management is embedded within the organisation. An open culture aids the confident use of the incident reporting procedures throughout the organisation without stifling innovation. The Trust is conscious that this culture needs to be owned and supported by staff and has therefore introduced many opportunities for staff to be trained not only in the mandatory and statutory areas but also risk management, including how to undertake risk assessments and how to report incidents. The Trust has a performance management system that measures performance monthly against Trust Business Plan objectives, which ensures that the risk management process is ongoing and embedded. Along with regular Trust wide and Group reports on Incidents, Complaints and Claims, the Trust also produces a comprehensive quarterly Risk Management report.

The Trust continually seeks to improve its Assurance Framework, refine its Principal Objectives, and further develop the Assurance Plan in order to assess the potential risks that threaten the achievement of the organisational objectives, the existing control measures in place, where assurances are gained and any gaps in the same. The Trust has maintained its assurance plan, which has been subject to regular review to support the 2019/20 Business Plan objectives. Assurance for 2019/20 can further be drawn from regular performance reporting, review of the risk register and specific Board and Committee reporting on key issues and assurances, which provides assurance to the Chief Executive to enable sign off of the Annual Governance Statement. The

organisation is involved with a multitude of partners including Clinical Commissioning Groups, Social Services, Education, Police, Prisons and the voluntary sector. The Trust Executive, Group Managing Directors and operational Heads of Services work closely with the above partners, to provide a local integrated service to our public and stakeholders.

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

Valuing staff is one of the Trust's core values and the trust works hard to engage and involve staff at all levels. The trust's workforce strategy enforces the approach to provide assurance that staffing levels, with the right skill mix provide the care hours needed to provide safe and effective services. This is reported regularly to the Workforce Development committee and in summary to the trust board, in line with the Developing Workforce Safeguards' recommendations.

The foundation trust has published on its website an up to date register of interests, including gifts and hospitality for decision making staff (as defined by the trust with reference to the guidance) within the past 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, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

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

The foundation trust has undertaken work to understand the impact of an EU exit on the Trust business continuity and resilience perspective. There are seven key areas that have been assessed in relation to a no-deal EU exit, as detailed below:

- supply of medicines and vaccines;
- supply of medical devices and clinical consumables;
- supply of non-clinical consumables, goods and services;
- workforce;
- reciprocal healthcare;
- research and clinical trials; and
- data sharing, processing and access.

Each of these risks will be assessed and monitored by the EU exit preparedness group, who will oversee the actions necessary to manage the identified risks, dependant on the emerging picture nationally.

Review of economy, efficiency and effectiveness of the use of resources
The trust has a dynamic process for setting business objectives across the whole organisation which is documented and reviewed on an ongoing basis in order to drive forward improvements in clinical and non-clinical services. The Trust engages with its partners both individually and on a grouped basis. In particular the Trust makes full use of its Membership Council to influence and drive service improvements. All objectives are quantifiable and measurable and are regularly reviewed via the performance management arrangements embedded within the organisation. The Performance Plus System and dashboards in use in the Trust more simply enable key performance indicators, targets, business and improvement objectives to be effectively monitored, enabling all Groups and Directorates to take forward required actions and to deposit evidence that work has been delivered. These are subsequently used to provide evidence to third parties where required but also to the Board so that they have assurance with evidence. The systems support the internal performance reviews where Groups and Directorates are held to account for those areas that they are expected to deliver on.

During the year the Trust proactively used internal audit in an advisory capacity to look at the following two areas:

1. Data Security & Protection Toolkit;
2. Information Reporting – Care Groups

The Trust has a dynamic strategy to communicate effectively with its staff, service users and carers and partners. The sharing of this information drives forward the delivery of business objectives and ensures action is taken on feedback from any quarter. The Trust has worked hard to communicate with all its population including hard to reach groups. The Membership Council has played a significant role in the sharing and dissemination of such information.

The Trust has an embedded performance management, monitoring and improvement system. All performance areas based around the Care Quality Commission's domains are evidenced and centrally collected. Risks to any area are entered onto risk registers and actions plans to resolve issues developed, managed and monitored for delivery through the Performance Plus system. The Audit Committee has reviewed these systems and approved them as being appropriate and sufficient for purpose.

During the last year the Trust further embedded Service Line Management which is used to ensure that services operate within the income available to them and will inform management of areas that require cost improvement. The inclusion of the patient experience and quality assessments continue to deliver a more rounded approach to service quality, delivery and improvement. The Trust has strong evidence of delivery against cash releasing improvement plans (CRIP) and the Finance and Performance Committee regularly reviews the delivery of all finance plans and pays particular attention to the delivery of recurrent CRIP. This enables demonstrable sustainability and regular improvements in economy and efficiency.

Continual evaluation is an embedded function of service delivery in both clinical and non-clinical areas, where services are regularly reviewed and benchmarked to provide evidence of improvements. The trust continues to use the Virginia Mason Production System of Lean, known locally as QI (Quality Improvement) which seeks to identify areas

that require improvement and provides tools to address these areas. All executive directors and a significant number of key managers, clinicians, practitioners and leaders are now fully trained and active in this methodology. We have 32 fully certified leaders with a further 29 in training and over two thousand staff who have received core training and been involved in QI projects. Several areas have been subject to review resulting in quality improvement at no increased cost. There have been 33 Rapid Process Improvement Workshops, 38 kaizen activities and 159 Leading QI projects, all of which have sustained improvements at their 12 months review. Service users and carers are involved in all the lean activities ~~processes~~ being implemented in clinical areas as equal partners in improving services

Information Governance
The Trust uses the Data Security Protection Toolkit to identify and manage information risks and reports all incidents regularly to the Trust Board.

Data Security risks are managed as part of a comprehensive framework of risk management concerning IM&T and Information Governance within the Trust. Risks are managed through use of a risk register. Action plans are developed where necessary. Specific issues are also raised through the Information Governance Group. This group reports to the Finance and Performance Committee, which in turn reports to the Trust Board. Assurance is also provided through a comprehensive programme of internal and external audit which provides assurance on the effectiveness of security controls. Data security risks are further managed through close working with the Health Informatics Service and regular Information Security Reviews.

During the year the trust reported three Information Governance incidents to the Information Commissioner's Office, all were investigated appropriately with no further action taken.

Data Quality and Governance
Quality is central to the delivery of our Trust strategy and through the hard work and commitment of our staff we continue to deliver safe, effective and high quality services whilst at the same time targeting priority areas for improvement. Quality of service is monitored through our clinical senate / Group structure through to the Board committee tasked with ensuring Quality Governance. Directors have taken steps to satisfy themselves that data quality is consistent with internal and external sources of information including feedback from commissioners, the Trust's complaints reports, the Community Mental Health Survey, the National NHS Staff Survey 2019, CQC's regular feedback processes, and the Head of Internal Audit annual opinion over the Trust's control environment.

During the year the trust has established a programme of work to align clinical information systems which will allow the alignment of information reporting from a single source. This is being project managed and is overseen by the Directors Delivery Forum. This will further enhance data quality ensuring that national reports in particular remain accurate and complete. In the interim existing systems are used, information amalgamated and manual checks overlaid to ensure accuracy. This is reported to the Board via Directors Delivery Forum and the Finance and Performance Committee and in addition areas have been subject to internal audit.

Trust policies are available on the website and all staff are encouraged to participate in consultation around new and updated policies through regular updates on the intranet. Newly approved policies are published through a network of policy leads and also in the monthly briefing issued to staff. Engaging staff is at the heart of this organisation's culture – they facilitate and empower rather than control or restrict and they treat others with appreciation and respect showing commitment to development and improvement. Learning and development opportunities are available for all staff, at all stages of their learning journey. A comprehensive menu of formal and self-directed and innovative approaches are offered to equip individuals with the knowledge and skills they need to lead and manage effectively. The Trust celebrates achievement through the annual staff awards ceremony launched to recognise and celebrate individuals and teams who have made an exceptional contribution to patient care. The Trust aims to keep staff informed about finance and performance issues, what's on, opportunities and examples of good practice, by a range of briefings and newsletters produced regularly in a number of ways. The Trust has an extensive website and an intranet which reaches all staff. The well-being of staff is of key importance and as part of its commitment to providing comprehensive support services as an Exemplar Employer, the Trust has a Staff Health and Wellbeing service. The Trust had an over arching engagement strategy in place for the year, which sets out how it engages with partners and staff, and an involvement strategy which sets out how it involves service users and carers. The staff opinion survey is carried out each year across the NHS and is designed to collect the views of staff about how they feel about their job, their personal development and the organisation they work for. Their views are used to help provide better care for patients and improve the working lives of those providing the care. The Trust has also improved processes for engaging with staff by continuing with the Listening into Action methodology.

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 NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and Quality Governance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit Opinion for the trust for the twelve month period ending 31 March 2020 states that "The organisation has an adequate and effective framework for risk management, governance and internal control". Positive opinions in respect of the work undertaken in 2019/20 by internal audit have been issued where either substantial or reasonable assurance opinions have been issued. During the year two reports received Substantial Assurance; Payroll and Research & Development – Rheumatology Income Management. . Reasonable Assurance has been assigned to the following internal audits; Follow Up Progress, Cost Improvement Programme Phase 1, Care Groups Quarterly Performance Review Process, Follow up – Cyber Security Actions, Key Financial Controls (General Ledger, Asset Management, Accounts Payable, Cash

Management, Accounts Receivable, IT Key Financial Controls & Charitable Funds) Employment Checks, Consultant Job Planning, RiO Project Gateway Assurance Review, Trust Assurance Plan (Board Assurance Framework) and Medical Records.

Areas where only partial assurance could be provided are; Agency Usage, Fire Safety and Cost Improvement (Phase2). These three audits have been prioritised to ensure that actions are taken quickly and robustly.

The Trust regularly reviews the interface and terms of reference of each of the board committees that support internal control. The last review was concluded in October 2019 with no notable changes required, therefore adequate arrangements were in place for the whole of the financial year.

Conclusion
No significant internal control issues have been identified.

Signed:

Neil Carr
Chief Executive Date: 25th June 2020

Financial Report

Financial performance 2019/20

The Trust was authorised as an NHS foundation trust on 1st May 2006. The financial review below covers the organisations achievements during the thirteenth financial period as a NHS Foundation Trust. The review finally highlights key service and financial issues across the year as a whole, before taking a forward look into 2020/21.

NHS England and NHS Improvement's Oversight Framework

This provides the framework for overseeing the trusts and foundation trusts and identifies potential support needs. The framework looks at five themes quality of care, finance use of resources, operational performance, strategic change and leadership and improvement capability (well-led). The five measures are scored from 1 to 4 where '1' reflects the strongest performance. The trust scored a 3 and therefore is able to operate – and plan to operate – flexibly so long as those elements of the single oversight framework are adhered to. The Trusts outturn position shows a £3.057m surplus which is a favourable variance to the NHSI plan and a favourable variance to the NHSI Control Total of £5.085m. This includes a non-recurrent Provider Sustainability Fund (PSF) income bonus of £4.229m. The Trusts outturn position includes c£2m of expenditure relating to the Trusts response to COVID-19. This is to be reimbursed by NHSI/E as additional income and has been subject to audit scrutiny.

In terms of long term borrowing – ie, for capital investment purposes, the Trust has received a loan of £30m from the Foundation Trust Financing Facility for the Redwoods Centre capital scheme. £15m of this was drawn down in 2011/12, with the balance being drawn down in 2013/14. Upon the acquisition of Staffordshire and Stoke on Trent Partnership Trust loans transferred to the trust totalled £40.1m of which £13.3m is revenue support and £26.8m is a revolving working capital facility.

Capital investment of £4.8m was funded through internally generated resources in 2019/20.

The Trust's cash position during 2019/20 increased from £83.6m to £84.5m. The increase in the cash position is due to slippage in capital investment the trust was intending to make in year when the plan was set.

Operational review, 2019/20

During the year the Trust continues implementing the LEAN approach to our systems and processes with the objective of creating value for the users and carers of health services. The Trust delivered its Cost Improvement Programme Targets in the year reducing costs by £24.8m after recognising that this required strategic change from previous years.

The Trust has been working on a number of significant projects that will impact in future years:

- Taking account of the overall National and Local financial position the Trust updated its future financial plans.
- The changes to NHS commissioning as GP clusters develop has required the Trust to focus on providing services that are valued both by service users and carers and

commissioners. The Trust has gained contracts but has also been unsuccessful with some tenders across the country.

2020/21 - Forward Look

As mentioned above the Trust financial plans continue to take account of the overall NHS financial outlook and in particular of that in the local health economy. This requires us to both make greater operational efficiencies and disinvest from some elements of service.

The Trust will be continuing use of the LEAN approach to develop future service and workforce plans that meet the requirements of the planned reductions in income from commissioners.

The Trust is refreshing its estates strategy to ensure that the estate is fit for purpose and offers a high quality environment. Previously a new hub was opened at the end of 2016/17. The development of this strategy continues into 2020/21 with public consultation having already been undertaken with regards to three new hubs within North Staffordshire being further developed in 2020/21 which will commit resources over a 5 year programme.

The organisation will also continue to seek market opportunities in terms of expanding its service and contract portfolio. The Trust will continue to respond to Tenders in areas where it has clinical expertise.

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME			
	2019/20		2018/19 as restated *
	£'000		£'000
Operating income from patient care activities	**416,319**		359,811
Other operating income	**26,256**		22,228
Operating expenses of continuing operations	**-435,892**		-396,884
Operating Surplus/(Deficit)	**6,683**		-14,845
Finance Costs			
Finance income	**589**		461
Finance Costs – Financial Liabilities	**-4,248**		-3,750
PDC Dividends Payable	**0**		-23
Net Finance Costs	**-3,659**		-3,312
(Losses)/gains on disposal of assets	**-14**		196
Gains/(losses) from transfer by absorption	**0**		12734
Surplus/(deficit) for the year	**3,010**		-5,227
Other Comprehensive (Expenses)/Income			
Will not be reclassified to Income and Expenditure:			
Revaluations	**12,086**		-11,239
Remeasurements of net defined benefit pension scheme liability/asset	**585**		-217
Other reserve movements	**0**		40
Total Comprehensive Income/(Expenses) for the Period	**15,681**		-16,661
* Prior year restated see note 29			

Statement of Financial Position

	31st March 2020		31st March 2019 as restated *
	£'000		£'000
Non Current Assets			
Property, plant & equipment	**134,843**		121,773
Intangibles	**536**		684
Trade & other receivables	**925**		766
Other Assets	**1,446**		902
Total Non Current Assets	**137,750**		124,125
Current Assets			
Inventories	**666**		486
Trade & other receivables	**31,593**		30,585
Non-current assets for sale and assets in disposal groups	**0**		788
Cash and cash equivalents	**84,505**		83,654
Total Current Assets	**116,764**		115,513
Current Liabilities			
Trade & other payables	**-53,791**		-55,095
Borrowings	**-42,579**		-2,467
Provisions	**-4,363**		-4,942
Other liabilities	**-8,077**		-5,753
Total Current Liabilities	**-108,810**		-68,257
Total Assets less Current Liabilities	**145,704**		171,381
Non-Current Liabilities			
Provisions	**-1,113**		-545
Borrowings	**-51,027**		-93,378
Other liabilities	**0**		0
Total Non-Current Liabilities	**-52,140**		-93,923
Total Assets Employed	**93,564**		77,440
Financed by (taxpayers equity):			
Public dividend capital	**77,628**		77,203
Revaluation reserve	**33,086**		21,000
Pensions reserve	**803**		218
Income and expenditure reserve	**-17,953**		-20,963
Total Taxpayers Equity	**93,564**		77,458
* Prior year restated see note 29			

Signed:

Neil Carr
Chief Executive

Date: 25th June 2020

Statement of Changes in Taxpayers Equity

STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE YEAR ENDED 31st MARCH 2020					
	Public Dividend Capital	**Revaluation Reserve**	**Income & Expenditure Reserve as restated ***	**Pension Reserve**	**Total Tax Payers Equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Taxpayers equity at 1st April 2018	**75,956**	**9,329**	**8,116**	**435**	**93,836**
Surplus for the year	0	0	-5,227	0	**-5,227**
Transfer by absorption: transfers between reserves	982	22910	-23,892	0	**0**
Revaluations – Property, Plant & Equipment	0	-11,239	0	0	**-11,239**
Remeasurements of defined net benefit pension scheme liability/asset	0	0	0	-217	**-217**
PDC Received	265	0	0	0	**265**
Other reserve movements	0	0	40	0	**40**
Taxpayers Equity at 31st March 2019 / 1st April 2019	**77,203**	**21,000**	**-20,963**	**218**	**77,458**
Surplus/(Deficit) for the year	0	0	3,010	0	**3,010**
Revaluations – Property, Plant & Equipment	0	12,086	0	0	**12,086**
Remeasurements of defined net pension scheme liability/asset	0	0	0	585	**585**
Public diviendend capital received	425	0	0	0	**425**
Taxpayers Equity at 31st March 2020	**77,628**	**33,086**	**-17,953**	**803**	**93,564**
* prior year restated see note 29					

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31st March 2020			
	31 March 2020		31 March 2019 as restated *
	£'000		£'000
Cash Flows from Operating Activities			
Operating surplus/(deficit) from continuing operations	**6,683**		-14,863
Non Cash Income and Expense:			
Depreciation and amortisation	**4,860**		5,202
Impairments	**0**		16,478
On SoFP Pension liability – employer contributions paid less net charge to the SOCI	**41**		4
(Increase)/Decrease in trade and other receivables	**-2,244**		-1,438
(Increase)/Decrease in inventories	**-180**		205
(Decrease) in trade and other payables	**-2082**		885
(Decrease) in other liabilities	**2,324**		-3351
Increase/(Decrease) in provisions	**-11**		7629
Other movements in operating cash flows	**-75**		163
Net cash Generated from/(Used in) Operations	**9,316**		10,914
Cash Flows from Investing Activities			
Interest received	**589**		461
Purchase of property, plant and equipment	**-4,781**		-1,055
Sale of property, plant and equipment	**638**		1,220
Net Cash Generated from/(Used in) Investing Activities	**-3,554**		626
Cash Flows from Financing Activities			
Loans repaid to the Independent Trust Financing Facility	**-1,332**		-1,332
Capital element of PFI	**-871**		-726
Interest paid	**-2,268**		-2,133
Other interest	**-5**		-3
Interest element of PFI	**-1,937**		-1,613
PDC Dividend Received	**425**		265
PDC Dividends paid	**1,077**		-863
Net Cash Generated from/(Used in) Financing Activities	**-4,911**		-6,405
Increase/(Decrease) in Cash and Cash Equivalents	**851**		5,135
Cash and Cash Equivalents at 1st April 2018/19	**83,654**		64,193
Cash and Cash Equivalents treansferred by absorption	**0**		14,326
Cash and Cash Equivalents at 31st March 2019/20	**84,505**		83,654
* Prior year restated see note 29			

Independent auditor's report to the Council of Governors of Midlands Partnership NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Midlands Partnership NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and

— the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

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

Overview	
Materiality: financial statements as a whole	£7.4m (2018/19:£6.8m) 1.8% (2018/19: 1.8%) of operating income

Risks of material misstatement		vs 2018/19
Recurring risks	Valuation of land and buildings	▲
	Recognition of income from patient care activities	◀▶
	Fraudulent expenditure recognition	▲

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

We summarise below, the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion . These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon , and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of land and buildings (£130.2 million; 2018/19: £119.1million) net book values *Refer to page 11 (accounting policy) and page 29 (financial disclosures)*	**Subjective Valuation** Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEA). The Trust's accounting policy requires an annual review for impairment, a periodic desk top valuation and a full valuation (usually in five yearly intervals). When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. There is significant judgement involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation, such as the condition of the asset. The valuation is undertaken by an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required. The Trust commissioned a full valuation at 31 March 2020 resulting in a £11.1 million increase in the value of the land and buildings. Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount	Our procedures included: — **Assessing valuer's credentials:** • We assessed the expertise of the valuer, who performed the valuation for the Trust. We reviewed the instructions provided to the valuer and assessed their independence and objectivity to the terms under which they were engaged by management. — **Methodology choice:** • We critically assessed the assumptions used in preparing the full revaluation of the Trust's land and buildings to ensure they were appropriate and consulted our own technical expert. This included cost indices and location factors; and • We assessed whether the underlying approach and methodology used in preparing the valuation was appropriate and permissible within The Department of Health and Social Care Group Accounting Manual 2019/20 (GAM). — **Test of detail:** • We agreed the valuations provided by the valuer as a result of the valuation to entries recorded within the Fixed Asset Register; • We considered the accuracy of the data provided to the valuer and undertook testing to ensure both its completeness and accuracy; and • We considered managements assessment of any need for an impairment across its asset base either due to loss of value or reductions in future benefits. — **Accounting analysis**: • We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. *(Continued overleaf)*

	The risk	Our response
Valuation of land and buildings *(continued)*	**Accounting Treatment** There is a risk that the valuation is not applied to the financial statement balances appropriately to recognise the valuation gains and impairment losses in line with the requirements of the Department of Health and Social Care (DHSC) Group Accounting Manual 2019/20. **Disclosure Quality** There is a risk that uncertainties expressed by the Trust's valuers around the impact of the Covid-19 pandemic on the values of land and buildings will be inappropriately disclosed.	Our procedures included: — **Assessing transparency:** • We ensured that the disclosures made were in line with the requirements of the DHSC Group Accounting Manual 2019/20, supplemented by additional guidance issued by NHS Improvement in April 2020; and • We considered the adequacy of disclosures made around the uncertainty caused by the Covid-19 pandemic on market data used to underpin the valuer's assumptions, and management's consideration of these factors when arriving at the year-end valuation figures. **Our findings:** We found the disclosures relating to the impact of the COVID-19 pandemic on market-based valuations to be proportionate and judgements made in regard to the valuation of land and buildings and accounting for impairments to be balanced.
Income from patient care activities (£416.319 million; 2018/19: £359.811million) *Refer to page 8 (accounting policy) and page 22 (financial disclosures)*	**Recognition of income** Of the Trust's reported total income from patient care activities, the majority came from Clinical Commissioning Groups (CCG) and NHS England. The remaining was sourced from local authorities and other counterparties. Income is contracted based on expected levels of activity and standard tariff prices for procedures. The actual income recognised in the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end. In 2019/20 the Trust has received sustainability funding from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Trust was allocated £4.4 million of provider sustainability funding. An agreement of balances exercise is undertaken between NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £300,000 are required to be reported to the National Audit Office to inform the audit of the Department of Health and Social Care consolidated accounts.	Our procedures included: — **Control observation:** • From the listing of contracts held by the Trust, for a sample, we confirmed that signed contracts were in place. — **Tests of details:** • We agreed a sample of the NHS income and Local Authority income recorded in the financial statements to the signed contracts in place with key commissioners; • We tested material other income balances by agreeing a sample of income transactions through to supporting documentation; • We assessed the Trust's reporting and accounting for PSF income and agreed amounts to correspondence from NHSI; • We performed testing of a sample of income received before and after 31st March 2020 to support the completeness assertion over income balances recorded in the financial statements and confirming that income has been recorded in the correct accounting period; and • We assessed the outcome of the agreement of balances exercise with other NHS bodies. Where there were mismatches over £300,000 we identified the reasons and challenged the Trust's assessment of the level of income they were entitled to receive. **Our findings:** We found the recognition of income by the Trust to be balanced.

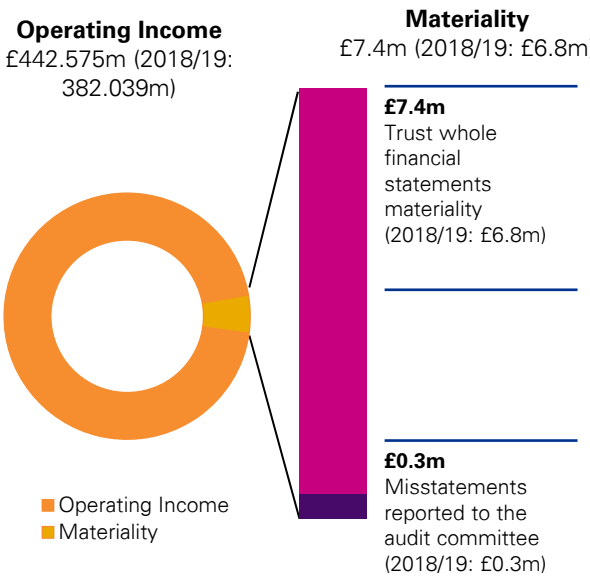
	The risk	Our response
Fraudulent expenditure recognition Operating expenses £435.892 million, (2018/19: £396.884 million) Trade and other payables £18.3 million, (2018/19: £25.4 million) Accruals £28.7 million (2018/19: £23.9 million) Provisions £5.476 million; 2018/19: £5.487 million) *Refer to page 10, 16, 17 (accounting policy) and page 24, 34 and 37 (financial disclosures)*	**Effects of irregularities** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.	Our procedures included: — **Test of details:** • We considered the extent to which budgetary controls had been in operation throughout the year; • We tested the segregation of duties over purchasing and goods receipting over expenditure; • We assessed the pressure on the Trust to achieve a particular year end outturn position; • We inspected a sample of items of expenditure in the March and April 2020 bank statements and cashbooks, to agree to supporting documentation to confirm these had been accounted for in the correct period; • We vouched a sample of accruals and operating expenditure to supporting documentation and assessed the basis of each accrual; • We considered the completeness of provisions based on our cumulative knowledge of the Trust, its accounting policies and enquiries with Directors; and • We inspected confirmations of balances provided by the Department of Health as part of the Agreement of Balances exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of Commissioners or other providers. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with Commissioners or other Providers. **Our findings** — We found the resulting recognition of expenditure to be balanced.

3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £7.4 million (2018/19: £6.8 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.8% (2018/19: 1.8%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2018/19:£0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's headquarters in Stafford and remotely.



4. We have nothing to report on going concern

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

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.1.2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

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

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

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or

— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 102, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

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

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

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

We have nothing to report in this respect.

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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources .

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

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

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
Sustainable resource deployment	**Financial sustainability and CIPs** The achievement of financial balance, whilst maintaining the quality of healthcare provisions, is a key objective for all organisations. The Trust have delivered £24.8m of their £29m CIP target for 2019/20 and recorded a surplus of £3.010m against the planned surplus of £1.305m.	**Our work included:** - **Review of the 2019/20 outturn:** • We considered the level of non-recurrent measures underpinning the achievement of the 2019/20 plan. - **Underlying Surplus/Deficit:** • We reviewed the Trust's underlying position and reported performance compared to the initial planned surplus. - **Cost Improvement Plans:** • We reviewed the Trust's CIP schemes and the split between recurrent and non recurrent achievement. - **Financial sustainability:** • We considered the Trust's cash position, cash flow forecast for 2020/21 and revenue support required for the 12 months following March 2020; • We reviewed the Trust's April to July 2020/21 planned block contracted income in light of the requirement for NHS Commissioners and NHS Trusts not to sign contracts for 2020/21; and • We considered the Trust's financial and governance arrangements in place in response to the COVID-19 outbreak. **Our findings on this risk area:** We consider the arrangements in place for sustainable resource deployment to be adequate.

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Midlands Partnership NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Andrew Bostock for and on behalf of KPMG LLP

Chartered Accountants

One Snow Hill

Snowhill Queensway

Birmingham

B4 6GH

26 June 2020

KPMG

Midlands Partnership NHS Foundation Trust

Annual Accounts for the period ended 31st March 2020

FOREWORD TO THE ANNUAL ACCOUNTS

MIDLANDS PARTNERSHIP NHS FOUNDATION TRUST

These accounts, for the year ended 31st March 2020 have been prepared by Midlands Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Neil Carr

Date: 25th June 2020

Chief Executive

Statement of Comprehensive Income

	Note	2019/ 2020 £000	2018/ 2019 as restated * £000
Operating income from patient care activities	2.1	416,319	359,811
Other operating income	3	26,256	22,228
Operating expenses	5	(435,892)	(396,884)
Operating Surplus/(Deficit)		**6,683**	**(14,845)**
Finance Income	9	589	461
Finance Expense	9.1	(4,248)	(3,750)
PDC Dividend Charge		0	(23)
Net finance costs		**(3,659)**	**(3,312)**
Other gains/(losses)		(14)	196
Losses from transfers by absorbtion		0	12,734
Surplus/(Deficit) from Continuing Operations		**3,010**	**(5,227)**
Other comprehensive income			
Will not be reclassified to income and expenditure			
Revaluations		12,086	(11,239)
Remeasurements of net defined benfit pension scheme liability/asset		585	(217)
Other reserve movements		0	40
Total comprehensive (expense)/income for the period		**15,681**	**(16,643)**
Adjusted financial performance for the year			
Retained deficit for the year		3,010	(5,245)
Add back all I&E impairments(reversals)		0	16,478
Adjust losses on transfers by absorption		0	(12,734)
Remove capital donations/grans I&E impact		41	4
Adjusted financial perfomance surplus/(deficit)		**3,051**	**(1,497)**
Adjusted financial performance excluding PSF		**(1,384)**	**(3,454)**

* Prior year restated see note 29

The notes on pages 7 to 45 form part of this account.

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 as restated * £000
Non Current Assets			
Intangible assets	10	536	684
Property, plant and equipment	11	134,843	121,773
Trade and other receivables	15	925	766
Other assets	31.4	1,446	902
Total non-current assets		**137,750**	**124,125**
Current Assets			
Inventories	14	666	486
Trade and other receivables	15	31,593	30,585
Non-current assets held for sale/assets in disposal groups	16	0	788
Cash and cash equivalents	17	84,505	83,654
Total current assets		**116,764**	**115,513**
Current liabilities			
Trade and other payables	19.1	(53,791)	(55,095)
Borrowings	21	(42,579)	(2,467)
Provisions	22	(4,363)	(4,942)
Other liabilities	20	(8,077)	(5,753)
Total current liabilities		**(108,810)**	**(68,257)**
Total assets less current liabilities		**145,704**	**171,381**
Non-current liabilities			
Borrowings	21	(51,027)	(93,378)
Provisions	22	(1,113)	(545)
Total non-current liabilities		**(52,140)**	**(93,923)**
Total assets employed		**93,564**	**77,458**
Finance by			
Public dividend capital		77,628	77,203
Revaluation reserve		33,086	21,000
Other reserves		803	218
Income and expenditure reserve		(17,953)	(20,963)
Total taxpayers' equity		**93,564**	**77,458**

* Prior year restated see note 29

The notes on pages 7 to 45 form part of these accounts.

The financial statements on pages 2 to 6 were approved by the board on 25th June 2020 and signed on its behalf by:

Neil Carr

Chief Executive

Statement of Changes in Equity for the period ended 31st March 2020

	Public Dividend Capital £000	Revaluation reserve £000	Pension reserve £000	Income and expenditure reserve as restated * £000	Total £000
Taxpayers'equity at 1 April 2018	75,956	9,329	435	8,116	**93,836**
Deficit for the year	0	0	0	(5,227)	**(5,227)**
Transfers by absorption	982	22,910	0	(23,892)	**0**
Revaluations - property plant and equipment	0	(11,239)	0	0	**(11,239)**
Remeasurements of defined net benefit pension scheme liability/asset	0	0	(217)	0	**(217)**
Public dividend capital received	265	0	0	0	**265**
Other reserve movements	0	0	0	40	**40**
Taxpayers'equity at 31 March 2019	**77,203**	**21,000**	**218**	**(20,963)**	**77,458**
Taxpayers'equity at 1 April 2019	77,203	21,000	218	(20,963)	**77,458**
Surplus for the year	0	0	0	3,010	**3,010**
Public Dividend capital received	425	0	0	0	**425**
Revaluations - property plant and equipment	0	12,086	0	0	**12,086**
Remeasurements of defined net benefit pension scheme liability/asset	0	0	585	0	**585**
Taxpayers'equity at 31 March 2020	**77,628**	**33,086**	**803**	**(17,953)**	**93,564**

* Prior year restated see note 29

The notes on pages 7 to 45 form part of this account.

Information on reserves

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

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

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

Pension reserve
This is in connection with the Staffordshire County Pension Fund.

Statement of Cash flows

	Note	31 March 2020 £000	31 March 2019 as restated * £000
Cash flows from operating activities			
Operating surplus/deficit		6,683	(14,845)
Non-cash income and expense:			
Depreciation and amortisation	5	4,860	5,202
Impairements and reversals	5	0	16,478
On SoFP pension liability - employer contributions paid less net charge to the SoCI		41	4
(Increase)/decrease in receivables	15	(2,244)	(1,438)
(Increase)/decrease in inventories	14	(180)	205
Increase/(decrease) in trade and other payables	19	(2,082)	885
(Increase)/decrease in other liabilities		2,324	(3,351)
Increase/(decrease) in provisions	22	(11)	7,611
Other movements in operating cash flows		(75)	163
Net cash generated from/(used in) operating activities		**9,316**	**10,914**
Cash flows from investing activities			
Interest received	9	589	461
Purchase of intangible assets		0	0
Purchase of property, plant and equipment	11	(4,781)	(1,055)
Proceeds from sales of property, plant and equipment and investment property		638	1,220
Net cash generated from/(used in) investing activities		**(3,554)**	**626**
Cash flows from financing activities			
Public dividend capital received		425	265
Movement in loans from the Department of Health and Social Care	21	(1,332)	(1,332)
Capital element of PFI		(871)	(726)
Interest on loans		(2,268)	(2,133)
Other interest		(5)	(3)
Interest element on PFI		(1,937)	(1,613)
PDC dividiend (paid)/refunded		1,077	(863)
Net cash generated from/(used in) financing activities		**(4,911)**	**(6,405)**
Increase in cash and cash equivalents		**851**	**5,135**
Cash and cash equivalents at 1 April		83,654	64,193
Cash and cash equivalents transferred by absorption		0	14,326
Cash and cash equivalents at 31 March	17	**84,505**	**83,654**

* Prior year restated see note 29

The notes on pages 7 to 45 form part of this account.

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

The Trust has prepared these financial statements on a going concern basis in line with the relevant Treasury guidance and the Department of Health and Social Care Group Accounting Manual (GAM). Going concern is a key concept in the preparation of the financial statements for the Trust.

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £40,293k are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern for the Trust.

Note 1.2 Interests in other entities

The Trust does not have interest in other entities.

Note 1.3 Revenue

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care and adult social care services. The Trust also received income from the sale of goods, the majority of which is from canteen sales.

Note 1.3.1 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.

For NHS contracts the credit terms are fifteen days from issue of an invoice and in general these are paid within that time scale. Where payment is not made explanations are sought as to why the credit terms have not been met and these factors are reflected under IFRS 15.

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.

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

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

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

Note 1.3.2 Revenue grants and other contributions to expenditure
Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.3.3 Other income
Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.3.4 Operating Segments
The Trust operates under the one segments of Healthcare and therefore does not disclose any other segments within its financial statements.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materiality from Departments of HM Government in England. Operational Healthcare refers to the core activities of the Trust that fall under the remit of the Chief Operating Decision Maker (CDOM), which has been determined to be the Board of Directors. These activities are primarily the provision of NHS healthcare, the income for which is received through contracts with commissioners. The planned level of activity for these contracts is agreed with the commissioners for the year.

The Operational Healthcare segment comprises of four clinical directorates (Children and Families, Staffordshire, Shropshire and Specialist). These directorate have been aggregated into a single operating segment because they have similar economic characteristics, the nature of the services they provide are the same (NHS care), they have similar customers (the general public from surrounding geographical areas), and have the same regulators (NHSi, the Care Quality Commission and the Department of Health). The overlapping activities and interrelation between the directorates also suggests that aggregation is appropriate. The directorate management teams report to the CODM, and it is the CODM that ultimately makes the decisions about the allocation of budges, capital funding and other financial decisions.

The Corporate and Facilities departments are those that provide support services to the clinical directorates. These departments earn some income but as it is ancillary to the main purpose of the departments and relatively small in comparison to the income of the Trust, they are not deemed to be a segment of their own. Their results are included within the Operational Healthcare segment as their function is to support the provision of healthcare.

Note 1.4 Expenditure on employee benefits
Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs
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 and Social Care 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 judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Local Government Pension Scheme
Some employees are members of the Local Government Pension Scheme (LGPS), which is a defined benefit pension scheme. 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.

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. Re-measurements 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'.

A small number of employees who do not qualify to enter either of the NHS Pension Scheme or Local Government Superannuation Scheme are members of the National Employment Savings Trust (NEST), NEST is a defined contribution pension scheme.

Note 1.5 Transfer of functions
As public sector bodies are deemed to operate under common control, business reconfigurations within the DHSC group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the GAM requires the application of 'absorption accounting'. Absorption accounting requires that entities account for their transactions in the period in which they took place. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive [Income/Net Expenditure], and is disclosed separately from operating costs.

Note 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.

Note 1.7 Property, plant and equipment
Note 1.7.1 Recognition
Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly

different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Note 1.7.2 Measurement

Valuation

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

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (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.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional. Assets are revalued and depreciation commences when the assets are brought into use.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes with the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 11.1.

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

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

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

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Note 1.7.3 De-recognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
    - management are committed to a plan to sell the asset
    - an active programme has begun to find a buyer and complete the sale
    - the asset is being actively marketed at a reasonable price
    - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
    - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.
Note 1.7.4 Donated and grant funded assets

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

Note 1.7.5 Private Finance Initiative (PFI) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury;s FReM, the underlying assets are recognised as property, plant and equipment, 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.

Lifecycle replacement
Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to cooperating income over the shorter of the remaining contract period of the useful economic life of the replacement component.

Note 1.8 Intangible assets
Note 1.8.1 Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset

- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

Note 1.8.2 Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

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

Note 1.9 Inventories
Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.10 Investment properties
The Trust does not hold any investment properties.

Note 1.11 Cash and cash equivalents
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Note 1.12 Financial assets and financial liabilities
Note 1.12.1 Recognition
Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

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

goods or services is made.

Note 1.12.2 Classification and measurement
Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at fair value through income and expenditure.

Loans from the Department of Health and Social Care are recognised at historic cost. Otherwise, financial liabilities classified as subsequently measured at fair value through income and expenditure.

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income 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.

Financial assets and financial liabilities at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Credit losses are determined by the type of class it falls within NHS contracts are formally dealt with via the regular contract monitoring meetings and all other are dealt with on a case by case basis.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying

amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Note 1.12.3 De-recognition
Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.13 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.13.1 The Trust as lessee
Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

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

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

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

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

Note 1.13.2 The Trust as lessor
Finance leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

Note 1.14 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the

effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020.

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

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

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

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 21.1, £14,647k (£14,091k 2018-2019), but is not recognised in the Trust's accounts.

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

Note 1.15 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 23 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 23, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.16 Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.
The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. The average relevant net assets are calculated as a simple average of opening and closing relevant net assets less the value of all liabilities, except for

(i) donated and grant funded assets (including assets purchased in response to COVID 19,

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.17 Value added tax
Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Corporation tax
The Trust has determined that it is has no corporation tax liability.

Note 1.19 Foreign exchange
The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

The Trust holds no foreign currency assets or liabilities.

Note 1.20 Third party assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.21 Losses and special payments
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).
However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.22 Gifts
Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Critical judgements in applying accounting policies
Apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies have been the following judgements:

Provisions – critical accounting judgement
Management will use their judgement to decide when to make provisions for probable legal obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The carrying amounts of the Trust's provisions are details in note 22 to the financial statements.

Note 1.23.1 Sources of estimation uncertainty
Apart from those involving estimations there has been a further assumption 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.

Modern equivalent asset valuation of property – key sources of estimation uncertainty
As detailed in accounting policy note 1.7 Property, plant and equipment – valuation and note 11.6 Valuation of Property, Avison Young provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 11 to the financial statements. Future revaluations of the Trust's property may result in further material changes to the carrying values of non-current assets.

Note 1.24 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted
IFRS 16 Leases
IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For

existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

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 in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable.

IFRS 14 Regulatory Deferral Accounts Not EU-endorsed* - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

IFRS17 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 European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.

Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by nature)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

	31 March 2020 £000	31 March 2019 £000
Mental health services		
Cost and volume contract income	33,416	37,970
Block contract income	118,820	103,454
Clinical partnerships providing mandatory services	28,751	29,994
Clinical income for the secondary commissioning of mandatory services	12,139	10,712
Other clinical income from mandatory services	2,685	1,875
Community Services		
Income from CCGs and NHS England	147,368	126,363
Income from other sources (eg local authorities)	51,924	44,670
All Trusts		
AfC pay award central funding *	0	4,773
Additional pension contribution central funding **	12,954	0
Other clinical income ***	8,262	0
Total Income from activities	**416,319**	**359,811**

* Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 219/20 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.

*** Other clinical income relates to monies received from NHS England as a contribution towards the pay award for Mental Health Trusts in relation to Local Authority contracts where no pay award uplift was included in 2019/2020. Previously this was built into the contract values.

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	31 March 2020 £000	31 March 2019 £000
NHS England	62,885	39,907
Clinical commissioning groups	252,905	230,670
NHS Foundation Trusts	1,543	1,309
NHS Trusts	3,502	2,987
Local authorities	74,883	71,343
Department of Health and Social Care	41	4,773
Injury cost recovery scheme	313	302
Non NHS other *	20,247	8,520
Total Income from activities	**416,319**	**359,811**
Of which:		
Related to continuing operations	416,319	359,811
Related to discontinued operations	0	0

* Non NHS other income relates to the additional pension contribution central funding and the Local Authority pay award income, see note 2.1 for further explanations.

Note 3 Other operating income

	31 March 2020 £000	31 March 2019 £000
Research and development	1,036	946
Education and training	7,824	7,093
Non-patient care services to other bodies	8,451	9,100
Provider sustainability fund/Sustainability and transformation fund income (PSF/STF)	4,435	1,957
Other	3,928	2,746
Education and training - notional income from apprenticeship fund	582	386
Total other operating income	**26,256**	**22,228**
Of which:		
Related to continuing operations	26,256	22,228
Related to discontinued operations	0	0

Note 4.1 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	5,753	8,978

There was no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

Note 4.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2019/20	2018/19
	£000	£000
Income from services designated as commissioner requested services	395,103	355,038
Income from services not designated as commissioner requested services	21,216	4,773
	416,319	**359,811**

Note 5 Operating expenses

	31 March 2020 £000	31 March 2019 as restated £000
Purchase of healthcare from NHS and DHSC bodies	7,352	7,660
Purchase of healthcare from non-NHS and non-DHSC bodies	4,783	6,279
Staff and executive directors	322,178	273,322
Non-executive directors	201	217
Supplies and services - clinical (excluding drug costs)	17,287	11,491
Supplies and services - general	5,231	4,721
Drug costs	16,127	16,683
Consultancy	295	638
Establishment	15,979	13,248
Premises - business rates collected by local authorities	2,033	2,007
Premises - other	8,053	7,777
Transport - business travel only	5,479	5,563
Transport - other (including patient travel)	1,677	1,399
Depreciation	4,328	3,600
Amortisation	532	1,602
Impairments net of reversals	0	16,478
Movement in credit loss allowance: contract receivables	2,399	1,009
Movement in credit loss allowance: other receivables	(619)	632
Change in provisions discount rate	312	(131)
Audit services - statutory audit *	87	78
Other services:audit related assurance services **	2	10
Internal audit	202	177
Clinical negligence	616	447
Legal Fees	640	976
Increase/(decrease) in other provisions	6	(18)
Insurance	553	389
Education and training	1,331	1,558
Education and training - notional expenditure funded from apprenticeship fund	582	386
Operating lease expenditure net	10,761	10,919
Redundancy costs	1,588	2,550
Charges to operating expediture for on SoFP IFRIC 12 Schemes (PFI) on IFRS basis	4,281	3,528
Hospitality	45	62
Losses and special payments	(89)	0
Other	1,660	1,627
Total operating expenditure	**435,892**	**396,884**

* The audit fee presented for 2019/20 includes additional fees of £18k agreed in June 2019 as part of concluding the 2018/19 audit.
** The other services audit related assurance services are with regard to the work carried out on the Quality accounts.

Note 5.1 Limitation on auditor's liability
The limitation on auditor's liability for external audit work is £1.0m

Note 6 Impairment of assets

	31 March 2020 £000	31 March 2019 £000
Other - MEA Revaluation	0	15,347
Changes in market price	0	1,131
Total net impairments charged to operating surplus/(deficit)	**0**	**16,478**
Impairments charged to the revaluation reserve	0	0
Total net impairments	**0**	**16,478**

Note 7 Employee benefits

	31 March 2020 £000	31 March 2019 £000
Salaries and wages	238,903	209,982
Social security costs	22,535	21,930
Apprenticeship levy	1,170	1,034
Pension cost - employer contributions to NHS pension scheme	29,685	28,271
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	12,954	0
Pension cost - other	625	98
Temporary staff - agency/contract staff	16,471	12,007
Total staff costs	**322,343**	**273,322**
Of which		
Costs capitalised as part of assets	165	0

Note 7.1 Retirements due to ill-health

During 2019/2020 there were 2 early retirements from the trust agreed on the grounds of ill health (8 in year ended 31st March 2019). The estimated pension liabilities of these ill-health retirements are £67k (£277k in 2018-2019). These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 8 Operating leases

Note 8.1 Midlands Partnership NHS Foundation Trust as lessee

The Trust has a number of lease arrangements for the occupation of properties with NHS Property services Ltd and Community Health Partnerships. The contracts are for operating leases in respect of premises for the current financial year only. Additionally the Trust occupies a number of properties that it has lease arrangements for ranging over a number of years.

	31 March 2020 £000	31 March 2019 £000
Operating Lease expense		
Minimum lease payments	11,879	11,889
Sub lease receipts	(1,118)	(970)
Total	**10,761**	**10,919**
On buildings leases		
not later than one year	10,184	10,362
later than one year and not later than five years	28,385	7,536
later than five years	21,905	16,269
Total	**60,474**	**34,167**
On other leases		
not later than one year	1,463	1,527
later than one year and not later than five years	2,849	2,624
later than five years	0	0
Total	**4,312**	**4,151**
Future minimum lease payments due		
not later than one year	11,647	11,889
later than one year and not later than five years	31,234	10,160
later than five years	21,905	16,269
Total	**64,786**	**38,318**

Note 9 Finance income

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

	31 March 2020 £000	31 March 2019 £000
Interest on bank accounts	589	461

Note 9.1 Finance expenditure

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

	31 March 2020 £000	31 March 2019 £000
Interest on loans from the Department of Health and Social Care		
Capital Loans	851	943
Revenue support/working capital loans	455	235
Revolving working capital facilities	959	956
Interest on late payment of commercial debt	5	3
Finance costs on PFI and other service concession arrangements		
Main finance costs of PFI obligations	1,111	925
Contingent fiance costs	826	688
Other finance costs	41	0
Total Interest expense	**4,248**	**3,750**

Note 9.2 Late payment of commercial debts (interest) Act 1998/Public Contract Regulations 2015

	31 March 2020 £000	31 March 2019 £000
Amounts actually paid and included within other interest arising from claims made under legislation	5	3

Note 9.3 Gains or Losses on sale of Assets

	31 March 2020 £000	31 March 2019 £000
Gains on disposal of property, plant and equipment	0	197
Losses on disposal of property, plant and equipment	(14)	(1)
	(14)	**196**

Note 10 Intangible assets

Intangible assets have not been revalued as historic cost is deemed to be reasonable proxy for fair value.
The useful economic life of software asset is determined by the duration of the licensing agreement but is typically in the range of 3 to 5 years. The life of development expenditure assets is in the range of 3 to 5 years as assessed by the Trust.

Note 10.1 Intangible assets 2019-20	Software licences £000	Development Expenditure £000	Assets Under Construction £000	Total £000
Valuation/gross cost at 1 April 2019	393	3,194	0	**3,587**
Additions - purchased	0	0	380	**380**
Reclassifications	4	0	0	**4**
Disposals	(18)	0	0	**(18)**
Valuation/gross cost at 31 March 2020	**379**	**3,194**	**380**	**3,953**
Accumulated amortisation at 1 April 2019	146	2,757	0	**2,903**
Provided during the year	95	437	0	**532**
Disposals	(18)	0	0	**(18)**
Accumulated amortisation at 31 March 2020	**223**	**3,194**	**0**	**3,417**
Net book value at 31 March 2020	156	0	380	**536**
Net book value at 1 April 2019	247	437	0	**684**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now working assets

The trust holds some intangible assets which no longer have any value in use, the assets have been valued using the depreciated replacement cost.

Note 10.2 Intangible assets 2018-19	Software licences £000	Development Expenditure £000	Assets Under Construction £000	Total £000
Valuation/gross cost at 1 April 2018	141	0	0	**141**
Transfers by absorbtion	176	3,251	0	**3,427**
Reclassifications *	76	(57)	0	**19**
Valuation/gross cost at 31 March 2019	**393**	**3,194**	**0**	**3,587**
Accumulated amortisation at 1 April 2018	49	0	0	**49**
Transfers by absorbtion	32	1,220	0	**1,252**
Provided during the year	65	1,537	0	**1,602**
Accumulated amortisation at 31 March 2019	**146**	**2,757**	**0**	**2,903**
Net book value at 31 March 2019	247	437	0	**684**
Net book value at 1 April 2018	92	0	0	**92**

* Reclassifications relate to assets that have been previously classed as 'under construction' but are now working assets

The trust holds some intangible assets which no longer have any value in use, the assets have been valued using the depreciated replacement cost.

Note 10.3 Useful lives of intangible assets

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

	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	-	-
Development expenditure	4	4
Websites	-	-
Intangible assets – purchased		
Software	3	5
Licences & trademarks	-	-
Patents	-	-
Other	-	-
Goodwill	-	-

Note 11 Property, Plant and equipment

Note 11.1 Property, plant and equipment 2019-20	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019	21,275	98,326	1,298	3,358	52	5,797	529	**130,635**
Additions	0	0	5,179	0	0	0	0	**5,179**
Impairments charged to operating expenses	0	0	0	0	0	0	0	**0**
Revaluations	3,245	5,073	0	0	0	0	0	**8,318**
Reclassifications *	0	2,578	(5,020)	156	0	2,282	0	**-4**
Transfers to/from assets held for sale and assets in disposal groups	61	76	0	0	0	0	0	**137**
Disposals/derecognition	0	0	0	0	0	(1,731)	0	**-1,731**
Valuation/gross cost at 31 March 2020	**24,581**	**106,053**	**1,457**	**3,514**	**52**	**6,348**	**529**	**142,534**
Accumulated depreciation at 1 April 2019	0	501	0	3,012	52	4,866	431	**8,862**
Provided during the year	0	3,745	0	130	0	439	14	**4,328**
Impairments charged to operating expenses	0	0	0	0	0	0	0	**0**
Revaluations	0	(3,768)	0	0	0	0	0	**-3,768**
Reclassifications	0	0	0	0	0	0	0	**0**
Disposals/derecognition	0	0	0	0	0	(1,731)	0	**-1,731**
Accumulated depreciation at 31 March 2020	**0**	**478**	**0**	**3,142**	**52**	**3,574**	**445**	**7,691**
Net book value at 31 March 2020	**24,581**	**105,575**	**1,457**	**372**	**0**	**2,774**	**84**	**134,843**
Net book value at 1 April 2019	**21,275**	**97,825**	**1,298**	**346**	**0**	**931**	**98**	**121,773**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now working assets

Note 11.2 Property, plant and eqiupment 2018-19	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018	13,154	56,361	341	241	195	3,737	355	**74,384**
Transfers by absorption	12,538	70,233	285	3,176	0	2,040	174	**88,446**
Additions	0	0	1,246	0	0	0	0	**1,246**
Impairments charged to operating expenses	(2,586)	(18,483)	0	0	0	0	0	**(21,069)**
Revaluations	(1,231)	(9,983)	0	0	0	0	0	**(11,214)**
Reclassifications *	0	532	(574)	3	0	20	0	**(19)**
Transfers to/from assets held for sale and assets in disposal groups	(600)	(334)	0	0	0	0	0	**(934)**
Disposals/derecognition	0	0	0	(62)	(143)	0	0	**(205)**
Valuation/gross cost at 31 March 2019	**21,275**	**98,326**	**1,298**	**3,358**	**52**	**5,797**	**529**	**130,635**
Accumulated depreciation at 1 April 2018	0	1,891	0	234	195	2,379	243	**4,942**
Transfers by absorption	0	374	0	2,643	0	1,900	174	**5,091**
Provided during the year	0	2,802	0	197	0	587	14	**3,600**
Impairments charged to operating expenses	0	(4,591)	0	0	0	0	0	**(4,591)**
Revaluations	0	25	0	0	0	0	0	**25**
Disposals/derecognition	0	0	0	(62)	(143)	0	0	**(205)**
Valuation/gross cost at 31 March 2019	**0**	**501**	**0**	**3,012**	**52**	**4,866**	**431**	**8,862**
Net book value at 31 March 2019	**21,275**	**97,825**	**1,298**	**346**	**0**	**931**	**98**	**121,773**
Net book value at 1 April 2018	**13,154**	**54,470**	**341**	**7**	**0**	**1,358**	**112**	**69,442**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now working assets

Note 11.3 Property Plant and equipment – financing – 2019-2020

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Net book value at 31st March 2020								
Owned - purchased	24,581	85,068	1,457	372	0	2,774	84	**114,336**
On-SoFP PFI contracts and other service concession arrangements	0	20,507	0	0	0	0	0	**20,507**
Owned - donated	0	0	0	0	0	0	0	**0**
Net book value at 31st March 2020	**24,581**	**105,575**	**1,457**	**372**	**0**	**2,774**	**84**	**134,843**

Note 11.4 Property Plant and equipment – financing – 2018-2019

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Net book value at 31st March 2019								
Owned - purchased	21,275	94,297	1,298	346	0	931	98	**118,245**
On-SoFP PFI contracts and other service concession arrangements	0	3,528	0	0	0	0	0	**3,528**
Owned - donated	0	0	0	0	0	0	0	**0**
Net book value at 31st March 2019	**21,275**	**97,825**	**1,298**	**346**	**0**	**931**	**98**	**121,773**

Note 11.5 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	92
Dwellings	-	-
Plant & machinery	1	15
Transport equipment	5	10
Information technology	2	10
Furniture & fittings	3	10

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

Note 11.6 Valuation of Property

The estate was revalued on the 31 March 2020 undertaken by Mark Shelley, RICS Registered Valuer, CIS HypZert (MLV), Avison Young. Properties have been revalued under MEA.

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 2020, the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Note 12 Donations of property, plant and equipment

The Trust has not received any donated property, plant or equipment during 2019/2020.

Note 13 Disclosure of interests in other entities

The Trust has no interest in other entities.

Note 14 Inventories

	2019/2020 £000	2018/2019 £000
Opening Balance	486	257
Transfers by absorption	0	434
Additions	7,797	1,972
Invetories consumed	(7,617)	(2,177)
	666	**486**
Which is made up of:		
Drugs	459	296
Consumables	207	190
Total inventories	**666**	**486**
of which:		
Held at lower of cost and NRV	666	486

Inventories recognised in expenses for the year were £7,617k (2018-2019 £2,177k).

Note 15 Current trade receivables and other receivables

	2019/2020 £000	2018/2019 as restated £000
Contract receivables (IFRS 15): invoiced	30,892	32,774
Contract receivables (IFRS 15): not yet invoiced/non-invoiced	2,763	(1,822)
Allowance for impaired contract receivables/assets	(5,991)	(3,592)
Allowance for impaired other receivables	(13)	(632)
Prepayments (non-PFI)	2,899	1,953
PDC Dividend receivable	0	1,077
VAT Receivable	993	827
Clinician pension tax provision reimbursement funding from NHSE	50	0
Total current receivables	**31,593**	**30,585**
Of which receivable from NHS and DHSC group bodies:		
Current	11,736	21,135

Note 15.1 Non-Current trade receivables and other receivables

	2019/2020 £000	2018/2019 £000
Prepayments (non-PFI)	627	766
Clinician pension tax provision reimbursement funding from NHSE	298	0
Total non-current receivables	**925**	**766**
Of which receivable from NHS and DHSC group bodies:		
Non-current	298	0

The great majority of trade is with Clinical Commissioning Groups and Local Authorities, as commissioners for Patient Care Services and Adult Social Care Services. As Clinical Commissioning Groups and Local Authorities are funded by Government to buy services, no credit scoring of them is considered necessary.

Note 15.2 Allowances for credit losses (doubtful debts)

	Contract Receivables 2019-2020 £000	All other Receivables 2019-2020 £000	Contract Receivables 2018-2019 £000	All other Receivables 2019-2019 £000
Allowance for credit losses at 1 April	3,592	632	0	685
Impact of IFRS 9 (and IFRS15) implementation on April 2018 balance	0	0	685	-685
Transfer by absorption	0	0	2,070	0
New allowances arising	5,499	13	3,417	632
Changes in the calculation of existing allowances	0	0	-1,395	0
Reversals of allowances (where receiveable is collected in-year)	-3,100	-632	-1,013	0
Utilisation of allowances (where receivable is written off)	0	0	-172	0
Total current receivables	**5,991**	**13**	**3,592**	**632**
Loss/(gain recognised in expenditure	**2,399**	**-619**	1,009	632

Note 16 Non-current assets held for sale in disposal groups

	2019/2020 £000	2018/2019 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	788	0
Transfer by absorption	0	854
Plus assets classified as available for sale in the year	0	1,000
Less assets sold in year	(651)	(1,000)
Less assets no longer classified as held, for reasons other than disposal by sale	(137)	(66)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	**788**

Note 17 Cash and cash equivalents movements

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

	2019/2020 £000	2018/2019 £000
Cash and cash equivalents at 1 April	83,654	64,193
Transfer by absorption	0	14,326
Net change in year	851	5,135
Cash and cash equivalents at 31 March	**84,505**	**83,654**
Broken down into:		
Cash at commercial banks and in hand	91	167
Cash with the Government Banking Service	84,414	83,487
Total cash and cash equivalents in SoFP and SoCF	**84,505**	**83,654**

Note 18 Third party assets held by the trust.

The Trust has £283k (£523k 2018-2019) cash or cash equivalents which relate to monies held by the trust on behalf of patients or other parties.

Note 19 Trade and other payables

Note 19.1 Trade and other payables – current

	2019/2020 £000	2018/2019 £000
Trade payables	18,338	25,356
Capital payables	980	202
Accruals	28,730	23,901
Social security costs	5,743	5,636
Total current trade payables	**53,791**	**55,095**
Of which payable from NHS and DHSC group bodies:		
Current	1,866	8,462

Note 19.2 Early retirements in NHS payables

There were no early retirements during the year to 31 March 2020 or in the previous financial year (2018-2019).

Note 20 Other liabilities

	2019/2020 £000	2018/2019 £000
Deferred income	8,077	5,753

Note 21 Borrowings

	2019/2020 £000	2018/2019 £000
Current		
Loans from the Department of Health and Social Care		
Capital loans	1,366	1,370
Revenue support/working capital loans	13,493	192
Revolving working capital facilities	26,800	0
Obligations under PFI	920	905
Total current borrowings	**42,579**	**2,467**
Non Current		
Loans from the Department of Health and Social Care		
Capital loans	20,010	21,342
Revenue support/working capital loans	0	13,300
Revolving working capital facilities	0	26,800
Obligations under PFI	31,017	31,936
Total non-current borrowings	**51,027**	**93,378**

Note 21.2 Reconciliation of liabilities arising from financing activities – 2019/20

	Loans from DHSC £000	PFI schemes £000	Total £000
Carrying value at 1 April 2019	63,004	32,841	**95,845**
Cash movements:			**0**
Financing cash flows - payments of principal	(1,332)	(871)	**(2,203)**
Finnacing cash flows - payment of interest	(2,268)	(1,111)	**(3,379)**
Non-cash movements:			**0**
Application of effective interest rate	2,265	1,111	**3,376**
Other changes	0	(33)	**(33)**
Carrying value at 31 March 2020	**61,669**	**31,937**	**93,606**

Note 21.3 Reconciliation of liabilities arising from financing activities – 2018/19

	Loans from DHSC £000	PFI schemes £000	Total £000
Carrying value at 1 April 2018	24,006	0	**24,006**
Impact of applying IFRS 9 as at 1 April 2018	40	0	**40**
Cash movements:			**0**
Financing cash flows - payments of principal	(1,332)	(726)	**(2,058)**
Finnacing cash flows - payments of interest	(2,133)	(1,613)	**(3,746)**
Non-cash movements:			**0**
Transfers by absorption	40,142	33,567	**73,709**
Application of effective Interest rate	2,134	925	**3,059**
Change in effective interest rate	0	688	**688**
Other changes	147	0	**147**
Carrying value at 31 March 2020	**63,004**	**32,841**	**95,845**

Note 22 Provisions for liabilities and charges analysis

Pensions Injury benefits relate to ill health retirement pensions over the next twenty years.

Legal claims relate to claims lodged with NHS Resolution for public and employer liabilities against the Trust. The excess figure is provided with a probability of likelihood of pay out. There has been an amendment in the accounts both restating 2018-2019 and 2019-2020.

Equal pay (including agenda for change) includes consultant contracts where the likelihood or timing of take up is undetermined at the year end.

Other relates to provisions for dilapidations of a number of leased properties which fall due on leaving the premises and contractual issues to be resolved.

	Pensions - Injury Benefits £000	Legal Claims £000	Equal pay (including agenda for change) £000	Redundancy £000	Clinician pension tax reimbursement £000	Other £000	Total £000
At 1 April 2019	577	13,260	235	928	0	3,595	**18,595**
Effect of prior period	0	(13,108)	0	0	0	0	**(13,108)**
Change in discount rate	312	0	0	0	0	0	**312**
Arising during the year	0	74	122	632	348	315	**1,491**
Utilised during the year - accruals	(37)	(28)	(71)	(20)	0	(123)	**(279)**
Reversed unused	0	(46)	(15)	(908)	0	(566)	**(1,535)**
At 31 March 2020	**852**	**152**	**271**	**632**	**348**	**3,221**	**5,476**
Expected timing of cash flows							
not later than one year	37	152	271	632	50	3,221	**4,363**
later than one year and not later than five years	114	0	0	0	37	0	**151**
later than five years	701	0	0	0	261	0	**962**
	852	**152**	**271**	**632**	**348**	**3,221**	**5,476**

Note 22.1 Clinical negligence liabilities

Whilst the Trust has legal liability for clinical negligence claims, these liabilities are recognised in the accounts of NHS Resolution. At 31 March 2020 £14,647k was recognised as a provision in the accounts of NHS Resolution in respect of clinical negligence liabilities of Midlands Partnership NHS Foundation Trust (£14,019k 31 March 2019).

Note 23 Contingent assets and liabilities

	2019/ 2020 £000	2018/ 2019 as restated £000
Value of contingent liabilities		
NHS Resoloution legal claims	(98)	(125)
Net value of contingent assets	**0**	**0**

The above relates to the member contingent liability relating to the excess due on clinical negligence cases covered by NHS Resolution.

NHS Resolution have stated they expect these legal claims to be resolved by 2021/2022.

Note 24 Contractual capital commitments

	2019/2020 £000	2018/2019 £000
Property, plant and equipment	2,243	1,449

Note 25 On-SoFP PFI, LIFT or other service concession

The Trust has a PFI commitment relating to the Haywood Hospital, a community hospital, that was redeveloped as part of an overall scheme "fit for the future" secondary care developments in North Staffordshire.

The contract commenced 2007 (taken by the Trust in 2013) for a period of 37 years ending in 2044. A monthly unitary payment for the use of the facility, and the provision of housekeeping, portering, catering and estates maintenance services, will be paid up to that point.

The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 7 years. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification.

Non delivery of quality of performance can lead to a reduction in the service charge being paid by the Trust. The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a financial lease and payments comprise of two elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are included in the table below.

Note 25.1 Imputed finance lease obligations

Midlands Partnership NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement financial position PFI.

	2019/2020 £000	2018/2019 £000
Gross PFI service concession lease liabilities of which liabilites are due:	47,056	49,042
not later than one year	1,972	1,986
latter than one year and not later than five years	7,844	7,861
later than five years	37,240	39,195
Finance charges allocated to future periods	(15,119)	(16,201)
Net PFI service concession lease obligation	**31,937**	**32,841**
not later than one year	920	905
later than one year and not later than five years	3,948	3,838
later than five years	27,069	28,098

Note 25.2 Total on-SoFP PFI concession arrangement commitments

When calculating the future unitary charge the Trust has applied an inflation increase in line with the prevailing Retail Price Index (RPI) and discounted those commitments in line with Treasury lending rate for NHS Trusts.

	2019/2020 £000	2018/2019 £000
Total future payments committed in respect of PFI service concession arrangements	246,834	253,951
of which liabilities are due:		
not later than one year	7,295	7,117
later than one year and not later than five years	31,049	30,292
later than five years	208,490	216,542

Note 25.3 Analysis of amounts payable to service concession

	2019/2020 £000	2018/2019 £000
Unitary payment payable to service concession opeator	7,089	5,867
Consisting of:		
Interest charge	1,111	925
Repayment of finance lease liability	871	726
Service element and other charges to operating expenditure excluding revenue lifecycle	4,009	3,470
Revenue lifecycle maintenance	272	58
Contingent rent	826	688
Total amount paid to service concession operator	**7,089**	**5,867**

Note 25.4 Service concession arrangement commitments

	31 March 2020 £000	31 March 2019 £000
Charge in respect of the service concession arrangements:	**132,341**	**134,515**
Commitments in respect of service concession arrangements:		
- not later than one year;	3,976	3,831
- later than one year and not later than five years	16,924	16,304
- lather than five years	111,441	114,380

The future obligations discloses the total payments the Trust is committed to paying in respect of the on SOFP PFI, the future payments are inflated at the inflation rate included within the operators model. The actual payments may change based on actual inflation.

Note 26 Financial instruments

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

generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Note 26.1 Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Note 26.2 Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust has borrowed from government for revenue finance subject to approval by NHS Improvement interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken and it is fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Note 26.3 Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

Note 26.4 Liquidity risk
The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are finance from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 26.5 Carrying values of financial assets and liabilities

Note 26.5.1 Carrying value and fair value of financial assets	2019/2020 At Amortised Cost £000	2018/2019 At Amortised Cost * £000
Trade and other receivables excluding non financial assets	27,999	26,728
Cash and cash equivalents	84,505	83,654
	112,504	**110,382**

Note 26.5.2 Carrying value and fair value of financial liabilities	2019/2020 At Amortised Cost £000	2018/2019 At Amortised Cost £000
Loans from the Department of Health and Social Care	61,669	63,004
Obligations under PFI, LIFT and other service concession contracts	31,937	32,841
Trade and other payables - excluding non financial liabilities	48,048	49,459
	141,654	**145,304**

* Prior year restated see note 29

Note 26.6 Maturity of financial liablilities	31 March 2020 £000	31 March 2019 £000
In one year or less	90,627	51,926
In more than one year but not more than two years	2,384	16,239
In more than two years but not more than five years	6,892	39,303
In more than five years	41,751	37,836
Total	**141,654**	**145,304**

Note 27 Losses and special payments

	2019/ 2020 No	2019/ 2020 £000	2018/ 2019 No	2018/ 2019 £000
Losses:				
Bad debts and claims abandoned in relation to:				
other	0	0	237	172
Damage to buildings, property etc due to other	6	1	3	0
Special Payments:				
loss of personal effects	31	16	28	6
personal injury with advice	1	0	0	0
other employment payments - redundancies	27	1,733	26	1,818
other	5	7	7	2
	70	**1,757**	**301**	**1,998**

These amounts are reported on an accruals basis but excluding provisions for future losses.

Note 28 Related parties

During the year to 31 March 2020 none of the Department of Health and Social Care ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Midlands Partnership NHS Foundation Trust.

The trust is linked to South Staffordshire Community and Mental Health Charity, charity registration number 1061006, in so much as the Trust's board of directors is also the Charities Trustees.
The Trust has received £12k income from the charity for the administration of the charity.

The Department of Health and Social Care is regarded as the parent department of the trust and during the year to 31 March 2020 has had a significant number of material transactions within the department and with other entities:

NHS England

CCG's

NHS Cannock Chase CCG
NHS East Staffordshire CCG
NHS North Staffordshire CCG
NHS Shropshire CCG
NHS South East Staffordshire and Seisdon CCG
NHS Stafford and Surrounds CCG
NHS Stoke on Trent CCG
NHS Telford and Wrekin CCG
NHS Thurrock CCG

Other Health Bodies

Health Education England
NHS Property Services Limited
Community Health Partnerships

Other NHS Providers

North Staffordshire Combined Healthcare NHS Trust
Shropshire Community Health NHS Trust
The Royal Wolverhampton NHS Trust
University Hospitals of North Midlands NHS Trust
Birmingham Community Healthcare NHS Foundation Trust
University Hospitals of Derby and Burton NHS Foundation Trust

Local Authorities

Buckinghamshire County Council
Hampshire County Council
Isle of Wight Council
Leicestershire County Council
Leicster City Council
Shropshire County Council
Staffordshire County Council
Stoke On Trent Council
Telford and Wrekin Council
Thurrock County Council

Other government departments

HM Revenue and Customs
NHS Pensions service
Ministry of Defence
Welsh Health Bodies

Note 29 Prior period adjustments

Provisions – prior period adjustment

The prior period accounts have been restated to correct the accounting treatment of clinical negligence liabilities at 31 March 2019. These were recognised as a provision with a corresponding receivable from NHS Resolution. Whilst the Trust has legal liability for these clinical negligence claims, these liabilities are recognised in the accounts of NHS Resolution and the Trust should only disclose a contingent liability for the excess that it bears on each claim. At 31 March 2019 provisions were overstated by £13,108k and receivables by £13,090k. The table below sets out the adjustments to the primary financial statement line items affected.

	Reported 31 March 2019 £000	Adjustment £000	Restated 31 March 2019 £000
Statement of financial position			
Current Assets			
Receivables	43,675	(13,090)	30,585
Current Liabilities			
Provisions	(18,050)	13,108	(4,942)
Taxpayers' equity			
Income and expenditure reserve	(20,981)	18	(20,963)

	Reported 2018/19 £000	Adjustment £000	Restated 2018/19 £000
Statement of comprehensive income			
Operating expenditure	(396,902)	18	(396,884)
Suplus/(deficit) for the year	(5,245)	18	(5,227)
Statement of cashflow			
Operating surplus/(deficit) from continuing operations	(14,863)	18	(14,845)

Note 30 Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £40,293k as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months. This is made up of £40,100k principal and £193k interest.

Note 31 Local government superannuation scheme

The Trust participates in the Local Government Pension scheme for all employees, administered locally by Staffordshire County Council. This is a funded, defined benefit, final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The Trust pays contributions to the Staffordshire County Council Pension Fund, which provides its members with defined benefits related to pay and service. The contribution rate is determined by the County Fund's Actuary based on triennial actuarial valuation. The valuation on which 2019-2020 contributions were based was carried

out on a full valuation carried out on the 31 March 2016. A roll forward valuation is performed by the actuary in the years between full valuations. This valuation will determine contribution rates payable with effect from 1 April 2017 up to 31 March 2020.

In addition to the recognised gains and losses included in the Statement of Comprehensive Income, actuarial loss of £585k (2018-2019 £217k gain). The cumulative amount of actuarial losses recognised in the Statement of Comprehensive income is £803k (£218k loss 2018-2019).

Note 31.1 Assets and Liabilities in Relation to Retirement Benefits
Reconciliation of present value of the Scheme Liabilities

	2019-2020 £000	2018-2019 £000
Balance as at 1 April	(12,342)	(11,066)
Current service cost	(142)	(116)
Interest cost	(296)	(298)
Contribution by plan participants	(19)	(20)
Actuarial (gains)/losses	2,260	(1,003)
Benefits paid	192	161
Past service costs	(11)	0
Balance as at 31 March	**(10,358)**	**(12,342)**

Reconciliation of fair value of Employer Assets

	2019-2020 £000	2018-2019 £000
Balance as at 1 April	13,244	12,189
Interest income	318	328
Actuarial gains/(losses)	(1,675)	786
Contibutions by employer	90	82
Contributions by plan participants	19	20
Benefits paid	(192)	(161)
Balance as at 31 March	**11,804**	**13,244**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the statement of Financial Position date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was 0% (9.2% 2018-2019).

Note 31.2 Scheme history

	31 March 2020 £000	31 March 2019 £000	31 March 2018 £000	31 March 2017 £000	31 March 2016 £000
Present value of scheme liabilities	(10,358)	(12,342)	(11,066)	(11,003)	(9,879)
Fair value of scheme assets	11,804	13,244	12,189	11,958	10,593
Asset/(liability)	**1,446**	**902**	**1,123**	**955**	**714**

Note 31.3 Amounts recognised in the SoCI

	31 March 2020 £000	31 March 2019 £000
Current service cost	(142)	(116)
Interest cost	22	30
Past service cost	(11)	0
	(131)	**(86)**

Note 31.4 Reconciliation of opening and closing SoFP balances

	2019-2020 £000	2018-2019 £000
Surplus/(deficit in the scheme at 1 April	902	1,123
Expenses recognised in the SoCI	(131)	(86)
Contributions paid by employer	90	82
Actuarial (gains)/losses in the current year	585	(217)
	1,446	**902**

Note 31.5 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The County Council fund liabilities have been assessed by the actuaries Hymans Robertson.

The principal assumptions used by the actuary have been:

Mortality assumptions

	2019-2020		2018-2019	
	Men Years	Women Years	Men Years	Women Years
Longevity at 65 for current pensioners	21.2	23.6	22.1	24.4
Longevity at 65 for future pensioners	22.1	25.0	24.1	26.4

Note 31.6 Constitution of the fair value of scheme assets

The local government pension scheme's assets consist of the following categories, by proportion to the total assets held:

	2019-2020		2018-2019	
	%	£000	%	£000
Equities	72%	8,499	72%	9,596
Bonds	16%	1,942	15%	2,026
Property	10%	1,163	9%	1,207
Cash	2%	200	3%	415
	100%	**11,804**	**100%**	**13,244**

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