Nottinghamshire Healthcare
NHS Foundation Trust

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Annual Report and Accounts 2019/20

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PERFORMANCE REPORT

OVERVIEW OF PERFORMANCE

This overview of performance provides a short summary of the organisation, its purpose, the key risks to achieving our objectives and performance throughout the year.

A statement from the Chair and Chief Executive

We are delighted to welcome you to this annual report for Nottinghamshire Healthcare NHS Foundation Trust. The report covers the period 1 April 2019 to 31 March 2020 and as we look back on what has been a challenging year, both within the Trust and within the local health and social care system, we will reflect both on the positive developments that we have seen and the not so positive. This overview is intended to give you a short summary that provides enough information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. We hope that this report provides a balanced view of the Trust's performance during the year, as well as celebrating the dedication and commitment of our staff to provide safe and caring services for our patients, service users, carers and volunteers.

As this annual report is being finalised, the NHS is entering a period of challenge unprecedented since its inception. COVID-19 has arrived in the UK and the country is in lock-down, with all the fears and concerns that brings, not only for staff working with ill patients, but the personal concerns for families and friends. Our staff have risen to that challenge and we are continuing to deliver services to the best of our ability in a caring and compassionate way. Predictions are hard to make currently, but we are striving to deliver business as usual in very unusual times. The political, financial and economic fallout of this period is unknown, but one of the things that will be remembered will be the generous, unwavering support for our NHS family, and other frontline workers during the most difficult of times.

During the year there have been several changes in the leadership of the Trust. Dean Fathers stepped down as Chair on 31 December and Paul Devlin became Chair in January, following an extensive handover period. Paul is also Chair of Lincolnshire Partnership NHS Foundation Trust, and has previously worked with John Brewin. We'd both like to extend our thanks to Dean for his leadership of the Trust during his nine years as Chair. Peter Wright, Executive Director for Forensic Services, also stepped down from his role. Julie Hankin, Executive Medical Director stepped into that role on an interim basis, with her role being filled by Itai Matumbike, a Consultant Forensic Psychiatrist and Associate Medical Director (Medical) with the Trust. Angela Potter, Director of Business Development also left the Trust for new challenges. During the year Anne-Maria Newham joined us as Executive Director of Nursing, Allied Health Professionals and Quality and Sarah Furley joined us as Executive Director of Partnerships. These new appointments bring a great level of expertise and energy to the Board. In addition, we have been joined by two new Non-Executive Directors, Sue Nixon and Alison Rose-Quirie, whose experience will bring a new focus to the governance of the Board.

A great deal of work went on during the year to develop the implementation of the NHS Long Term Plan. Each Integrated Care System (ICS), was tasked with developing its own regional response. We have worked tirelessly with other partners within the Nottingham and Nottinghamshire ICS to develop the delivery platforms of the Integrated Care Providers (ICPs) and the groups of GP practices called Primary Care Networks (PCNs). John Brewin leads the South Notts ICP and these system changes have helped to develop a more integrated approach to the delivery of health and social care for the people of Nottingham and Nottinghamshire. During the year this approach was bolstered by the coming together of six of the Clinical Commissioning Groups to form Nottingham and Nottinghamshire CCG. Normally these system changes seem quite laborious, but during this current time of pandemic, the system has moved very quickly to different ways of working together with common purpose. Everyone within the system is committed to this continuing once the pandemic is over.

We have been under a great deal of scrutiny from the regulators this year, with a Care Quality Commission (CQC) inspection in early 2019 that resulted in the Trust found to be providing services that require improvement but retained good ratings for effectiveness and the caring attitude of its staff. The CQC determines whether the Trust provides services that are caring, responsive, safe, effective and well led.

The CQC report was disappointing but not really a surprise. We accepted the overall verdict of the inspection team; that we need to improve in every domain. The only domains where we maintained our good rating was in caring and effectiveness, which was reassuring but we all need to do more. This is not a position we want to be in, but we have learnt from the feedback. During the last year we have focused our attention on where we have been able to add most value and not only improve patient care but also the employment experience of our staff. Some areas of outstanding practice were identified, and we have some great staff with the passion and commitment to turn things around. Although the CQC is currently only carrying out ‘virtual’ inspections we expect that they will be visiting us as early in the new financial year as they are able to. We have been preparing and hope to demonstrate some real improvement.

In addition, there have been three inspections at Rampton Hospital. The first of those was in July 2019, with a follow up inspection in November 19 and then a focused inspection early this year to the Learning Disability Directorate of the Hospital. The results of that last was published on the 27 May 2020. Although there was not an associated rating as it was a responsive inspection, the report found significant progress and no breach of regulations.

The first report that was published in October rated the Hospital as inadequate. It had previously been rated overall as requires improvement so there was a deterioration in three of the domains inspected by the CQC, with effective, caring and well led showing a downturn from good to requires improvement and inadequate. The outcome of this inspection was hugely disappointing for our staff who work so hard to deliver safe care to our patients. We were already taking steps to address the areas of concern such as lone working, access to fresh air and activities and overall staffing levels. Despite our best efforts this was not enough. Since then a further reinspection in November 2019 has shown signs of improvement and moves in the right direction, though not enough to change the ratings. That will require a further full inspection.

Despite the overall rating, the CQC Inspectors found much to praise, including staff developing holistic, recovery-oriented care plans informed by a comprehensive risk assessment and most staff, patients and carers told the Inspectors that staff treated patients and their carers with dignity and respect. In addition, innovative practice in the use of digital technology to deliver therapy was also highlighted. We have been building on those positive findings to further improve the work we are doing.

Another disappointing outcome during the year were the staff survey results. Understanding how our staff feel about working at Nottinghamshire Healthcare is important so that we can improve the experience of working here. The response rate this year was 45% (3,782 completed responses) which was lower than the average for Mental Health, Learning Disability & Community Trusts in England [48%]. The feedback also told us that we have seen significant reductions within Equality, Diversity & Inclusivity and around the culture of Safety. The feedback from staff in the 2019 National staff survey was consistent with that received through staff voice reports and previously identified through the culture and leadership review.

Across all areas we saw reducing trends across the survey themes. Overall staff engagement levels deteriorated from the previous year and in the last 5 years there has been an ongoing downward trend. Evidence based research clearly shows that good staff experience is directly linked to better patient experience and outcomes. From a patient and staff perspective, therefore, this feedback continues to cause concern.

We are clearly not yet doing enough to make the Trust a good place to work and this is reflected in the results. Staff have identified that there isn't a sense of shared collective purpose, the vision and values of the organisation are not embedded, goals and performance lack clarity, learning and innovation is not fully supported and there is too much bureaucracy. In addition, there are several other important areas that we need to keep working on, including inclusiveness and inequality, clearer management structures, creating a just and restorative culture, breaking down silo working, and developing initiatives that are clinically informed and focus on quality improvement.

We worked hard over the last year to begin to create the right environments to impact on our culture and change it for the better, but we have clearly got to redouble our efforts to get this right. We have now some good foundations in place from which to build. The senior leadership across the Trust will continue to focus on key pieces of work, engaging with all our staff, ensuring we respond and act on issues raised, and build on some great services that we know we have. We know that everyone is committed and passionate about providing great care. We remain confident that we will begin to see improvements in the coming year. We are investing significantly in the health and well-being of our staff, it is crucial that we do this, so they can be at their best for our patients, families and carers.

Though much of what we have reflected on here is disappointing there were some highlights during the year. Early in 2019 the Trust Board agreed to work with a production company, Story Films, to develop a series of four documentaries for Channel 4. Planning and preparation work went on all year, with filming over the summer and a final transmission date agreed for 21 January this year. Losing It: Our

Mental Health Emergency was a huge ratings success with massive engagement on social media and very positive media coverage. The decision to take part was not without its risks, but the bravery of our service users who took part and the amazing care and compassion of our staff made the whole project worthwhile. It also created a few stars, who were highly visible in the city on buses and billboards! Thanks to everyone who took part or was involved in any way – it was a great piece of anti-stigma work.

During the year there were many service developments. In partnership with Priory Healthcare the Trust opened a 16 bedded ward for male adult mental health patients to ensure they could be treated closer to home. This played a significant part in us being able to reduce our out of area placements, which is not only better for our patients but also provides better care within our budgets.

The Working Age Dementia Service, which supports people under 65 who have a suspected or confirmed diagnosis of dementia, celebrated its tenth anniversary, as did the Nottingham City Autism Service. Previously called the Nottingham City Asperger Service, this service was set up in April 2009 to focus on diagnosing and supporting adults on the autism spectrum in Nottingham City. The Trust's Working Age Dementia Service also launched a new 'Peer Support Hub' in Edwinstowe for people living with or supporting someone with working age dementia.

A new service was set up for patients under the care of the Trust's Intellectual Developmental Disability service (IDD) who need to have an electrocardiogram (ECG). Patients who have been identified as having the additional needs, behaviours, and/or risks, that would benefit from an ECG being carried out at home, can now have this done through the Trust, allowing them to feel safe and supported throughout whilst also reducing wait times for the procedure.

Call for Care, a new care navigation service developed in South Notts for health and social care professionals launched. The new service supports health and social care teams in Nottingham West, Nottingham North and East and Rushcliffe to access urgent, same day community alternatives to hospital admission, except for patients with clear life-threatening conditions or children.

The Trust's Street Triage Team was extended to help more people in mental health crisis. The team is a partnership between the Trust, Nottinghamshire Police and the local clinical commissioning groups (CCGs), joining up mental health practitioners and police officers, to provide a specialist response to people with mental health issues, who by a range of circumstances, come into contact with the police and are in need of urgent help.

The Trust is now part of an innovative public and voluntary sector partnership, which has been awarded over £1million in funding from the South Yorkshire and Bassetlaw Integrated Care System to deliver a service to people living in Bassetlaw and South Yorkshire who have severe mental illness and want to stay in or find work. They will be given more support to do so thanks to the new partnership.

In this annual report we have previously celebrated the individual and team successes of our staff at the Trust's annual OSCARS event. Due to the impact of COVID-19, this year that has not been possible, but we hope to rearrange this special celebration for later in the year. Congratulations to everyone who was nominated or shortlisted.

There have been many other notable achievements during the year, including these highlights:

Mental Health nurse Vicki Moss was honoured with a Royal College of Nursing (RCN) Foundation Impact Award. The national awards are given annually to nursing professionals who have achieved outstanding impact with activities funded by the RCN Foundation

The Trust's Child and Adolescent Mental Services (CAMHS) Crisis and Liaison team was shortlisted in two categories at the Nursing Times Awards 2019. These prestigious awards celebrate innovations that are improving nurse-led care through the NHS and independent healthcare sector.

The team was shortlisted in the Nursing in Mental Health and Team of the Year categories for their Crisis and Liaison service which supports young people experiencing a mental health crisis.

Coral Ward at Rampton Hospital won the Team of the Year at the 2019 HSJ Patient Safety Awards. The HSJ Patient Safety Awards recognise individuals, teams and organisations which have gone above and beyond in their commitment to deliver consistently safe care.

The Healthcare team at HMP Lincoln was specially thanked by Public Health England (PHE) for their work in responding to an outbreak of infection causing bacteria.

The Clinical Psychology Cancer Service at King's Mill Hospital, provided by the Trust and Sherwood Forest Hospitals, was shortlisted in the HSJ's Mental Health Innovation of the Year Award.

The Wells Road Centre complete the self and peer reviews of the Royal College of Psychiatrists Quality Network for Forensic Mental Health Services' annual review cycle, fully meeting 95% of the standards.

The Trust's offender health teams have successfully tackled Hepatitis C in prison populations across the East Midlands. The teams achieved micro-elimination of the virus at HMP North Sea Camp and Morton Hall Immigration Removal Centre in Lincolnshire .

Michael Collins, a Community Psychiatric Nurse with the Trust created an Adult Mental Health pathway for complex clients in long stay 24-hour private care settings in order to help prevent unnecessary hospital admissions. It was recognised as an Innovation of Excellence and featured in the Care Quality Commission's National Publication "The state of health care and adult social care in England, 2018/19.

The Trust's Oral Health Promotion team was a finalist in the Best Community Initiatives category of the national Oral Health Awards 2019. The nomination recognised their work on three of their innovations; Teeth Tools for Schools

programme, Brushing Buddies and Health Promotion Campaigns: Tales with the Tooth Fairy and the Sugar Scientists.

The Nottinghamshire Children and Families Partnership (NCFP) Recognition Awards are held each year to recognise and celebrate the excellent practice and outstanding performance of NCFP's Children's Centre staff and volunteers. A record 144 nominations across eight award categories were received.

The Trust was shortlisted in two categories in the HSJ Partnership Awards 2020 for its partnership work with Priory Healthcare and Bassetlaw Integrated Care Partnership.

Together with Priory Healthcare, the Trust was a finalist in the 'Best Healthcare Provider Partnership with the NHS' category, for establishing an end-to-end pathway for acute mental health patients to ensure more people receive high quality care closer to home – repatriating over 80% of existing out of area placements. The partnership work with Bassetlaw Integrated Care Partnership (ICP) is recognised in the 'Best Not for Profit Working in Partnership with the NHS' category.

Hopewood, the Trust's Child and Adolescent Mental Health Services (CAMHS) unit, was named Best P22 Project at the Building Better Healthcare Awards. The unit was nominated by the Structural Engineers WSP and won in the category despite very strong competition.

ProCure22 (P22) is a department of health construction framework for capital scheme buildings in England. To qualify for the Best ProCure22 project award, the project
needs to deliver efficiency and productivity within the built environment.

The Trust's Finance Team, along with colleagues from East Midlands Ambulance Service (EMAS), won Team of the Year at the Healthcare Financial Management Association (HFMA) East Midlands Branch Annual Awards.

The award was for the two organisations working together to successfully deliver the contract for a shared service providing financial services and payroll to EMAS.

The Highbury Community Garden was awarded the prestigious 'outstanding' award by Britain in Bloom. Entrants are judged on three criteria: community participation, environmental responsibility and horticultural achievement.

The Oral Health Promotion team was selected as a finalist in the Best Outreach or Charity Initiative category (North & Central) of The Dental Awards 2020. The nomination recognised their work on three innovations; Teeth Tools for Schools programme, Brushing Buddies and Tales with the Tooth Fairy and the Sugar Scientists.

Well done to everyone for these amazing achievements.

So, in conclusion; a challenging year, not without its disappointments, but also with some major successes. As we end the 19/20 financial year, we can reflect on a year that has been difficult, with many obstacles to overcome. We are confident that the groundwork that has been put in place during the last year will bring benefits to all

involved with this Trust. We have the potential to be outstanding and our fantastic staff, service users, patients and carers deserve nothing less.

Paul Devlin
Chair

John Brewin
Chief Executive

ABOUT US

Purpose and activities of Nottinghamshire Healthcare NHS Foundation Trust
Nottinghamshire Healthcare NHS Trust was formed on 1st April 2001 by bringing together the mental health and learning disability services previously provided by other NHS organisations.

In April 2011, the Trust secured contracts to deliver community physical healthcare services.

The Trust was authorised as a Foundation Trust (FT) in 2015.

We receive an annual income of circa £495m and staffing costs equate to around 72.5% of total expenditure (including PDC). We are one of the largest employers in Nottinghamshire, employing approximately 8,570 talented and dedicated staff members across a wide range of professions and disciplines.

As a Foundation Trust we are accountable to local people through our Council of Governors and are regulated by NHS Improvement.

The populations we serve

We provide a wide range of services, locally, regionally and nationally. We provide services across all age groups from infants to older adults and deliver services to support physical and mental health needs and we provide services for those with intellectual and development disabilities. The Trust also provides offender health services across several sites.

The core local area and population the Trust serves is Nottingham City and Nottinghamshire County with a combined population of c1.1m.

There are large variations in the levels of deprivation across our local area. For example, Nottingham City is the 8th most deprived district in the country and has the 13th highest unemployment rate in the country. Life expectancy in the City is below the England average.

In the county of Nottinghamshire, deprivation levels as a whole are comparable with England, however there are some communities with the highest levels of deprivation in England and some with the lowest levels. Areas with the highest levels of deprivation are concentrated in the districts of Ashfield, Mansfield and Newark & Sherwood.

The Trust operates within two Integrated Care Systems (ICS) footprints: i) Nottingham & Nottinghamshire and ii) South Yorkshire & Bassetlaw. Both footprints are

accelerated ICS sites. During 2019/20, the Trust covered seven Clinical Commissioning Groups (CCGs), however the six Nottinghamshire and Nottingham City CCGs have now merged into one so that we now cover two main CCG footprints:

- Nottingham & Nottinghamshire CCG
- Bassetlaw CCG

Our services

We provide a wide range of services at different levels of specialism and intensity. Some are delivered by local teams and some by countywide or national teams.

Details of all our services are on our website:
http://www.nottinghamshirehealthcare.nhs.uk/our-services

We deliver services in a range of settings from people's own homes and from over 110 different sites eg from community clinics through to specialist hospitals such as our high secure hospital site at Rampton.

Our main hospital sites are:

Location	Services Offered
Highbury Hospital, Nottingham	Acute mental health inpatient beds and outpatient facilities
Millbrook Mental Health Unit, Mansfield	
Doncaster & Bassetlaw Hospital (Wards B1 & B2)	
Hopewood, Nottingham	Child and adolescent mental health services (CAMHS) - inpatient and outpatient Perinatal mental health services - inpatient and outpatient
Lings Bar Hospital, Nottingham	Physical rehabilitation for older people
John Eastwood Hospice, Mansfield **Bassetlaw Hospice**	End of life and palliative care
Wells Road Centre, Nottingham	Low secure mental health services
Arnold Lodge, Leicester	Medium secure mental health services
Wathwood Hospital, Rotherham	Medium secure mental health services
Rampton Hospital in Retford	High secure mental health services

Our clinical service model aims to deliver care and support in a way that moves from reactive, hospital-based treatment models to a proactive approach of prevention and early intervention, delivered in community locations where this is appropriate.

Our strategy vision and values
Our Strategy 2016-2021 set out our values and strategic objectives, framed around a vision "*Through partnerships, improve lives & the quality of care*".

During 2019, as part of our programme to develop our people and culture, we have developed a new set of values:

Trust, Honesty, Compassion, Respect, and Teamwork

For 2019/20, our strategic objectives remained as:

- Deliver safe sustainable services
- Make the Trust a great place to work
- Provide the best possible care and support
- Demonstrate best value

However, in 2020, we are embarking on an engaging programme to develop a new organisational strategy; one that recognises the integrated systems we operate in and that drives delivery of improved quality and enables the people we serve to live well in their communities. The strategy will be developed around four 'pillars' of:

- People
- Quality
- Performance
- Stewardship

Delivering our objectives
Last year was a challenging year for the Trust with disappointing outcomes from our inspections by the Care Quality Commission (CQC) and from our results from the 2019 annual NHS staff survey.

Under the leadership of our new Chief Executive, in 2019 we have worked hard to begin to create the right environments to impact on our culture and change it for the better. We now have good foundations in place from which to build in 2020/21 and beyond. This includes the considerable changes to our Board-level leadership.

Despite these challenges, we have many improvements to be proud of in 2019/20 and many examples of high-quality care delivered by dedicated and compassionate staff.

Achievements in 2019/20 included:

- new investments in staff health and wellbeing - the Trust Board has prioritised supporting staff, and following staff consultation, a number of workstreams were set up to focus on different areas of staff wellbeing. As a result, areas of improvement so far have included: establishment of a Staff Health and Wellbeing team; a 24/7 staff support phone line; and dedicated staff mindfulness practitioners
- significant reduction in the level of out of area placements for adult mental health – from 1265 at 31 March 2019 to 105 at 31 March 2020
- good performance across service access targets in services such as perinatal mental health, early intervention in psychosis, and psychological therapies
- significant improvements in physical health checks for people with serious mental health (SMI) – with the proportion of our inpatients with SMI that have had a check increasing from 8.7% in April 19 to 75% in March 2020

- almost £1.6m investment (from commissioners and the Trust) in mental health crisis services, increasing out of hours provision and intensive home treatment
- investment in the Trust-wide Quality Improvement Framework, with over 80 current QI projects running; and training in QI methodologies delivered to more than 1,700 staff over the last two years
- work with primary care eg secured additional funding to roll out a new and highly regarded Primary Care Psychiatric Medicine service
- new strategic partnerships eg end of life care in Mid Nottinghamshire; and the new East Midlands provider collaborative for secure mental health services
- agreed a significant capital investment to purchase a hospital site in Mansfield from St Andrew's Healthcare (subject to contract) so that we can improve acute mental health inpatient care environments
- achieved our financial control total, despite very challenging conditions in our local systems and taking into account internal investments we made in-year to improve clinical quality and safety and to respond to issues highlighted in CQC inspections.

We were also incredibly proud to showcase the work of our clinicians in the Channel 4 programme "*Losing it: Our mental health emergency"* in January and February.

Risks and Board Assurance
Risks and mitigations to the delivery of our strategic objectives are recorded in the Board Assurance Framework. The top risks are:

- If significant numbers of staff are unable to attend for duty (clinical or non-clinical) either through contracting the Corona Virus / self-isolation or being required to care for dependents this could have a significant impact upon service delivery across the organisation.

- If the Board does not consistently demonstrate compassionate leadership with all staff then there will be an adverse impact on staff morale and patient experience leading to poor staff engagement and poor patient outcomes.

- Inability to manage admissions into AMH inpatient beds leading to reliance on subcontracted beds. This has an impact on the quality of care and service we provide to our patients and also significant financial risk for the Trust.

- System wide pressures, regulation regimes and national 'business rules', along with the organisational failure to transform organisation wide to provide efficient and effective models of care, impact adversely on the financial strategy and sustainability and lead to a lack of financial sustainability, short and long term.

- Inability to recruit and retain an engaged and appropriately skilled and motivated workforce, with the right behaviours and leadership capacity while addressing unacceptable variance across the Trust, leading to loss of financial income and poor continuity of patient care.

- If the health, wellbeing and resilience of the workforce is not effectively supported and managed, then there will be adverse impacts on patient care and patient and staff experience.

- If we do not minimise and manage the risk of violence to others then patients/staff/visitors could be subject to physical and psychological harm (including serious injury and fatality) leading to: patient recovery being undermined, increased staff sickness, litigation claims, low staff morale and negative impact on staff retention.

- Failure to have robust arrangements in place regarding compliance with the Mental Capacity Act 2005 may result in patients' rights under the Act not being upheld which in turn may result in legal or regulatory enforcement and reputational damage.

The Board Assurance Framework is reviewed regularly by the Board of Directors and appropriate Board committees. Further information is provided in the Annual Governance Statement in this report.

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.

Dr John Brewin

Chief Executive

24 June 2020

ACCOUNTABILITY REPORT

The Trust's directors take responsibility for preparing the Annual Report and Accounts. We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

This accountability report is signed in my capacity as accounting officer.

Dr John Brewin

Chief Executive

24 June 2020

DIRECTORS REPORT

THE BOARD OF DIRECTORS

Role and function of the Board of Directors

The Board of Directors has overall responsibility for defining the Trust's strategy and strategic priorities, vision and values, for the overall management and performance of the Trust and for ensuring its obligations to regulators and stakeholders are met.

The decisions reserved for the Board of Directors and the delegated discharge of its responsibilities is set out under a formal Scheme of Delegation defining the allocated responsibilities for making and approving decisions relating to Trust business.

The Board of Directors meets 8 times per annum. Meetings of the Board of Directors are held in public with members of the public welcome to attend to observe proceedings. Due to the confidential nature (commercial or personal issues) of some matters of business, the Board of Directors does reserve the right to undertake such business in private session. The meeting agendas are circulated to Governors in advance of the meeting with a standing invitation to each meeting of the Board of Directors (and of its committees) to observe the work of the Board of Directors. Papers and minutes of the public sessions of the meetings are available via the Trust's website.

The Board of Directors is a unitary board comprising Executive and Non-Executive Directors who make decisions as a single group and share the same responsibility to constructively challenge during Board discussions and support the development of proposals on priorities, risk tolerance, values, standards and strategy:
Executive Directors are employees of the NHS Foundation Trust, led by the Chief Executive, and are responsible for the day to day management of the Trust.
Non-Executive Directors are not employees and bring to the Board an independent perspective having a duty to challenge and to hold Executive Directors to account.

All members of the Board of Directors have the same general legal responsibilities to the Trust and have a collective responsibility to act with a view to promoting the success of the organisation to maximise the benefits for the members of the Trust and for the public.

The Directors of the Trust bring a broad range of skills and experience to their roles on the Board to ensure an appropriate balance with the capability and capacity to meet the requirements of the Trust. The Board of Directors' Nominations & Remuneration Committee maintains an overview of the Board's composition.

To support the Board of Directors in the undertaking of its responsibilities, the following committees have been formally established, all being chaired either by the Chair of the Trust or by a Non-Executive Director:

- Audit Committee
- Quality Committee
- Finance & Performance Committee
- Workforce, Equality & Diversity Committee

- Mental Health Legislation Committee
- Nominations & Remuneration Committee
- Charitable Funds Committee

A programme of Board Development sessions have been held during 2019/20 focusing on a range of issues including strategy development, staff and cultural engagement, Board purpose and behaviours, and system wide transformation.

Board members in post during 2019/20

Director	Job Title	Start date	End Date
John Brewin	Chief Executive	January 2019	N/A
Julie Attfield	Executive Director of Local Mental Health Services	June 2016	N/A
Simon Crowther	Executive Director of Finance and Procurement	March 2015	N/A
Julie Hankin	Executive Medical Director (interim Forensic Services Director from Nov 19)	November 2014	N/A
Clare Teeney	Executive Director of People and Culture	November 2015	N/A
Lisa Dinsdale	Interim Associate Director of Community Health Services	May 2019	N/A
Itai Matumbike	Interim Medical Director	November 2019	N/A
Anne-Maria Newham MBE	Executive Director of Nursing, AHPs and Quality	January 2020	N/A
Sarah Furley	Executive Director of Partnerships	March 2020	N/A
Paul Smeeton	Executive Director of Local Partnerships	October 2016	April 2019
Angela Potter	Director of Business, Marketing & Development	December 2011	August 2019
Deborah Wildgoose	Interim Executive Director of Nursing	May 2019	February 2020
Peter Wright	Executive Director of Forensic Service	October 2016	
Paul Devlin	Chair	January 2020	January 2023
Stephen Banks	Non-Executive Director Senior Independent Director	January 2016	January 2022

Director	Job Title	Start date	End Date
Stephen Jackson	Non-Executive Director Vice Chair	July 2016	July 2022
Trevor Orman	Non-Executive Director	January 2019	January 2022
Carolyn White	Non-Executive Director	March 2019	March 2022
Alison Rose-Quirie	Non-Executive Director	December 2019	December 2022
Sue Nixon	Non-Executive Director	December 2019	December 2022
Dean Fathers	Chair	January 2011	December 2019
Sheila Wright	Non-Executive Director (former Vice Chair)	November 2007	November 2019
Di Bailey	Non-Executive Director	November 2017	December 2019

All Non-Executive directors who served on the Board of Directors in 2019/20 are considered to be independent by virtue of the employment checks made on appointment, ongoing fit and proper person's reviews and the declaration of their actual and potential conflicts of interest. Further information can be found in the Annual Governance Statement.

John Brewin – Chief Executive

John Brewin took up post as Chief Executive on 2 January 2019.

John, a consultant psychiatrist for 23 years, was CEO at Lincolnshire Partnership Foundation Trust (LPFT), where he has been in that role for four years and was their Medical Director for three years prior to this. John previously worked for Nottinghamshire Healthcare in a variety of senior clinical roles between1995-2011 and he also trained in Nottingham. John has an extensive career history of leadership and managerial roles, with experience as an associate medical director and clinical director before he joined LPFT.
John's achievements during his time at LPFT include the Trust moving from 'Requires Improvement' in 2015 to 'Good' in 2017 in the CQC ratings. He also helped the Trust improve quality, deliver strong performance and meet financial targets year on year. Some of John's other skills are around culture, leadership and staff engagement.

Dr Julie Hankin – Interim Director of Forensic Services

Julie is a Consultant Psychiatrist working in general adult services. She has worked in several management and leadership roles through that time including Clinical Director roles for Service Redesign, Service Improvement, and Adult Services. Prior to her appointment to the Executive medical Director role in 2014 she was Clinical Director for Wiltshire, including service responsibility for adult and older people's community mental health services, acute adult inpatient units and crisis and home treatment services.

From 2012 to 2014 Julie was the National Professional Advisor for Mental Health for the Care Quality Commission (CQC) and was the clinical lead for the implementation of the new inspection regime. She is a board member of the Mental Health Network of the NHS Confederation and chairs the Mental Health Medical Directors Forum which is hosted by the Confederation. She is also the Mental Health lead for the local Sustainability and Transformation Partnership (STP).

She holds an honorary Associate Professor role within the Health Sciences School of the University of Nottingham and is a panel member for the national Health Services and Delivery Research funding stream with the NIHR.

Dr Julie Attfield - Executive Director of Mental Health

Dr Julie Attfield is the Executive Director for Mental Health. She took up her role on 1 June 2015 and was previously Executive Director with responsibility for high secure provision at Rampton Hospital; medium secure units at Arnold Lodge in Leicester and Wathwood Hospital in Rotherham, the Low Secure and Community Forensic Directorate and Offender Health in the East Midlands and Yorkshire.

Julie began her career as a Registered Mental Nurse, and has since worked as a clinician, senior manager and director within mental health services in the East Midlands. Between these appointments Julie spent time as a full-time lecturer in Nursing at the University of Nottingham, before returning to the NHS.

Simon Crowther – Executive Director of Finance & Procurement

Simon joined the Trust on 30 March 2015 as Executive Director of Finance. Prior to his appointment, Simon had worked at Board level in both provider and commissioning organisations within the NHS. He has gained extensive experience in not only finance but also in contracting, performance management and information strategy.
Since qualifying as a management accountant in 1996, Simon has complimented his accountancy background with further studies in leadership and change management, coaching, strategic financial management and corporate governance and assurance, the latter being completed at the Cass Business School in London.

Clare Teeney – Executive Director of People and Culture

Clare joined the Trust in 2011 as the Head of HR for Local Services. In 2012 her portfolio extended to include HR for the Health Partnerships Division. She was appointed as the Director of HR with responsibility for HR, Learning and Development and Equality and Diversity in October 2015. Clare is a member of the Chartered Institute of Personnel and Development, has a BA (hons) Degree, a qualification in Employment Law and an MBA from Loughborough University. She has an interest in Equality and Diversity and health and wellbeing.

Anne-Maria Newham – Executive Director of Nursing, AHPs and Quality

Anne-Maria joins us from Leicestershire Partnerships. Anne-Maria has worked in the NHS as a nurse for over 35 years and was awarded an MBE in the Queen's Birthday Honours List last year for her outstanding contribution to nursing.

As well as supporting fellow nurses and developing future

NHS leaders, Anne-Maria pends time volunteering at a children's hospice.

Sarah Furley – Executive Director of Strategic Partnerships

Sarah Furley joined the Trust as Director of Partnerships in March 2020.

Sarah was previously STP Programme Director in Lincolnshire, hosted by the Lincolnshire East Clinical Commissioning Group. She has a wealth of experience in improving patient outcomes through integrated care and partnership working.

A Registered General Nurse by background, Sarah holds a Master of Science in Commissioning from Lincoln University. She has worked in several senior strategic positions.

Itai Matumbike - Interim Medical Director

Itai was previously Associate Medical Director (Medical) based at the Wells Road Centre in Nottingham. He is a Consultant Forensic Psychiatrist who trained at The University of Nottingham. He joined the Trust in 2005 as an SHO and undertook his higher specialist training within the Trust.

He stepped into the Interim role of Medical Director in November 2019. Itai is also the Chair of the Medical Cabinet within the Nottingham and Nottinghamshire Integrated Care System.

Paul Devlin - Chair

Paul took up office on 1 January 2020, for an initial term of three years. He has an extensive track record in NHS leadership, following a long career in the charity sector as well as in significant NHS Board level roles. In his roles at Age Concern England, Headway, and Action for Children he led strategic engagement with healthcare commissioners and providers, developing successful partnerships and new models of care delivery. This complemented his six years as a Non-Executive Director at Derbyshire County Primary Care Trust where he was part of the team successfully transferring the commissioning of health to new Clinical Commissioning Groups.

Paul has been Chair of Lincolnshire Partnership NHS Foundation Trust (LPFT), Lincolnshire's mental health and learning disability Trust, where he led a three-year quality improvement programme to take LPFT from a CQC (Care Quality Commission) "Requires improvement" rating (including "Inadequate" for Safe) to "Good" (including "Good" for Safe in every service, and "Outstanding" in the Well-led domain). Paul will remain Chair at Lincolnshire as well as taking up his new role in Nottinghamshire

Steve Banks – Non-Executive Director and Senior Independent Director

Steve Banks has extensive experience operating at board level within the private sector and in a Non-Executive capacity within the community.

He is currently Chairman of The Tinnitus Clinic and his previous posts include Director of Professional Standards and Superintendent Pharmacist, IT Director and Director of HR at Boots, where he has a long history of providing healthcare services.

He first started working with the Trust whilst at Boots, most recently as a member of the Council of Governors. Steve's first degree was in Pharmacy from Leicester and he has since completed an MBA at Nottingham University alongside numerous Leadership Development Programmes. Alongside his strong strategy and transformation background he has always been passionate about getting it right for patients.

Stephen Jackson – Non-Executive Director and Vice Chair

Stephen Jackson is a qualified accountant who has had a varied career in both the private and public sectors.

After qualifying as an accountant Stephen joined Bass plc. and had several senior financial roles in the company's pubs and hotel subsidiaries.

He has had a wide variety of posts since, including five years in Hong Kong as Chief Financial Officer and Head of Development and IT for Holiday Inn – Asia Pacific.

In 2003, Stephen joined Nottingham Trent University where he held the post of Chief Financial and Operations Officer with overall responsibility for Finance, Estates, Commercial Development, Legal, Registry, IT, and Governance Services. He was also appointed as a member of the Board of Governors and the Academic Board. In May 2016 Stephen retired from NTU.

Stephen also acts as Non- Executive Director with each of the following local organisations: -

- Marketing NG (and Chair of F and GP); Derbyshire Health United
- Chair of the Active Partners Trust (set up to increase participation in sport and active recreation in Nottinghamshire and Derbyshire)
- The Nottingham BID.

Trevor Orman – Non-Executive Director

Trevor joined Nottinghamshire Healthcare on 25 January 2019. He is a high performing leader with a proven track record for initiating and implementing strategic business and cultural change and delivering operational results in complex global organisations. He has over 25 years' experience at senior executive level in aerospace and automotive sectors including 10 years as a member of the Rolls-Royce Civil Aerospace board/leadership team. He is a passionate and inspirational leader. Trevor is a Fellow of the Chartered Institute of Management Accountants. He lives in Derby.

Carolyn White – Non-Executive Director

Carolyn is a highly experienced, senior health care leader with 17 years' experience working at Board level within the complex and highly regulated environment of Acute and Community Foundation Trusts.

She joined Nottinghamshire Healthcare on 4 March 2019 and has a demonstrable track record in harnessing and developing the talents of staff, working to identify and realise their potential and building their confidence so that, even within the most challenging of environments, delivering excellence in patient care is always achievable.

Having worked in two Foundation Trusts and with the Care Quality Commission to develop its well-led framework for Community Trusts, Carolyn has an excellent understanding of healthcare regulation and the rigour trusts must apply to ensure the quality and safety of their services and has worked as both a specialist advisor and executive reviewer with the CQC.

Sue Nixon – Non-Executive Director

Sue has an extensive background in diverse local authority, leisure, education & health organisations, devising policy and managing strategy and culture change across all levels. She graduated with a degree in Architecture from Leeds School of Architecture but has worked in senior positions in Local Government., including Wolverhampton City Council and Bromsgrove District Council, before joining the NHS in 2006 as Non-Executive Director with NHS Birmingham East and North Primary Care Trust. Sue also holds positions with St Andrews Healthcare and South Staffordshire and Shropshire Healthcare NHS Foundation Trust (now known as Midlands Partnership NHS Foundation Trust).

Dr Alison Rose-Quirie – Non-Executive Director

Alison has worked within health and social care for 12 years and is Chair of several companies, including an architectural and an event management company. She completed a law degree at UCW Aberystwyth, a Masters in Business Administration at Middlesex Business School and a PhD at Leeds University. She has worked at a senior level in mental health and secure prison settings including Group 4, Care UK and Swanton Care and Community, and has guest chaired an inspection for the CQC. Currently Alison is a NED for Essex Partnership University NHS FT and One Housing Group. Alison also represents Team GB in the middle-distance triathlon.

Board of Directors: attendance at Board meetings 2019/20
The Board met on 8 occasions during the year

Name	Role	Meetings Attended 2019/20	% Attendance
NON-EXECUTIVE DIRECTORS			
Dean Fathers	Chair	7 of 7	100%
Paul Devlin	Chair	1 of 1	100%
Sheila Wright	Non-Executive Director	5 of 7	71%
Steve Banks	Non-Executive Director	7 of 8	88%
Stephen Jackson	Non-Executive Director	8 of 8	100%
Di Bailey	Non-Executive Director	6 of 7	88%
Trevor Orman	Non-Executive Director	7 of 8	88%
Carolyn White	Non-Executive Director	7 of 8	88%
Alison Rose-Quirie	Non-Executive Director	1 of 1	100%
Sue Nixon	Non-Executive Director	1 of 1	100%
EXECUTIVE DIRECTORS			
John Brewin	Chief Executive	8 of 8	100%
Simon Crowther	Executive Director of Finance	7 of 8	88%
Julie Attfield	Executive Director: Nursing & Mental Health	7 of 8	88%
Julie Hankin	Executive Medical Director & Interim Executive Director is Forensic Services	8 of 8	100%

Paul Smeeton	Executive Director: Local Partnerships Division	0 of 1	0%
Peter Wright	Executive Director: Forensic Services Division	6 of 6	100%
Anne- Maria Newham	Executive Director of Nursing, AHP's and Quality	1 of 1	100%
Clare Teeney	Director of Human Resources* & Executive Director: People and Culture	7 of 8	88%
Angela Potter*	Director of Business Development & Marketing	3 of 4	88%
Lisa Dinsdale*	Interim Director of General Health	7 of 8	88%
Deb Wildgoose	Interim Executive Director of Nursing	6 of 6	100%
Itai Matumbike	Interim Executive Medical Director	2 of 2	100%

Performance evaluation

The Board of Directors recognise the importance of ensuring ongoing assessment of its performance, that of its committees and of its directors, including the Chair, to ensure all aspects remain fit for purpose and support the sustainability of the Trust and the delivery of its strategic vision.

All our Non-Executive Directors fulfil the same primary role and it is important for us to acknowledge the additional activities which are undertaken in order to support their understanding of the Trust, its challenges and best practice.
Activities include:

- Organisation Site Visits – visit teams/services trustwide in accordance with a refined programme to ensure all teams/services are visited by Board members. Non-Executive Directors will routinely invite Governors to observe their site visit to enable accountability. In addition to this, visiting clinical areas allows Non-Executives to triangulate their understanding and provides an opportunity to challenge and scrutinise the governance and practice of the services and teams within the Trust
- External training and networking – Non-Executive Directors willingly participate in national training and networking events, some of which are occasionally specific to elements of their enhanced duties (e.g. Audit Committee Chair, Senior Independent Director and Vice Chair)
- Stakeholder engagement – where needed Non-Executive Directors have actively engaged with key stakeholder organisations to support wider system development and engagement within the membership and general public.

The Chair uses performance assessments and evaluations as a basis for determining individual and collective professional development programmes for Non-Executive directors relevant to their duties as Board members.

The Chair is appraised twice a year jointly by the Senior Independent Director and the Lead Governor. The appraisal is informed by a 360-degree appraisal questionnaire which is completed by a selection of Governors, Directors and other staff. The appraisal is reported to the Governor's Nominations and Remuneration committee before being reported to the full Council of Governors.

The Chair appraises the Chief Executive's performance twice yearly. Due to the nature of the closeness of their working relationship, a 360-degree appraisal tool is used to enable Non-Executive Directors and Executive Directors to provide feedback to the Chair on the Chief Executive's performance. The results are used by the Chair to bring a wider perspective to the review.

It is within the powers of the Council of Governors to remove or suspend any Non-Executive directors. The process is set out within the Trust Constitution. These powers have not been required in 2019/20.

Declaration of interests

Governors and Trust decision making staff are required to, and have signed to say that they will comply with their respective codes of conduct and declare any potential conflict of interest. Registers of interest are maintained. These registers can be accessed on the Trust's website, www.nottshc.nhs.uk, and copies can also be obtained by members of the public by writing to the Trust Secretary at Trust headquarters.

Audit

The Audit Committee met on 5 occasions during 2019/20

Name	Position	Meetings attended in report period	% Attendance
Steve Banks	Non-Executive Director	4 of 5	80%
Stephen Jackson (chair of Committee)	Non-Executive Director	5 of 5	100%
Di Bailey	Non-Executive Director	2 of 4	50%
Sheila Wright	Non-Executive Director (Chair from August 2018)	1 of 4	25%
Trevor Orman	Non-Executive Director	4 of 5	80%
Carolyn White	Non- Executive Director	5 of 5	100%
Sue Nixon	Non-Executive Director	1 of 1	100%
Alison Rose-Quirie	Non Executive Director	1 of 1	100%

The Audit Committee is required to review the establishment and maintenance of an effective system of internal governance, risk management and internal control. Key activities of the last year include the following:

- Consideration of the results of the External Audit for the year ended 31 March 2019 prior to approval of the financial statements.

- Consideration of the adverse conclusion for the prior year quality indicator on inappropriate out of area placements.
- Reviewed the Annual Governance Statement, together with the Head of Internal Audit and External Audit opinion.
- Provided ongoing oversight of the risk management strategy and processes.
- The Committee reviewed Compliance with the FT licence. A detailed review of the Code of Governance also took place which provided assurance over compliance with a few small actions to consider in the year end processes.
- A report on the revised statutory guidance on Conflicts of Interest was reviewed and the actions taken to ensure compliance were noted.
- The Committee has considered on a number of occasions, changes to accounting policies and emerging accounting issues, their implications for the Trust and how these are being addressed.
- Consideration of external audit planning matters for the year ended 31 March 2019 including asset valuation methodology (location factors and useful lives) and the external audit plan.

Internal audit
The Trust's internal audit service is provided under contract by 360 Assurance who provide one of the main independent sources of assurance to the Board of Directors. 360 Assurance undertake audit reviews in accordance with the Trust's internal audit plan as approved by the Audit Committee. The plan provides for core assurance provision and assurance against identified risks having potential to impact on the achievement of the Trust's strategic objectives (alignment with the Board Assurance Framework). It supports the Trust in the evaluation and continual improvement of the effectiveness of its risk management and internal control processes. The plan is flexible to ensure it meets the Trust's assurance needs in respect of the changing risk environment in which it operates and provides the basis for the provision of a robust annual Head of Internal Audit Opinion to support the Trust's Annual Governance Statement.

The Trust's Audit Committee monitors the delivery of the Internal Audit Plan at each of its meetings. 360 Assurance attend all meetings of the Committee presenting a progress update on new and follow-up reviews, the key findings of each audit review undertaken, agreed recommendations and the associated Audit Opinion.
The Committee continues to maintain oversight of implementation of agreed internal audit actions at each meeting, with detailed scrutiny of slippages occurring at the relevant Board Committees. The sub Committees of the Board have responsibility for reviewing and scrutinising the implementations of relevant internal audit recommendations which are standing formal agenda items at each meeting. Summary reports are provided to the Board of Directors following each meeting with any identified issues of concern escalated as appropriate.

External audit
External audit services are provided by Mazars. The contract started in July 2019 for a period of three years (+two optional years) with a value of £51k pa for the standard agreed service in 2019 (including the quality report). The contract went out for tender during 2019 and followed a robust process engaging core members of the Audit Committee and representation from the Council of Governors. The Council of

Governors formally approved the appointment of Mazars as the Trust's External Auditors.

At each meeting, the Committee receives a report from Mazars, outlining progress and highlighting matters such as emergent national guidance and findings of national benchmarking reviews.

Counter fraud and security management
At each meeting, the Committee continues to receive and discuss a detailed report against plan, an overview of local fraud investigations, fraud warnings and intelligence bulletins.

One area of focus has been on prevention. In order to help ensure all new starters are familiar with Counter Fraud, work has been done to develop a new e-learning package. The Committee also receives a tracker showing progress against recommendations, to help ensure lessons are learned.

Details of any political donations

Nottinghamshire Healthcare NHS Foundation Trust has made no political donations during 2019/20.

Better payment practice code

The better payment practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is the later.

The Trust's performance against the code in 2019/20 has been calculated as follows:-

Measure of compliance	Number	£000s
Non NHS Payables		
Total non NHS trade invoices paid in the year	70,289	216,788
Total non NHS trade invoices paid within target	61,016	198,975
Percentage of non NHS trade invoices paid within target	87	92
NHS Payables		
Total NHS trade invoices paid in the year	1,873	13,843
Total NHS trade invoices paid within target	1,662	13,302
Percentage of NHS trade invoices paid within target	89	96

Where invoices are sent directly to the Accounts Payable department, the payment period is calculated from the date of the invoice, plus a buffer of 4 days to allow for the invoice to arrive at the Trust. Where invoices have been sent directly to off-site locations, the payment period is calculated from the date the invoice is received within the Accounts Payable Department.

The Trust is signed up to the Prompt Payment Code and no interest was paid under the Late Payment of Commercial Debts (Interest) Act during the 2018/19 financial year, however the potential liability was £168k.

Income disclosures
The Trust's main source of income is received from local Clinical Commissioning Groups, NHS England and Local Authorities. The requirement that the Trust's income from the provision of goods and services for the purpose of the health service in England must be greater than income from the provision of goods and services for any other purposes has been met. The majority of the Trust income is received for the provision of healthcare. In relation to non-healthcare services the intention is to at least recover all costs ensuring there is no detrimental impact on the provision of goods and services for the purpose of the health services in England.

Compliance with cost allocation and charging guidance
The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

NHS Improvement's well-led framework
The trust has not carried out a well-led review during 2019/20 but have commissioned a review to take place in 2020/21.

Entity Information
Nottingham Healthcare NHS Foundation Trust is a Public Benefit Corporation established in accordance with the National Health Service Act 2006 as amended by the Health and Social Care Act 2012. The entity is based in and wholly operates in England with its registered office being located at The Resource, Duncan Macmillan House, Porchester Road, Nottingham, NG3 6AA.

Disclosure to auditors
Each director of the Board of Directors has confirmed that:

- So far as they are aware, there is no relevant audit information of which the Trust's auditor is unaware and

They have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information

COUNCIL OF GOVERNORS

Composition of the Council of Governors

Constituency	Sub-Constituency	Elected / Appointed	Number of Governors	Number of Members*
	Nottingham City	Elected	6	2242
	Nottinghamshire County		11	4720

Public, Patient, Service User & Carer	South Yorkshire and the Rest of the East Midlands		2	1798
	Rest of England & Wales		2	627
		Sub Total	**(21)**	**9387**
Staff	Nursing	Elected	2	2564
	Allied Health Professionals		2	1022
	Clinical Support		2	2715
	Medical		1	335
	Non-Clinical Support		1	2154
		Sub Total	**(8)**	**8790**
Partners		Appointed	8	N/A
		Sub Total	**(8)**	
		TOTAL	**37**	

*****Membership figures are subject to ongoing changes and are therefore indicative

Duties and responsibilities of the Council of Governors

The Council of Governors forms an important and integral element of the Trust`s governance structure, having two statutory general duties, these being:

- To hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and
- To represent the interests of the members of the Trust as a whole and the interests of the public.

Matters reserved for the Council`s decision and set out within the Trust`s Constitution are:

- the appointment and removal of the Trust`s Chair and Non-Executive Directors
- determination of the terms of service, remuneration and other allowances of the Trust`s Chair and Non-Executive Directors
- to approve the appointment of the Chief Executive (other than the initial Chief Executive of the NHS Foundation Trust)
- to approve amendments to the Trust`s NHS Foundation Trust Constitution
- the appointment and removal of the Trust`s external auditor
- to provide views to the Board of Directors on the strategic direction of the Trust and targets for the Trust`s performance and in monitoring the Trust`s performance in achieving those strategic aims and targets
- to hold the Board of Directors to account in relation to the Trust`s performance
- to give the views of the Council of Governors to the Directors for the purpose of the preparation of the Forward Plan
- to consider and give/withhold approval for applications for a merger, acquisition, merger, separation or dissolution
- to consider and give/withhold approval for the Trust to enter into a Significant Transaction (as defined within the Constitution)
- to be presented with the Trust`s annual accounts, any report of the Auditor on them and the Annual Report

- to consider resolutions to remove a Governor
- to respond as appropriate when consulted by the Directors
- to exercise other functions at the request of the Directors

Governor Elections

An election concluded on 25 April 2019 to fill 7 vacancies on the Council of Governors (5 vacancies in the Nottinghamshire County constituency and 2 vacancies in the Nursing constituency). The election was led by the Electoral Reform Service (Civica). All seats were contested, with the 7 vacancies being successfully filled.

In December 2019 the Trust undertook an election to fill 8 upcoming vacancies on the Council of Governors due to terms of office coming to an end on 28 February 2020. Civica led the election process which concluded on 5 February 2020. All seats except two were contested; one nomination was received for the rest of England and Wales Constituency, and no eligible nominations were received for the Nottinghamshire County constituency. 7 of the 8 vacancies were filled, leaving one remaining vacancy in the Nottinghamshire County constituency.

An induction programme is underway for the new Governors, including a 'Core Skills' training day on 5 March, delivered by NHS Providers.

An internal election will soon be held for Governors to elect a new Lead Governor.

Activities of the Council of Governors 2019/20

Recruitment and visits
Governors have a statutory responsibility for the appointment of the Chair and Non-Executive Directors. As a Trust we also engage the Governors in other senior management appointments. During 2019/20 governors have actively been involved in the following appointments:

- October 2019 - appointment of two Non-Executive Directors and the new Trust Chair
- November 2019 - recruitment of Executive Director of Partnerships and Executive Director of Nursing, AHPs and Quality
- December 2019 - recruitment of the Director of Forensic Services
- March 2020 – interviews for the Director of Operational Finance.

Two public Governors and two staff Governors were involved in the judging of the Trust Oscar awards.

Two Governor group visits took place to Arnold Lodge medium secure unit in November 2019.

Other Governor visits took place as follows, accompanying Non-Executive Directors:

27 September 2019 Pharmacy, Highbury Hospital
11 October 2019 B2, Bassetlaw District General Hospital
4 November 2019 Quantock Ward, Rampton Hospital
31 January 2020 HMP Lowdham Grange

Governor Engagement and Representing the Public

The Council of Governors has a statutory duty to represent the views of the membership and the wider public on key issues relating to the Trust's forward plans, its objectives, priorities and strategy.

During 2019/20 Governors have continued to hold the Trust to account on its priorities through the monthly accountability sessions and its formal Council meetings. Governors have had the opportunity to join in focus sessions with the CQC as part of the Well-Led Review and support the Great Place to Work programme and bringing our values and behaviours together.

Governors will continue to engage with their constituents by:

- Attending consultation events
- Attending the Trust Annual Members' Meeting/Annual General Meeting
- Attending the Council of Governors meetings
- Engaging with members via the two Involvement Centres.
- Membership of the Mid-Notts Better Together Board
- Contact from members via the Trust website

The Trust will continue to seek to further enhance the processes by which the Council of Governors is engaged and supports the development of the Trust's future plans, ensuring that all stakeholders have an opportunity to contribute. This includes quarterly joint Council and Board meetings, which will allow any proposals to be shared with Governors at an early stage and allow Governors to seek more detailed content on key developments within the Trust.

An ongoing log of all Governor questions and issues/concerns is maintained. Actions and outcomes are recorded and are fed back to the Council of Governors where impact can be demonstrated.

There is a quarterly development seminar provided to Governors from a variety of Trust services which provide an overview of the service, alongside discussions on risks and opportunities. Governors also have access to regional and national development sessions and conferences hosted by NHS Providers.

Council of Governors and Supporting Structure

The Council of Governors performs its role and responsibilities through general meetings of the Council, monthly accountability and development meetings, participation in service area visits and observations at the Board of Directors and related sub-committees.

In 2019/20 the Council held 4 formal meetings, which took place in April, July and October 2019, and January 2020. In addition, the Trust`s Annual General Meeting/Annual Members Meeting was held in July 2019. The Council also held an extraordinary Council of Governors meeting in November 2019 to carry out its powers to approve the appointment of the Trust's new Chair.

Lead Governor
The role of the Lead Governor is to:

- act as a point of contact for NHS Improvement should the regulator wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.
- be the conduit for raising with NHS Improvement any Governor concerns that the Trust is at risk of significantly breaching the terms of its authorisation, having made every attempt to resolve any such concerns locally.
- Chair such parts of meetings of the Council of Governors which cannot be chaired by the Trust Chair/Vice Chair due to a conflict of interest in relation to the business being discussed.
- support the continued and progressive development, operation of and governance arrangements of the Council of Governors.
- be a key conduit for communication between the Council of Governors and the Board of Directors.

The Council of Governors agreed the process by which the Lead Governor was elected. The position held in 2019/20 was as follows:

Position	Post holder	Dates	
		From	To
Lead Governor	Jenny Britten	01/03/2017	28/02/2020

The Lead Governor role is currently vacant pending an internal election. This was postponed until the newly elected Governors had completed their induction programme allowing all Governors the opportunity to stand for Lead Governor should they wish to. It has since been postponed further due to COVID-19.

Monthly Meetings
Governor monthly informal meetings took place during 2019/20 with presentations from the following services/departments:

Offender Health
Community Health – South Nottinghamshire
Mental Health Services for Older People
Forensic Services – Wathwood Hospital
Children and Young People's Services
Involvement, Experience and Volunteering
Community Forensic Services
Research and Innovation
Annual Plan and Internal Indicator*

*This was cancelled due to COVID-19. Governors selected the internal indicator remotely instead.

Steering Group and Nomination & Remuneration Committee
The Council of Governors is supported by a Steering Group formed of the Lead Governor, Trust Chair, Vice Chair, Trust Secretary and Governor & Membership Officer. The Steering Group takes responsibility for setting and agreeing the agenda of the formal Council of Governors meetings.

The Council of Governors` Nomination & Remuneration Committee is responsible for reviewing and making recommendations to the Council of Governors with regard to Chair and Non-Executive Director terms of service, remuneration and appointments. The Committee is chaired by the Lead Governor and has a membership consisting of 4 additional governors with relevant skills and experience.

Governor Members 2019/20

The following Governors served on the Council of Governors in 2019/20:

Current Governors				
Governor	**Constituency**	**Start Date**	**End Date**	**Meetings Attended**
Jenny Britten (Lead Governor)	Nottingham City	1 March 2017	29 February 2020	4 of 4
**Rebecca Cassidy	Nottingham City	1 March 2018	28 February 2020	4 of 4
Lorna Marshall	Nottingham City	1 March 2018	28 February 2021	0 of 4
Jean-Rene Agbodjan	Nottingham City	1 March 2019	28 February 2022	1 of 4
Linda Bennett	Nottinghamshire County	1 March 2017	29 February 2020	4 of 4
Tad Jones	Nottinghamshire County	1 March 2018	28 February 2021	3 of 4
Susan Kernahan	Nottinghamshire County	1 March 2018	28 February 2021	2 of 4
Teresita Martin-Browning	Nottinghamshire County	1 March 2018	28 February 2021	3 of 4
Derek Brown	Nottinghamshire County	1 January 2019	31 December 2021	3 of 4
Anita Astle	Nottinghamshire County	1 January 2019	31 December 2021	4 of 4
Dean Repper	Nottinghamshire County	1 May 2019	30 April 2022	3 of 3

Julie Walton	Nottinghamshire County	1 May 2019	30 April 2022	3 of 3
VACANT	Nottinghamshire County	N/A		
Pam Beech	South Yorkshire & rest of the East Midlands	1 March 2018	28 February 2021	0 of 4
Paul Longhorn	South Yorkshire & rest of the East Midlands	1 Feb 2019	31 January 2022	4 of 4
*George Allerton-Ross	The rest of England and Wales	12 June 2017	28 February 2023	4 of 4
Gbenga Shadare	The rest of England and Wales	1 March 2018	28 February 2021	3 of 4
STAFF				
Stacey Treloar	Nursing	1 August 2019	30 April 2022	1 of 3
Graham Woodward	Nursing	1 May 2019	30 April 2022	3 of 4
Helen Caldwell	Allied Health Professionals	1 March 2019	28 February 2022	4 of 4
Mike Marriott	Allied Health Professions	1 March 2017	29 February 2020	2 of 4
Corrine Hendy	Clinical Support	1 March 2017	29 February 2020	2 of 4
Pallab Majumder	Medical	1 March 2019	28 February 2022	1 of 4
Tony Bradstock	Non-Clinical	1 March 2018	28 February 2021	4 of 4
PARTNER				

Rob Gardiner	3rd Sector – Carers Federation	1 March 2019	28 February 2022	4 of 4
Angela Kandola	3rd Sector – AWAAZ	1 March 2019	28 February 2022	1 of 4
Kathy Thomas	3rd Sector Barnardos	1 March 2019	28 February 2022	3 of 3
Roshan Das Nair	Nottingham Trent University	1 March 2019	28 February 2022	2 of 4
Paddy Tipping	Police & Crime Commissioner	1 March 2019	28 February 2022	1 of 4
Lucy Robinson	Chamber of Commerce	1 March 2019	28 February 2022	0 of 4
Cllr Steve Vickers	Nottinghamshire County Council	1 October 2019	28 February 2022	3 of 3

*Re-elected in the most recent election
** moved out of constituency

Governors for part of 2019/20

Governors	Constituency	Start Date	End Date	Meetings Attended
PUBLIC				
Anthea Mutepfa	Nottingham City	1 March 2020	28 February 2023	0 out of 0
Helen Drury	Nottingham City	1 March 2020	28 February 2023	0 out of 0
Steve How	Nottingham City	1 March 2020	28 February 2023	0 out of 0
STAFF				
Alicyja Uczniak	Clinical Support	1 March 2020	28 February 2023	0 out of 0
Malcolm Streets	Clinical Support	1 March 2020	28 February 2023	0 out of 0
Emma Dominey-Hill	AHPs	1 March 2020	28 February 2023	0 out of 0
PARTNERS				
Adisa Djan	Nottingham City Council	2017	Left 6 January 2020	0 out of 3

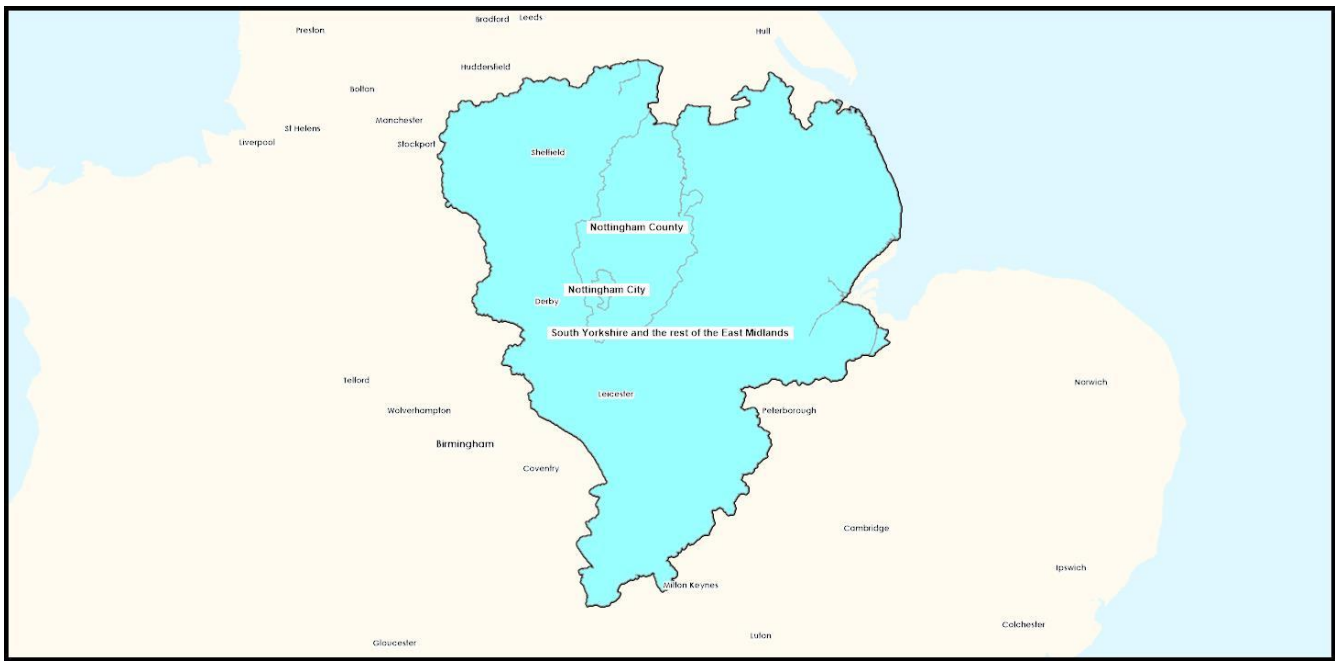
Tony Harper	Nottinghamshire County Council	2018	Left October 2019	0 out of 2

A register is maintained of the declared interest of Governors and can be found on the Trust website by visiting www.nottinghamshirehealthcare.nhs.uk/meet-your-governors

Membership Eligibility Criteria and Constituencies:

Public, Patient, Service User & Carer membership

Trust membership is open to any individual aged 12 or over who live in England or Wales. There are four public membership geographical constituencies: Nottingham City, Nottinghamshire County, South Yorkshire & the Rest of the East Midlands, and The Rest of England & Wales.



Criteria which prevent an individual becoming a member or retaining membership of the Trust are set out within the Trust`s Constitution. Any public member wishing to stand for election as a Governor must be aged 16 or over.

Trust staff membership

Staff who meet the criteria below* are automatically enrolled as members of the relevant staff constituency on appointment. All staff members have the right to opt-out of membership at any time and information about this can be found in the staff handbook on Connect, the Trust intranet site.

*A person who is employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months or has been continuously employed by the Trust under a contract of employment for at least 12 months. A staff member will be a member of the relevant staff constituency dependent on the role undertaken (Medical, Nursing, Allied Health Professional, Clinical Support and Non-clinical Support). A member of staff cannot be a member of more than one sub-

constituency or be a member of a Public, Patient, Service User & Carer and Staff Constituency.

Membership Recruitment and Engagement
We seek to ensure a representative (reflecting geographies, services and demographic diversity) and appropriately engaged membership which adds value in terms of informing the development and provision of high-quality services.

A database is maintained and is used to analyse representativeness of the Trust's membership (although there are no set targets for membership recruitment, we aim to have a greater public membership base than staff and to focus on an engaged membership). Recruitment of new members, however, is still encouraged, particularly of those who have an interest in the Trust and its services. This recruitment can be via members of staff, Governors and volunteers across the Trust, with a particular focus on groups who are under-represented in our membership.

53 new public members joined the Trust in the year 2019-2020. We currently have 9503 public members and almost 9000 staff members.

A data cleanse of the membership database is undertaken on a monthly basis by MES (the external database provider).

A monthly e-bulletin is produced for members, which includes updates and opportunities for member involvement. This is sent to our online members on a monthly basis and is posted to the Trust website. This is linked to the membership page of Connect (the Trust's intranet) for staff members to access. As well as the monthly e-bulletin and emails to all members, we send targeted emails advertising involvement opportunities or events as they arise. Some of these are tailored to members where they have indicated services of interest or by geographical area.

The Trust plans to improve links with third sector organisations and local communities to improve engagement and membership representation based on demographics of our communities and the Trust membership.

We have two active Involvement Centres that engage service user, carer and volunteer members in a wide range of activities. The Involvement Centres play a key role in supporting people to work with the organisation. We have developed our approach and strategy over a number of years and are proud of our approach which has won national awards and international interest.

The Involvement Centres support people to get involved in services and provide staff across the Trust with space to work with service users, carers and volunteers on co-production and decision making**.** The centres provide a focal point for volunteers, including Trust members, to be part of wider community of volunteers across the Trust. This has included participation in service development groups, Trust induction and training, staff recruitment, Patient-Led Assessments of the Care Environment (PLACE) audits, collecting feedback, and projects such as the Ideal Ward Round and the Bassetlaw Loneliness project. Recently, volunteers have contributed to the consultation on the development of the new Trust values. Members are also involved though the Nottingham Recovery College.

Contact and Useful Information
Trust Members can contact Governors either via the Governor Support Office (lucy.mills@nottshc.nhs.uk) or the Membership Office (membership@nottshc.nhs.uk There is also a dedicated email address for Governors (governors@nottshc.nhs.uk) and a membership free phone number: 0800 012 1623.

Staff members can make contact with their relevant Staff Governor via Connect, the Trust intranet site or the Trust website. The Trust intranet 'Connect' has a page about membership, particularly staff membership and what this means for staff, including details of how to opt out of staff membership.

Information about Trust Governors and the constituencies they represent can be found on the Trust website. Members can also follow the Trust and Governors on Social Media including Twitter @NottsHealthcare @InvolveNottsHC @NottsGovernors and Facebook @nottinghamshirehealthcare.
People wishing to join as a Trust member can do so via the online membership form.

SIGNIFICANT PARTNERSHIPS

The Trust has a range of important partnerships and operates within complex local systems. This has required us to carefully respond in a way that maximises the opportunities through partnership working, whilst at the same time maintaining focus on internal performance and priorities, though recognising there is significant alignment between these.

In early 2020, the Trust appointed to a new role of Executive Director of Partnerships in recognition of the need to strengthen our strategic partnerships and explore opportunities for new partnerships. A key priority for the new Director in 2020/21 will be to develop a strategic partnership framework.

Integrated Care Systems
The Trust continues to operate within two ICS footprints:

- Nottingham & Nottinghamshire
- South Yorkshire & Bassetlaw.

In 2019/20, the footprints covered seven CCGs. From April 2020 the six Nottingham & Nottinghamshire CCGs have merged and thus the Trust now works with two main CCGs:

- Nottingham & Nottinghamshire CCG
- Bassetlaw CCG

The two ICS' cover four Integrated Care Partnerships (ICPs) and 23 Primary Care Networks (PCNs). The Trust is a key partner in all of these levels and we are well-represented and engaged at each level.

Our Chief Executive and Chair are members of the Nottingham & Nottinghamshire ICS Board. And our Chief Executive is the 'Convenor' of the South Nottinghamshire ICP.

In 2019/20 we aligned the majority of our community health services to PCNs, and in 2020 we will similarly align core community mental health services.

As the largest provider of community and mental health services locally we have continued to play a key role in implementing ICS clinical strategies, including the focus on managing demand for acute care.

Provider Collaboratives for Specialised Mental Health Services
Provider Collaboratives (formerly known as New Care models) allow providers of specialised services to manage care budgets for specialised mental health services to improve outcomes and reduce out of area placements.

Due to the complexity of the Trust's footprint, the Trust became a partner in six collaboratives across East Midlands and South Yorkshire & Bassetlaw in 2019/20, as set out below, with further collaboratives coming on stream for veterans' health.

Provider Collaborative	Lead Provider
East Midlands	
Adult Secure (IMPACT)	Nottinghamshire Healthcare NHS FT
CAMHs	Northamptonshire Healthcare NHS FT
Adult Eating Disorder	Leicestershire Partnership NHS Trust
South Yorkshire & Bassetlaw	
Adult Secure	Sheffield Health & Social Care Trust
CAMHs	Sheffield Children's NHS FT
Adult Eating Disorder	To be agreed

The East Midlands secure services collaborative, called IMPACT, (total budget c£83.5m) is a significant programme for the Trust in terms of the level of our income within its scope, which is the majority of our current £40.7m income for medium and low secure services. The Trust is the Lead Provider for this programme, in a collaborative of nine providers. The Trust has led significant progress in the programme over the last year, such that NHSE has selected IMPACT to be on the 'fast track' for implementation (now delayed from April 2020 to a later date, yet to be agreed).

Transforming Care - Intellectual Development Disabilities
The Trust has continued working with partners in the local Transforming Care Partnership to develop community services as an alternative to inpatient care, and to support commissioners' intentions to reduce the overall number of beds across all providers.

Children, Young People and Family services
The Trust has continued to work in partnership with Family Action and North Notts College in the delivery of children centre services and the 'Healthy Families Programme'. However, last year Nottinghamshire County Council gave notice of its decision to take the children's centre services back in-house and the Trust is now working with partners to mobilise that by summer 2020.

Development of service delivery through other provider partnerships
In addition to system wide partnership work, we also continue to deliver services in partnership with other providers where this improves service effectiveness and efficiency, and these partnerships can be across a range of sectors, including public, private and 3rd sector. The arrangements can also vary, with the Trust either working as a sub-contractor or having sub-contracts in place. The nature of the Trust's role in these arrangements is always defined by how a service can best be offered to provide integrated pathways in the most efficient manner. An example is the sub-contract the Trust has with the Priority Group to deliver inpatient adult mental health services.

Complaints handling

The Trust takes complaints seriously, investigating and responding to complaints within an agreed timeframe. Every effort is made to address the concerns raised and remedy failings. Complaints are regarded as an opportunity to learn and improve practice.

Wherever possible, complainants are consulted about how their complaint will be taken forward. Complaints and concerns that can be resolved through conversations at a ward or local service level, receive a swifter, less formal response. Those requiring a full investigation receive a comprehensive written reply from a director. In each case, complainants are informed about any measures taken as a result of their complaint. These have often focused on improving communication between services, patients and families, as well as making changes to individual care plans.

A total of 727 complaints were received across the Trust in 2019/20. This is slightly fewer than number received the previous year – 737.

The table below provides the data for the different clinical divisions, with the previous year's figure in brackets.

Division	Number of Complaints Received in 2019/20 (2018/19)	Number of Complaints which were Upheld or Upheld in Part in 2019/20	Number of Complaints Referred to the Ombudsman in 2019/20
Mental Health	215 (229)	65	5
Community Health	48 (64)	10	4
Forensic	464 (444)	117	11
Trust-wide Total	**727 (737)**	**192**	**20**

The quality of the Trust's complaint's handling is monitored by governance meetings, the scrutiny of the CQC and PHSO, a survey sent to complainants and regular complaint files audits against Patient Association standards. The audits are primarily undertaken by service user and carer volunteers.

The Trust operates a Patient Advice and Liaison Service offering patients and the public a single contact point for queries and immediate concerns. The Trust also encourages further comments on its services by subscribing to 'Care Opinion'. This is a publically accessible website that allows patients, service users and carers to share their experiences of our services. Posts receive a response from senior staff within two working days.

Service improvements from feedback
We listen to our service users and carers in many ways – including a Trustwide survey (online, by form and by text), Care Opinion and a range of forums and meetings aimed at involving people in how we deliver care. All the feedback we receive from surveys and Care Opinion is visible online at feedback.nottinghamshirehealthcare.nhs.uk/.

We respond honestly to people's feedback and use the information we receive intelligently to make changes that improve people's health and wellbeing. All the survey comments are read and analysed by our experience team so that the key issues can be seen for each service.

The Trust has a number of mechanisms in place to ensure that feedback is responded to, including a six-monthly reporting cycle for services to share how they have improved services using feedback. At each Board of Directors meeting, a 'Patient Voice' report is discussed which focusses on a directorate and outlines the main issues raised by patients and carers in the previous year and how they are being addressed. Updates on progress made are provided to the Board after three months and one year.

Changes made in the last year as a result of feedback (including over 14,500 responses to surveys with over 8,000 comments offered), include:

- Funding was secured in Adult Mental Health Services to reduce assessment waiting times by recruiting a range of staff including mental health practitioners, psychologists and peer support workers.
- A new hairdresser was recruited at Highbury due to feedback received which talked of long delays for a haircut: www.careopinion.org.uk/opinions/634580
- A change was made to help carers use the underground car park at Stapleford Care Centre at weekends and bank holidays where disabled bays were available for patients: www.careopinion.org.uk/opinions/657518
- Feedback from patients at Rampton Hospital has influenced the revised procedure to change a patients' Responsible Clinician.
- In Bassetlaw, a new triage and responder role has been created within Primary Care Teams to respond to feedback which called for a quicker response time to same day referrals.

- Additional courses supporting parents with returning to work is now provided by the Children's Centres to those families attending the Opening Doors to Confidence course, as they stated this would be useful in their evaluations.

Of the 716 stories posted on Care Opinion in the last year, 11 stories have led to changes. A further 15 planned/intended changes are currently in progress. We remain the flagship Trust for Care Opinion, with the highest number of responding staff, triple that of the next highest Trust.

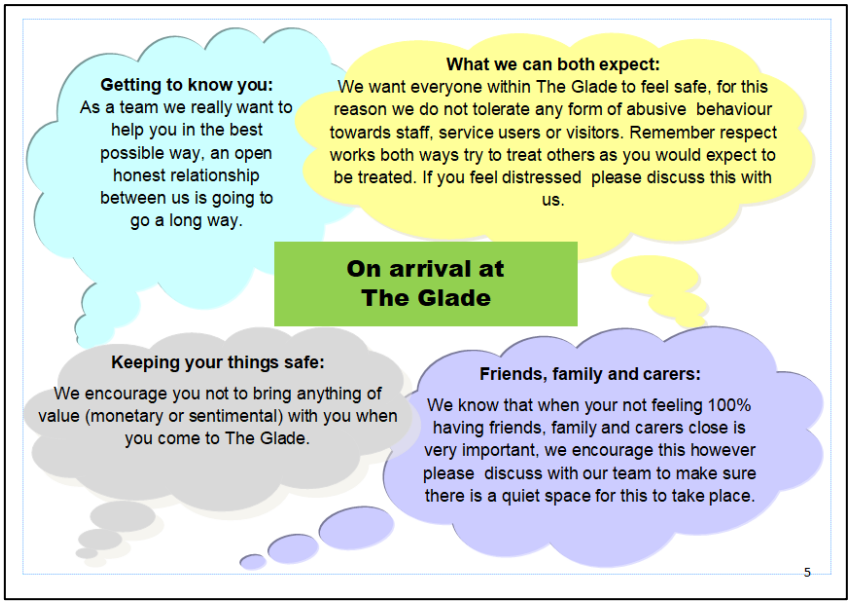
The Trust's overall figures from ten years of working with Care Opinion

Information for patients
Our aim is to communicate with and engage service users, carers, members and the community in whatever ways best suit them – including via our website and social media.

We have continued to improve the information we share on the Trust website relating to opportunities for service users, carers and families to help us to improve our services. This includes volunteering opportunities, as well as opportunities to support service redesign projects and to help us to collect feedback from service users and carers. We have continued to work with carers to improve and update the information we provide for carers on the Trust website as well as continuing to distribute our Guide to Carers and Confidentiality.

In addition, our Involve website (involve.nottshc.nhs.uk) provides specific information about how we are listening to and involving patient and carers, how people can get involved and share their views and about opportunities to volunteer. The @InvolveNottsHC Twitter account and monthly e-bulletin to our Trust membership complement this.

We hold a weekly Patient Information Group, a collaborative group which formed in 2019, involving service user and carer volunteers and staff who review and produce new information for patients. This year's work has included producing information for service users on arrival at The Glade (Primary Care Decision Unit) and partnering with the Safeguarding Team to produce information and advice about financial abuse.



A page from the information booklet received on arrival at The Glade.

During the last year, the Trust Communications department carried out a comprehensive review of the Trust's website, making sure that patient, service user and carer facing materials were refreshed and re-ordered to make the site easier to navigate.

Patient and public involvement

We continue to work with service users, carers, members and our communities, to enable them to develop and shape our services in partnership, using both traditional and innovative approaches. A number of projects have been undertaken to bring about improvements to services and to involve people in reviews of our care through PLACE audits and CARe reviews.

Key activities include:

- We have continued to progress our work around Collaborative Service Change and the model that was developed with the support of the King's Fund.

- We have had three meetings of the Bassetlaw Collaborative Loneliness Project as part of the Bassetlaw Integrated Care Partnership's (ICP) work. The meetings have involved a range of statutory and voluntary organisations

as well as service user and carer volunteer. The project is looking to use a screening tool for use by GP's in line with national guidance to measure loneliness, to raise awareness of loneliness and the associated stigma and provide self-support information and tools, and to map the organisations/projects that currently tackle loneliness in Bassetlaw.

- We have held two workshops with the Nottingham Mental Health and WellBeing Steering Group to develop a collaborative approach to the Prevention Concordat that is going to be developed in the City. The project is called Action for Better Mental Health and the sessions brought together a range of organisations, service users and carers to begin to work together to develop the Concordat. and is looking at how we can A follow up meeting is happening in January.

- We have continued to work with carers through our Carers Connected Conference (previously the Carers Strategy Group). Carer Awareness and Triangle of Care Staff Training has been embedded into our Trust learning and development programme with an online version being developed for Summer 2020. The Carers pages on our Trust website have been updated carers-how-we-work-with-you. The next phase of the Triangle of Care requires self-assessments to be completed in all physical health services and for inpatient, crisis teams and community mental health teams to update their self- assessments. In March 2020, we were awarded Employers for Carers scheme 'Carer Confident Level 1' via Carers UK, to recognise those staff in our workforce who are (unpaid) carers under our Staff Health & Wellbeing offer to all existing and new staff.

The Trust's badge verifying that we are Carer Confident Level 1 (from Carers UK)

- Service user and carer volunteers have been involved in 29 PLACE (Patient-Led Assessments of the Care Environment) assessments across a number of sites including Highbury and Millbrook Hospital and John Eastwood Hospice.

- Volunteers have been involved in nine Compliance Assurance Reviews (CARe). These are cross-divisional assessments that check the various sites against the fundamental standards of quality and safety that are also monitored by CQC.

- The Ideal Ward Round project is now part of AMH's Purposeful Admission Workstream and is being directly supported by the QI Team. Further work has taken place this year to gather feedback on how ward rounds are running and how they could be improved.

- Service user and carer volunteers have been involved from the outset in the development of Mental Health Sanctuaries, which began in October 2019. This ran as a collaborative group with a specific focus on mental health sanctuaries as part of the NHS England direction to bolster the crisis pathway. There were three main collaborative sessions, with task and finish groups meeting between these. The product of these was an agreed brief for what a mental health sanctuary should provide. Further info and notes of meetings were made available publicly and can be found on www.nottinghamshireinsight.org.uk under Transformation of Mental Health Crisis Care Pathway.

- A patient focus group at Arnold Lodge reviewed the Care Programme Approach (CPA) Recovery Outcomes Care Plans, rewording and adding new sections. They also requested that prior to all CPA review meetings, staff meet with them to go through the report, which will now happen.

- 200 patients of physiotherapy services have been involved in the trial of a new advice and exercise app called PhysioWizard. The trial has identified the need for refinement if it is to be universally helpful to patients.

- The 'Waiting Well Project' brings together staff and volunteers to discuss how we improve the way we communicate with service users on our waiting list and how we improve their experience.

- Service user and carer volunteers are heavily involved in the delivery of Adult Mental Health Band 6 Assessment Skills training for community nurses and OTs. Service user/carers stories are shared by our volunteers and used to frame the 1st session of the week-long training programme, and the session on Recovery & Care Planning is being co-delivered with one of our involvement volunteers.

New or significantly revised services

During 2019/20, the Trust undertook a number of service transformation initiatives, often in partnership with others, including commissioners. The Trust also secured some contract renewals that were competitively tendered. We also retracted from a small number of services, and some were awarded by commissioners to other providers. Examples include:

New or enhanced services

- Specialist Community Forensics Services – the Trust successfully bid to pilot a new Assertive Transitions Service, as part of the East Midlands IMPACT collaborative, in response to a national procurement
- Crisis Home Treatment Teams were enhanced to meet 'core fidelity' staffing levels, offering 24/7 gatekeeping and home treatment, resulting in a reduced admission rate and improved crisis care pathway. In addition, good progress has made to develop a psychiatric decisions unit that will come on stream later in 2020.
- Primary Care Psychiatric Medicine service – the Trust received additional funding from local commissioners to roll out the new service from Rushcliffe into Nottingham West and Nottingham North & East

- End of Life care - the Trust has continued to work with partners in the Mid Nottinghamshire Alliance on improving the end of life pathway and now has a Head of End of Life leading multi-agency delivery.

Retained services

- Re-secured a place on the commissioner frameworks to provide locked rehabilitation
- Secured contract extension for gender dysphoria services and applied to extend reach of the services into Manchester (outcome pending).

Retracted services

- Children's Centre Services - are currently provided through a partnership arrangement between the Trust, North Notts College and Family Action. The contract has been in place for 7 years. In 2019, Nottinghamshire County Council, who commission the service, served notice that the contact will end on 31 May 2020 and they will take the service back under their direct management. This will have a significant impact on the Trust's children and young people's services, and during 2020 we will be working with NCC and our relevant staff on the transfer of the service.
- Community Dental Services – the Trust was not selected in a competitive procurement for continuation of the Nottinghamshire service, and the contract was awarded by commissioners to a private provider

Hospice services in Bassetlaw – the Trust took the decision to relinquish the lead contract and is working with Doncaster & Bassetlaw Hospitals NHS Foundation Trust (DBH) and the local CCG to facilitate the transfer of the contract from the Trust to DBH. This is a precursor to a proposed wider alliance review of the entire End of Life Pathway in Bassetlaw, learning the lessons from a similar approach in Mid Notts.

Dr John Brewin
Chief Executive
June 2019

REMUNERATION REPORT

Annual Statement on Remuneration From The Chair Of The Nominations And Remuneration Committee

Senior Managers' remuneration relates to voting and non-voting Directors of the Board.

The Trust has two Nomination and Remuneration Committees. One is established by the Board of Directors and comprises Non-Executive Directors that oversee the nomination and remuneration of executive appointments and the composition of the Board of Directors. The second, established by the Council of Governors and formed of Governors, oversees the nomination and remuneration of Non-Executive Director appointments.

The cost of living pay increase awarded to Directors of the Trust Board was paid in accordance with the arrangements determined by Ministers and notified to the Trust by NHS Improvement i.e. a fixed amount of £2,075 per annum. In determining this amount Ministers referred to the awards agreed for senior staff whose pay is determined by Agenda for Change terms and conditions of service; medical and dental staff; and Department of Health and Social Care arm's length body for executive and senior managers.

SENIOR MANAGERS' REMUNERATION POLICY

Separate pay policies exist for a) the Chief Executive and employed Directors and b) the Chair and Non-executive Directors.
The current components of the remuneration packages for Employed Directors, includes:

- their salary - determined by market conditions and capability requirements
- expenses (which are paid in accordance with Agenda for Change terms and conditions)
- An entitlement to be part of the NHS pension scheme.

For Non-Executives Directors the remuneration package includes:

- their salary - determined by market conditions and capability requirements;
- Expenses - claimed in accordance with Agenda for Change terms and conditions or, where applicable, in accordance with the conditions set out by NHS Improvement (previously Trust Development Authority).

The table, below, summaries the component parts of the remuneration package:

	Employed Director	**Non-Executive Director**
Salary	Y	Y
Expenses	Y	Y
Pension	Y	N

The Medical Director received remuneration for a Clinical Excellence Award payment, this payment is detailed below.

Employed Directors of the Board

There are three component parts to the pay of employed Directors. These are; a salary payment, pension contribution and expenses.

The salary for each of the employed directors is determined by the Nominations and Remuneration Committee, and the decisions regarding pay rates are informed by national pay benchmarking data, personal performance and the performance of the Trust as a whole. Personal performance is considered by the Committee following annual appraisals. The content of any nationally determined pay awards (e.g. Agenda for Change) are also considered.

The wider skills requirements of the Board are also considered as part of assessing remuneration, as it is important that there is sufficient capacity and capability in the short and long term to support the strategic objectives of the Trust. This is assessed alongside benchmarking data.

The maximum payable is determined by the market forces, the need of the business at that time and, where the proposed salary is over £150,000 per annum, the opinion of the Secretary of State for Health and Social Care.

Following the evaluation exercise referred to above, the current payments being made are consistent with those being paid to others in similar roles within the NHS.

The pension element is paid in accordance with the NHS pension scheme contributions whereby the employee contributes either 13.5% or 14.5% (depending on salary) and the employer makes a 14.38% contribution (including 0.08% service administration levy).

Expense claims are paid in accordance with Agenda for Change terms and conditions. The maximum amounts that can be claimed are determined nationally and are set out in national terms and conditions.

The Medical Director, in accordance with National Terms and Conditions for Doctors and Dentists, can be awarded a payment via the Clinical Excellence Awards Scheme. The Medical Director is in receipt of an annual award of £24,128

Employed Directors of the Board are required to participate in the Trust's on-call arrangements; no additional remuneration is paid for this.

Where an Employed Director of the Trust is paid more than £150,000, the Trust has assured itself that this payment is reasonable and appropriate. Relevant benchmarking has been undertaken and labour market conditions have been reviewed and tested.

Increases in pay can be withheld where it is considered, through the annual appraisal process, that individual or Trust performance warrant this. These increases can also be withheld subject to affordability and the labour market conditions. There are no provisions for the recovery of sums paid to Directors.

Performance is considered as part of an annual appraisal cycle. Should a situation arise where performance is considered poor, then the principles of the Trust's Conduct and/or Capability Policy would be applied. In the case of the Medical Director, the Trust policy on Maintaining High Professional Standards would apply.

In all cases of ill-health, the Trust's sickness absence policy would be applied. In all cases, alternative employment within the Trust and/or wider NHS would be considered, in accordance with the Trust's overall approach towards redeployment. There are no other or new components to the remuneration package.

For Employed Directors pay is determined by the Nominations and Remunerations Committee in accordance with the Trust Policy and Procedure for Determining the Remuneration of Employed Directors. Other Trust employees are paid in accordance with NHS national terms and conditions, except where they have transferred into the Trust according to TUPE arrangements; retaining their former terms and conditions.

Wider Trust employees were not specifically consulted with in the development of the Policy and Procedure for Determining the Remuneration of Employed Directors. However, the policy was developed with full consideration of the terms and conditions of other staff groups in addition to national guidance.

The policy is aligned, in many ways, to the terms and conditions of other staff groups. In determining remuneration levels, benchmarking data from comparative organisations, was used to inform decisions taken by the Remuneration Committee. The policy is reviewed on a regular basis.

Components of remuneration packages

	Salary	Pension	Expenses	Clinical Excellence Award
Description	Determined by Nominations and Remuneration Committee. Benchmarking data is used to inform the decision along with the skills requirements for the board.	Employer contribution 14.3% in accordance with the NHS pension scheme.	Paid in accordance with Agenda for Change terms and conditions.	Payment is only applicable to the Medical Director and is in accordance with the local and national scheme.
How the Component Supports the Short and Long Term Strategic Objectives of the Trust-	Ensuring recruitment and retention and board stability in the short and long term. Ability to attract and retain staff.	Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff.	Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff.	Ensuring recruitment and retention and Board stability in the short and long term. Ability to attract and retain staff.
Review Mechanism and Timeframe	Annually via annual appraisal and Nominations and Remuneration Committee.	Reviews are undertaken nationally as this is a nationally applicable scheme.	In line with any national change to terms and conditions.	In line with any national change to the clinical excellence award scheme.
Maximum and Minimum that can be paid	Reviewed annually according to performance of Trust, performance of individual, benchmarking data and skill requirements of the Board. The maximum and minimum amounts payable are reviewed annually. In circumstances where poor performance is identified, this is managed in accordance with the Trust's policies for conduct and capability. In the case of the Medical Director it is the policy for Maintaining High Professional Standards.	N/A	N/A	Determined by local and national policy.

NON-EXECUTIVE DIRECTORS

The pay for Non-Executive Directors is determined by representatives of the Council of Governors who make up the Nominations and Remunerations Committee. The remuneration is made up of their pay for their duties, with an additional responsibility payment being made to the Senior Independent Director, Vice Chair and the Chair of Audit Committee. As Non-Executive Directors are not employees they do not pay contributions or receive pension payments. They are entitled to claim expenses payments in accordance with Agenda for Change Terms and Conditions or where applicable in accordance with the conditions set out previously by the Trust Development Authority. No other fees are paid to Non- Executive Directors for their duties with the Foundation Trust.

Consideration as to the skills requirements of the Board are also made as part of assessing the remuneration and terms of office, as it is important that there is sufficient capacity and capability in the short and long term to support the strategic objectives of the Trust. This is assessed along with the benchmarking data. The maximum that would be payable would be determined by the market factors and the needs of the business at that time. The current payments being made are consistent with those being paid to others in similar roles.

Normally Non-Executive Directors would fulfil their current term of office, if however this is not possible one month's notice is required.

Non-Executive Directors' appointments and terms of office

The initial term of office of Non-Executive Directors is 3 years with an option for a further 3 year term providing for a maximum term of office of 6 years. At the conclusion of the 6 year period, a Non-Executive Director may be reappointed for an additional 1 year term subject to exceptional circumstances being deemed by the Council of Governors to apply.

The Council of Governors has approved the process by which terms of office will be reviewed and appropriately extended going forward. Factors to be taken into account are:

- the Non-Executive Director wishing to continue in their role
- a good/outstanding appraisal outcome
- guidance in force at the time of the consideration
- the reappointment being considered to be in the Trust`s best interests

All Chair and Non-Executive Director appointments including re-appointments require Council of Governor approval. Non-Executive Director terms of office may be terminated by the Council of Governors in accordance with the provisions of the Trust's Constitution.

Chair Appointment

In December 2019 the Council of Governors formally approved the appointment of the new Trust Chair. Their term of office commenced on 1 January 2020. The process was carried out in accordance with relevant guidance and the post was advertised externally seeking a healthy and competitive array of applicants. Three

candidates were interviewed by a panel made up of Governors, Vice Chair, external advisors, one of which was from NHS Improvement.

Non-Executive appointments
During 2019/20 the Council of Governors appointed two Non-Executive Directors to the Board of Directors in accordance with an agreed recruitment and appointments process established by the Council of Governors. These positions were the subject of open-advertising and a competitive recruitment process.

Service contract obligations

There is no obligation to pay any entitlements for loss of office under these contracts with the exception of statutory entitlements, (should they apply), for redundancy and notice periods.

Employed Directors of the Board are required to give and receive six months' notice of termination of employment. Redundancy payments are calculated in accordance with Agenda for Change Terms and Conditions, and those for Medical and Dental staff in the case of the Medical Director.

The notice period has been determined to allow for changes in senior managers to be managed and for vacant positions to be recruited to, ensuring the stability and continuity of the Board of Directors and the Trust.

ANNUAL REPORT ON REMUNERATION
This section of the remuneration report includes some elements that are subject to audit

Information not subject to audit

Employed Directors are on permanent service contracts; the notice period, for termination, is 6 months.

Director	Job Title	Start date & end date where applicable
John Brewin	Chief Executive	January 2019
Anne-Maria Newham	Executive Director of Nursing	January 2020
Deborah Wildgoose	Executive Director of Nursing	April 2019 - January 2020
Julie Attfield	Executive Director for Mental Health	April 2019 (formerly Executive Director of Nursing)
Simon Crowther	Executive Director of Finance	March 2015
Itai Matumbike	Interim Executive Medical Director	December 2019 - 31 May 2020
Julie Hankin	Executive Medical Director Interim Executive Director Forensic Services	November 2014 (Interim Post 7 November - 31 May 2020)
Peter Wright	Executive Director Forensic Services	October 2016 – 31 March 2020

Angela Potter	Director of Business Development and Marketing – Non-voting	December 2011 – 31 August 2019
Clare Teeney	Executive Director of People and Culture	November 2015
Sarah Furley	Director of Partnerships - Non-voting	March 2020

Service terms and conditions for Non-Executive Directors are shown above.
Notice period for Non-Executive Directors is 1 month

Name	Position	End Date of Current Term of Office
Paul Devlin	Chair	31 December 2022
Alison Rose-Quirie	Non-Executive Director	1 December 2022
Steve Banks	Non-Executive Director	31 January 2022
Stephen Jackson	Non-Executive Director	17 July 2022
Sue Nixon	Non-Executive Director	1 December 2022
Trevor Orman	Non-Executive Director	23 January 2022
Carolyn White	Non-Executive Director	03 March 2022

Nominations and Remuneration Committee
The Nominations and Remuneration Committee met on 8 occasions in 2019/20. Its membership and attendance is listed below:

Name	Position	Meetings attended in report period	% Attendance
Dean Fathers	Chair	4 of 4	100%
Sheila Wright	Non-Executive Director	3 of 4	88%
Steve Banks	Non-Executive Director	3 of 4	88%
Di Bailey	Non-Executive Director	2 of 4	50%
Stephen Jackson	Non-Executive Director	4 of 4	100%
Carolyn White	Non- Executive Director	4 of 4	100%
Trevor Orman	Non- Executive Director	2 of 4	50%

Governors' Expenses 2019/20

Total number of Governors who served in office during 2019/20 was 38, of which 16 received expenses, as follows:

Name	Constituency	Total 2019/20 £
Jenny Britten	Public	47.25
Jean-Rene Agbodjan	Public	34.17
Derek Brown	Public	55.45
George Ross	Public	1,845
Gbenga Shadare	Public	286.20
Susan Kernahan	Public	94.50
Paul Longhorn	Public	392.24
John Wood	Public	59.85
Rebecca Cassidy	Public	12.60
Tony Bradstock	Staff	186.99
Alicyja Uczniak	Staff	23.40
Graham Woodward	Staff	218.70
Malcolm Streets	Staff	54.00
Stacey Treloar	Staff	267.13
Roshan das Nair	Partner	12.00
Grand Total		**3,589.48**

A register is maintained of the declared interest of Governors and can be found on the Trust website by visiting www.nottinghamshirehealthcare.nhs.uk/meet-your-governors

Directors Expenses 2019/20 and 2018/19

Name	2019/20	2018/19
	£00	£00
Julie Attfield	30	17
Stephen Banks	1	
John Brewin	11	2
Simon Crowther	9	3
Paul Devlin	8	
Lisa Dinsdale	11	
Dean Fathers	39	29
Julie Hankin	7	5
Stephen Jackson	12	10
Anne-Maria Newham	1	
Trevor Orman	25	
Angela Potter	5	7
Alison Rose-Quirie	6	
Paul Smeeton	1	3
Clare Teeney	5	4
Carolyn White	18	
Deborah Wildgoose	5	
Peter Wright	21	15

Sheila Wright	13	26
Ruth Hawkins		3
Fiona Illingsworth		1
Christine Lovett		0
Peter Parsons.		16
Grand Total	**228**	**141**

Information subject to audit

Salary and Pension entitlements of senior managers

A) Remuneration

2019/20 **Name and Title**	Salary (Bands of £5000)	Expense payments (taxable) Total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonus (Bands of £5000)	All Pension related benefits (bands of £2500)	Total (Bands of £5000)
J BREWIN – Chief Executive	195 – 200	0	0	0	162.5 – 165	360 – 365
P SMEETON – Executive Director Local Partnerships [X] (left 01/05/19)	0 – 5	0	0	0	0	0 – 5
J ATTFIELD - Executive Director of Nursing	140 – 145	0	0	0	0	140 – 145
J HANKIN – Executive Medical Director	160 – 165	0	0	0	20 – 22.5	180 – 185
S CROWTHER – Executive Director of Finance	140 – 145	0	0	0	127.5 – 130	270 – 275
A POTTER – Non Voting Director of Business Development & Marketing [X] (left 01/09/19)	40 – 45	0	0	0	12.5 – 15	55 – 60
C TEENEY – Non Voting Director of Human Resources/Director of People & Culture	115 – 120	6,200	0	0	100 – 102.5	220 – 225
P WRIGHT – Executive Director Forensic Services	210 – 215	0	0	0	37.5 – 40	245 – 250
DH FATHERS – Chair (left 01/01/20)	35 – 40	0	0	0	0	35 – 40
S WRIGHT – Non Executive Director (left 01/12/19)	10 – 15	0	0	0	0	10 – 15
S BANKS – Non Executive Director	15 – 20	0	0	0	0	15 – 20
JS JACKSON – Non Executive Director	15 – 20	0	0	0	0	15 – 20
T ORMAN – Non Executive Director	10 – 15	0	0	0	0	10 – 15
C WHITE – Non Executive Director	10 – 15	0	0	0	0	10 – 15
D BAILEY – Non Executive Director	10 – 15	0	0	0	0	10 – 15
DJ WILDGOOSE – Director of Nursing (13/05/19 to 29/02/20)	85 – 90	0	0	0	242.5 – 245	330 – 335
AJ ROSE-QUIRIE – Non Executive Director (started 01/12/19)	0 – 5	0	0	0	0	0 – 5
AS NIXON – Non Executive Director (Started 01/12/19)	0 – 5	0	0	0	0	0 – 5
PS DEVLIN – Chair (Started 01/12/19)	15 – 20	0	0	0	0	15 – 20
AM NEWHAM – Director of Nursing (Started 01/01/20)	25 – 30	1,000	0	0	297.5 – 300	325 – 330
I MATUMBIKE – Interim Medical Director (Started 01/11/19)	20 – 25	0	0	0	177.5 – 180	200 – 205
S FURLEY – Director of Partneships (Started 02/03/20)	5 – 10	0	0	0	62.5 – 65	70 – 75
L DINSDALE – Interim Director of General health (Started 01/02/20)	15 – 20	0	0	0	132.5 – 135	145 – 150
Total	1335 – 1140	7,200	0	0	1385 – 1400	2720 – 2725

Expenses payments are taken from P11'd information and are in respect of lease cars.

The Medical Director in accordance with national terms and conditions for Doctors and Dentists, can be awarded a payment via the clinical excellence award scheme. The Medical Director is in receipt of an annual award of £24,128.00 which is included in the figures above.

2018/19 **Name and Title**	Salary (Bands of £5000)	Expense payments (taxable) Total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonus (Bands of £5000)	All Pension related benefits (bands of £2500)	Total (Bands of £5000)
RE HAWKINS - Chief Executive (left 30 Sep 18)	90 - 95	0	0	0	0	90 - 95
J BREWIN - Chief Executive (start 01 Jan 19)	45 - 50	0	0	0	5 - 7.5	50 - 55
P SMEETON - Executive Director Local Partnerships	125 - 130	0	0	0	192 - 195	320 - 325
J ATTFIELD - Executive Director of Nursing (Acting Chief Executive 01 Oct to 31 Dec 18)	150 - 155	0	0	0	232.5 - 235	385 - 390
J HANKIN - Executive Medical Director	165 - 170	0	0	0	62.5 - 65	230 - 235
S CROWTHER - Executive Director of Finance	125 - 130	2,000	0	0	5 - 7.5	135 - 140
A POTTER - Non Voting Director of Business Development & Marketing	105 - 110	0	0	0	0 - 2.5	105 - 110
C TEENEY - Non Voting Director of Human Resources	105 - 110	4,400	0	0	67.5 - 70	175 - 180
P WRIGHT - Executive Director Forensic Services	125 - 130	0	0	0	30 - 32.5	155 - 160
F ILLINGSWORTH -Acting Director of Nursing (01 Oct to 31 Dec 18)	25 - 30	0	0	0	10 - 12.5	35 - 40
DH FATHERS - Chair	45 - 50	0	0	0	0	45 - 50
S WRIGHT - Non Executive Director	15 - 20	0	0	0	0	15 - 20
P PARSONS - Non Executive Director (Left 28 Feb 19)	10 - 15	0	0	0	0	10 - 15
CP LOVETT - Non Executive Director (Left 03 Aug 18)	5 - 10	0	0	0	0	5 - 10
S BANKS - Non Executive Director	10 - 15	0	0	0	0	10 - 15
JS JACKSON - Non Executive Director	10 - 15	0	0	0	0	10 - 15
T ORMAN - Non Executive Director (Started 24 Jan 19)	0 - 5	0	0	0	0	0 - 5
C WHITE - Non Executive Director (Started 04 Mar 19)	0 - 5	0	0	0	0	0 - 5
D BAILEY - Non Executive Director	10 - 15	0	0	0	0	10 - 15
Total	1210 - 1215	6,400	0	0	612.5 - 615	1830 - 1835

Expenses payments are taken from P11'd information and are in respect of lease cars.

The Medical Director in accordance with National terms and conditions for Doctors and Dentists can be awarded a payment via the Clinical Excellence Awards Scheme. The Medical Director is in receipt of an annual award of £14,933 which is included in the figures above.

B) Pension benefits of senior managers

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 1 Apr 2019	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
P SMEETON - Executive Director Local Partnerships [X] (left 01/05/19)	(5 - 7.5)	(7.5 - 10)	0	0	955	0	0	0
J ATTFIELD - Executive Director of Nursing	(7.5 - 10)	(22.5 - 25)	60 - 65	190 - 195	1,437	0	1,343	0
J HANKIN - Executive Medical Director [X]	2 - 2.5	(2.5 - 5)	50 - 55	110 - 115	852	18	914	0
S CROWTHER - Executive Director of Finance [X]	5 - 7.5	10 - 12.5	50 - 55	120 - 125	751	105	894	0
A POTTER - Non Voting Director of Business Development & Marketing [X] (left 01/09/19)	0 - 2.5	(0 - 2.5)	45 - 50	115 - 120	901	17	963	0
C TEENEY - Non Voting Director of Human Resources/Director of People & Culture	5 - 7.5	0	50 - 55	0	608	73	711	0
P WRIGHT - Executive Director Forensic Services [X]	2.5 - 5	0	5 - 10	0	0	0	0	0
J BREWIN - Chief Executive (X)	7.5 - 10	15 - 17.5	85 - 90	245 - 250	1,697	188	1,953	0
DJ WILDGOOSE - Director of Nursing (13/05/19 to 29/02/20)	10 - 12.5	32.5 - 35	55 - 60	165 - 170	884	249	1,233	0
I MATUMBIKE - Interim Medical Director (X) (Started 01/11/19)	0 - 2.5	0 - 2.5	20 - 25	35 - 40	267	0	297	0
AM NEWHAM - Director of Nursing (Started 01/01/20)	0 - 2.5	37.5 - 40	50 - 55	155 - 160	934	53	1,185	0
L DINSDALE - Interim Director of General health (Started 01/02/20)	0 - 2.5	17.5 - 20	35 - 40	115 - 120	689	10	845	0
S FURLEY - Director of Partnerships (X) (Started 02/03/20)	0 - 2.5	5 - 7.5	35 - 40	85 - 90	656	0	694	0

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

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 the disclosure applies. The CETV figures, and from 2018-19 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The inflation rate used is 2.4%

Members of the 2015 NHS Pension Scheme [x]

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2018	Lump sum at pension age related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 1 Apr 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
RE HAWKINS - Chief Executive (left 30 Sep 18)	(10 - 12.5)	27.5 - 30	65 - 70	315 - 320	1,894	0	0	0
J BREWIN - Chief Executive (start 01 Jan 19)	0 - 2.5	0 - 2.5	75 - 80	225 - 230	1,451	43	1,697	0
P SMEETON - Executive Director Local Partnerships [X]	7.5 - 10	12.5 - 15	60 - 65	100 - 105	711	215	955	0
J ATTFIELD - Executive Director of Nursing (Acting Chief Executive 01 Oct to 31 Dec 18)	10 - 12.5.	32.5 - 35	70 - 75	210 - 215	1,047	338	1,437	0
J HANKIN - Executive Medical Director [X]	2.5 - 5	2.5 - 5	50 - 55	110 - 115	678	129	852	0
S CROWTHER - Executive Director of Finance [X]	0 - 2.5	(2.5 - 5)	45 - 50	105 - 110	628	85	751	0
A POTTER - Non Voting Director of Business Development & Marketing [X]	0 - 2.5	(2.5 - 5)	45 - 50	110 - 115	780	83	901	0
C TEENEY - Non Voting Director of Human Resources [X]	2.5 - 5	0	45 - 50	0	466	113	608	0
P WRIGHT - Executive Director Forensic Services [X]	0 - 2.5	0	5 - 10	0	55	0	0	0
F ILLINGSWORTH -Acting Director of Nursing (01 Oct to 31 Dec 18) (X)	0 - 2.5	0 - 2.5	25 - 30	65 - 70	424	20	531	0

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

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 the disclosure applies. The CETV figures, and from 2018-19 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The inflation rate used is 3%

R Hawkins (Chief Executive) departed on retirement from the Trust on 30 Sept 19, resulting in the negative increase in pension.

Please be aware that last year there was a calculation error such that the CETV factors used and provided to us by NHS pensions for any individuals with benefits in the 2015 Scheme were incorrect. New figures have been provided this year and used into the 2018/19 table only.

Accrued pension and lump sum figures for Paul Smeeton have also changed since the prior year following notification from NHS Pensions.

Members of 2015 NHS Pension Scheme [x]

Fair pay multiple
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 Nottinghamshire Healthcare NHS Foundation Trust in the financial year 2019/20 was £210,000 to £215,000 (2018/19: £180,000 to £185,000). This was 7.50 times (2018/19: 7.26) the median remuneration of the workforce, which was £28,315 (2018/19: £25,485).
In 2019/20 no (2018/19: one) employee received remuneration in excess of the highest paid Director. In 2018/19 remuneration ranged from £190,000 to £195,000.

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

Changes to the ratio are a result of a change of the most highly paid director following an increase in salary to the Executive Director for Forensic Services.

Payments for loss of office
There have been no payments to any senior manager for loss of office during this financial year or the previous financial year. During the year a package related to loss of office for Peter Wright the Executive Director of Forensic Services was agreed.

Payments to past senior managers
No payments have been made to individuals that are not currently senior managers but who were previously.

Dr John Brewin
Chief Executive
24 June 2020

STAFF REPORT

Our workforce developments and changes

During 2019/20 an average number of 8,570 whole time equivalent (WTE) staff worked for the Trust**.** These staff are geographically dispersed across 140 properties, spread across 122 sites.

In 2019/20 the average number of WTE was 8,570, this shows a increase on the 2018/19 position (8,452 WTEs), made up of increase within Medical & Dental, Nursing & Midwifery and Administration & Clerical Staffs.

Workforce plans support clinical strategies, clinical direction and known commissioning intentions. Our plan takes account of known quality and innovation, productivity and prevention schemes and financial improvements, along with other transformation schemes and service developments reflected in the Trusts financial plan for 2020/21

Average number of employees (WTE)

Average number of employees (WTEs) – subject to audit				
	2019/20			**For the Year ending 31 March 2019**
	Permanent	**Other**	**Total**	**Total**
	Number	**Number**	**Number**	**Number**
Medical and dental	215	85	300	287
Ambulance staff	5	0	5	4
Administration and estates	2,033	135	2,168	2,225
Healthcare assistants and other support staff	2,132	312	2,444	2,313
Nursing, midwifery and health visiting staff	2,385	132	2,517	2,483
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	1,070	38	1,108	1,111
Healthcare science staff	0	0	0	0
Social care staff	27	1	28	29
Other	0	0	0	0
Total average numbers	**7,867**	**703**	**8,570**	**8,452**
Of which:				
Number of employees (WTE) engaged on capital projects	15	0	15	7

The Foundation Trust Annual Reporting Manual states the average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The “contracted hours” method of calculating whole time equivalent number should be used. That is, dividing the contracted hours of each employee by the standard working hours. However, there are no means of reporting available to us on weekly hours contracted, in our current financial or human

resource, solutions to facilitate this requirement. The method used is the monthly WTE, in total for each group of staff, divided by the number of months. This provides a sufficiently accurate approximation of this measure.

Analysis of staff costs – subject to audit

			2019/20	2018/19
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	245,309	22,702	276,155	268,011
Social security costs	25,119	0	26,174	25,119
Apprenticeship levy	1,286	0	1,340	1,286
Employer's contributions to NHS pension	32,169	0	47,947	32,169
Pension cost - other	59	0	119	59
Other post-employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	660	0	1,296	660
Temporary staff	0	8,432	9,790	8,432
Total gross staff costs	**304,602**	**31,134**	**362,821**	**335,736**
Recoveries in respect of seconded staff	0	0	0	0
Total staff costs	**304,602**	**31,134**	**362,821**	**335,736**
Of which				
Costs capitalised as part of assets	361	0	656	361

Exit packages

During the period 1 April 2019 to 31 March 2020 the Trust had a total of 19 compulsory redundancies which resulted only after the Trust had explored all options of suitable alternative employment. The remaining 350 other departures agreed' represent members of staff who either chose to leave the employment of the Trust or whose employment was terminated and to whom a payment was due in accordance with their contract of employment eg an outstanding annual leave entitlement, a remaining period of contractual notice. Details are shown in the tables below.

Reporting of compensation schemes – subject to audit

Exit packages 2019/20

Exit packages 2019/20	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Exit package cost band (including any special payment element)			
<£10,000	8	345	**353**
£10,001 - £25,000	3	4	**7**
£25,001 - 50,000			**0**
£50,001 - £100,000	4	1	**5**
£100,001 - £150,000	3		**3**
£150,001 - £200,000	1		**1**
>£200,000	8		**0**
Total number of exit packages by type	**19**	**350**	**369**
Total resource cost (£)	**£995,000**	**£301,000**	**£1,296,000**

Negative values totalling £27,000 for 97 individuals (2018/19, £28,000 for 108 individuals) have been netted off total exit packages reported in the above table; on a gross basis exit packages arranged total £1,323,000 for 272 individuals (2018/19, £688,000 for 291 individuals).

During the year a package related to loss of office for Peter Wright the Executive Director of Forensic Services was agreed and is included in the table above.

Exit packages 2018/19	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Exit package cost band (including any special payment element)			
<£10,000	6	383	**389**
£10,001 - £25,000	11	-	**11**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	1	-	**1**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	1	-	**1**
Total number of exit packages by type	**19**	**383**	**402**
Total resource cost (£)	**£508,000**	**£152,000**	**£660,000**

Exit Packages Other (non-compulsory) Departure Payments				
	2019/20		2018/19	
	Agreements	Total value of agreements	Agreements	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	1	16	2	1
Mutually agreed resignations (MARS) contractual costs	2	77	-	-
Early retirements in the efficiency of the service contractual costs			-	-
Contractual payments in lieu of notice	347	208	381	151
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**350**	**301**	**383**	**152**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary				

Breakdown by gender

Gender	Staff Grouping	Heads	Percent
Female	Directors	5	0.07%
	Other Senior Managers	29	0.43%
	Employees	6670	99.49%
Female Total		**6704**	**74.87%**
Male	Directors	2	0.09%
	Other Senior Managers	12	0.53%
	Employees	2236	99.38%
Male Total		**2250**	**25.13%**
Grand Total		**8954**	

Staff by Gender (Source ESR – April 2020)

Breakdown by ethnicity

Ethnic Group	Staff Grouping	Heads	Percent
White British	Directors	6	0.08%
	Senior Managers	40	0.53%
	Employees	7535	99.39%
White British Total		**7581**	**84.67%**
White EU	Directors	0	0.00%
	Senior Managers	0	0.00%
	Employees	180	100.00%
White EU Total		**180**	**2.01%**
BME	Directors	0	0.00%
	Senior Managers	1	0.10%
	Employees	982	99.90%
BME Total		**983**	**10.98%**
Grand Total		**8954**	

Staff by Ethnicity (Source ESR – April 20) (*181 did not declare their ethnicity)

Sickness absence

The Trust's cumulative sickness absence rate during 2019/20 was 5.7% against a Trust target of 5%. During the winter months there was a peak of sickness with a rate of 6.4%.

For 2019/20 the total staff years available was 7,746. The total WTE days lost due to sickness absence was 158,898 with the average absence being 20.5 days per WTE.

Gender Pay Gap

Nottinghamshire Healthcare has complied with the expectations associated with the gender pay regulations, our response for 2019/20 can be viewed at the following link - https://gender-pay-gap.service.gov.uk/employer/sHuqxtiM

Workforce policies

Recruiting and retaining a diverse workforce that is inclusive of, and reflects, the diverse communities it serves is one of the Trust's four key strategic priorities. Accordingly, the Trust is committed to meeting and exceeding the requirements of being a Disability Confident Employer and the Mindful Employer Charter. We guarantee to interview all disabled applicants who meet the minimum criteria for any post advertised, providing the applicant has indicated on the application that they have a disability in accordance with the Equality Act 2010. As with all staff we are passionate about ensuring that disabled staff are valued and supported within the organisation and receive appropriate training, which meets their ongoing professional needs. This is outlined in our Employing People with Disabilities section of our Employment Policy and sets out the responsibilities of both managers and disabled people themselves within the workplace.

This Policy is supported by internally developed documents such as the Reasonable Adjustments Guide, our Dyslexia and Asperger's guidance for staff. Supporting the

policy framework is the Disability Equality Steering Group who, in addition to providing support for Disabled Staff, inform, champion and influence policy development within the organisation and beyond, in meeting the diverse needs of disabled staff. These policies apply to disabled people wanting to work for the Trust and staff who become disabled during the course of their employment. There are a number of initiatives in place to support managers to effectively manage diverse teams and support the needs of all staff including those with disabilities of both a physical and mental nature. Mentoring, coaching, work shadowing and additional support; such as: extended development opportunities, work rotation and enhanced supervision are available.

In order to ensure our managers are effective in identifying and supporting individual staff needs, we have integrated these competencies within our current management and leadership development programmes; middle management programme for bands 4-6 and Vision 21 for senior managers, bands 7-8b. At a senior leadership level, similar competencies have been embedded within the Trust's Connecting Notts HC programme and conferences. The trust appraisal system enables these skills to be measured as part of management competencies and to highlight areas for further development.

In addition, the Trust actively promotes and supports the employment of people who use our services, and particularly encourages applications from people with disabilities in all job adverts. As a matter of good practice, we have service user and carer representation in our recruitment processes; which greatly benefits the organisation as framed within its values.

Staff are consulted on any formal employment changes in accordance with the organisational change policy and implementation manual; this involves engaging with our workforce at the earliest possible stage increasing staff engagement throughout the process. We utilise our staff-side constitution as well as strong working relations with our staff-side colleagues to ensure we work in a partnership approach. Employees are actively engaged in the review of services and the performance of the Trust. The performance of the Trust is reviewed by employees at all levels through the accountability structure and partnership forums as well as
through individual appraisals.

For 2019/20, NHS Foundation Trusts continued to be required to comply with NHS Counter Fraud Authority guidance. These provisions include the requirement for a nominated Lead Counter Fraud Specialist (CFS) to be in place to undertake work across four generic areas of action. The Trust has a counter fraud, bribery and corruption policy in place which reinforces the commitment of the organisation to maintain an embedded counter fraud culture and to take robust action where allegations of fraud, bribery and corruption are proven.

Throughout 2019/20 we consulted widely on new Values for the Trust and following significant input from staff and patients we have launched our new values:

Honesty - Trust – Compassion –Teamwork – Respect

We commenced work on embedding these values across the Trust and will continue with this work throughout 2020/21, through all experiences of working at the Trust from

recruitment, appraisal, Health and Wellbeing support, development opportunities and everything we do.

The Trust has a range of channels in place to enable staff to keep informed and engaged to help improve their experience and the delivery of services. This includes monthly email bulletins, face to face briefings and meetings, Intranet, Internet, corporate products and events, the use of social media, such as Facebook, Twitter and LinkedIn, ward visits from the Executive Team, equality & diversity networks, a system of 'Champions' across the Trust and the Leadership Council. We also work closely with staff side colleagues and staff directly to ensure that any issues or concerns are addressed.

The Trust continues to review and embed its approaches and methodologies to enabling 'staff voice' to ensure that we are maximising the opportunities and mechanisms staff have available to be listened to and to contribute to decision making. We also seek mechanisms by which the Trust can triangulate patients and service user views with those of staff, in order that these views can inform the decisions taken by the Trust.

Our 'Positive Stars' staff recognition scheme - whereby colleagues can nominate other colleagues or teams and their achievements are recognised by the Executive Leadership team, has grown in popularity and we are planning to expand this throughout 2020/21, as we are planning to expand the overall offer of staff recognition.

Staff Health and Wellbeing

Over the last 12 months the Trust Board have prioritised supporting staff with their Health and Wellbeing. During 2019/20 we undertook a consultation exercise with our staff to co-produce a staff health and wellbeing offer. This continues to be developed and a staff health and wellbeing lead was recruited in December 2019. Following the consultation, a number of workstreams were set up to focus on different areas of staff Wellbeing to ensure that we are supporting staff as well as possible from preventative areas of wellbeing up to Trauma based support. Areas of focus included – a Trust wide psychological support team, embedding post incident support, mindfulness for all, financial and Wellbeing support through an Employee Assistance Programme, supporting physical wellbeing, Health and Wellbeing days and changes to the Sickness Absence Policy.

Key areas have been achieved including the setting up of a specific Staff Health and Wellbeing team, a 24/7 staff support phone line and dedicated staff mindfulness practitioners. With our new Staff Health and Wellbeing Lead also now employed with the Trust this is an area which will continue to grow and work to support colleagues, equally across the Trust.

Staff survey

The NHS staff survey is conducted annually. From 2019 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2019 survey among trust staff was 44.7% (2018 – 40.4%). Scores for each indicator together with that of the survey benchmarking group (Combined Mental Health / Learning Disability and Community Trusts) are presented below.

	2019/20		2018/19		2017/18	
	Trust	B'marking Group	Trust	B'marking Group	Trust	B'marking Group
Equality, Diversity & Inclusion	8.9	9.1	9.1	9.2	9.1	9.2
Health & wellbeing	5.8	6.1	5.9	6.1	6.0	6.1
Immediate Managers	7.1	7.2	7.1	7.1	7.0	7.1
Morale	6.0	6.3	6.0	6.2		
Quality of Appraisals	5.0	5.7	5.1	5.5	5.1	5.4
Quality of Care	7.1	7.4	7.1	7.4	7.3	7.4
Safe environment – bullying and harassment	8.0	8.2	8.1	8.2	8.1	8.3
Safe environment – violence	9.4	9.5	9.4	9.5	9.3	9.5
Safety culture	6.4	6.8	6.6	6.8	6.5	6.7
Staff engagement	6.7	7.1	6.7	7.0	6.8	7.0
Team working	6.7	6.9	6.6	6.8		

Our year on year performance has slipped across many areas but through this survey and other staff voice mechanisms we do understand these issues and have developed robust plans to address them. This is part of an ongoing programme of work that we have committed to.

The areas of concern highlighted by the survey are recognised within the table above and include; elements around equality & diversity, safety culture, staff engagement, morale and quality of care. We are committed to continuing to work with all of our staff to ensure we improve staff experience.

Following the consultation with our staff we have a co-produced a staff health and wellbeing offer and this is being deployed. We have co-produced and revised our Trust values and these are being rolled out and embedded across the Trust. We are continuing to work with colleagues to support our Equality and Diversity networks.

Progress against all of this is monitored by the Trust Board and through the Workforce Equality and Diversity Committee of the Board of Directors. Workforce data is also monitored monthly by the Board of Directors as part of the integrated performance report.

Future priorities

During 2020/21 we will continue to embed our People and Culture priorities throughout the Trust. We will continue to focus on supporting staff health and wellbeing, equality and diversity and embedding our Trust values. We will also focus

on our employment policies and practices as part of a programme of work to embed a Just and Restorative Culture.

Trade Union Facility Time disclosures

Information on Trade Union Facility Time for 2019/20 is shown in the following tables.

Table 1 Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
62	**57.14***

Table 2 Percentage of time spent on facility time

Percentage of time	Number of employees
0%	**44***
1-50%	**14***
51%-99%	
100%	**4***

Table 3 Percentage of pay bill spent on facility time

	£
Provide the total cost of facility time	**£105895.03***
Provide the total pay bill	**£335,375,000**
Provide the percentage of the total pay bill spent on facility time	**0.03%***

Table 4 Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	**16.07%***

*Based on data received as at 5th June 2019

Expenditure on Consultancy

Expenditure of consultancy in 2019/20 was £712,000.

Off payroll engagements

Nottinghamshire Healthcare's approach to the use of off payroll engagements is set out in the Trust's Employment Policy. The policy includes a process to assist in determining a workers employment status. During the last financial year there have been no off payroll arrangements relating to senior manager positions.
Further information on off payroll engagements is shown in the following tables.

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

Number of existing engagements as of 31 March 2020	10
Of which...	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	3
No. that have existed for between three and four years at time of reporting.	2
No. that have existed for four or more years at time of reporting.	4

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 1 April 2019 and 31 March 2020	0
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

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 must include both off-payroll and on-payroll engagements	24

NHS FOUNDATION TRUST CODE OF GOVERNANCE

Statement of compliance with the Code of Governance

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

The Audit Committee has been charged by the Board of Directors to maintain ongoing oversight of the NHS Foundation Trust`s compliance with the Code of Governance and to identify to the Board of Directors any emergent areas of significant non-compliance.

A specific set of disclosures is required to meet the Code of Governance. The following table lists the disclosures and references to where the relevant information can be found in the annual report.

Ref	Criteria	Compliance	Evidence
LEADERSHIP			
A 1	**The role of the Board of Directors**		
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.	Compliant	○ Regular board meetings ○ Constitution details roles and responsibilities of the Council of Governors and process for addressing disagreements between Board and Council ○ Scheme of delegation in place. ○ Information included in the Directors report in this annual report.

Ref	Criteria	Compliance	Evidence
A 1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, 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 2.22 as part of the directors' report.	Compliant	○ Annual report details all Board and relevant committee memberships and attendance in the Directors report and the remuneration report.
A 5	**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 also identify the nominated lead governor.	Compliant	○ Compliance with NHS Foundation Trust Annual Reporting Manual ○ Record of attendance maintained
Additional	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and directors.	Compliant	○ This data is routinely recorded and reviewed and information is included in the council of governors section of this annual report.
EFFECTIVENESS			
B 1	**The composition of the 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.	Compliant	○ This information is outlined in the Directors' report. ○ Requirements set out within the Constitution ○ Appointment processes ○ Fit and Proper Persons

Ref	Criteria	Compliance	Evidence
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.	Compliant	○ Annual report contains Director profiles in the Directors report. ○ Annual review of Board composition by NED NomRem. Confirmed as remaining fit for purpose
Additional	The annual report should include a brief description of the length of appointments of the non-executive directors and how they may be terminated.	Compliant	○ Annual report contains this information in the Remuneration report.
B 2	**Appointments to the board**		
B 2.2	Directors on the Board of Directors and Governors on the Council of Governors should meet the "Fit and proper" persons test described in the provider licence.	Compliant	○ "fit and proper" persons declarations made by each Director annually. ○ Declaration by Governors when seeking election and ongoing reporting requirement ○ DBS, Bankruptcy etc. checks re Board members
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.	Compliant	○ Compliance with NHS Foundation Trust Annual Reporting Manual ○ Terms of reference available upon request. ○ Information included in the Remuneration report.
Additional	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.	Compliant	○ During 2019/20 open advertising was the method of NED recruitment.
B 3	**Commitment**		

Ref	Criteria	Compliance	Evidence
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 commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Compliant	○ Details of how to access declarations of Interest can be found in the Directors report ○ Declarations of Interest identified as part of recruitment process ○ Annual checks on Fit and Proper persons established.
B 5	**Information and support**		
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.	Compliant	○ Forward plans shared with and consulted on with CoG ○ Consultation processes ○ Governors engaged with consultation processes ○ Engagement strategy
Additional	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)	Compliant	○ This power has not been formally exercised during 2019/20 as there has been open disclosure of the performance of the Trust reported at each Council of Governors meeting. ○ There have been no concerns regarding the performance of directors. ○ Executive Directors proactively attend the Council of Governors meetings to provide updates/reports on matters relating to their individual portfolios.
B 6	**Evaluation**		

Ref	Criteria	Compliance	Evidence
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.	Compliant	○ Ongoing review of committee structure and effectiveness thereof ○ Board and Committee self-assessments ○ Internal and external auditor perspectives ○ Ongoing Board Development Programme ○ Chair and Director appraisal processes ○ Information included in the Directors report of this annual report.
B 6.2	Where there has been external 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.	Compliant	○ Positive outcome of external well-led review by PwC. Reported to Board November 17 – contract awarded for 2020 external Well-Led review to commend in June/July 2020.
ACCOUNTABILITY			
C 1	**Financial, quality and operational reporting**		
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. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Compliant	○ Accountability report of this annual report ○ Report of external auditors ○ Annual Governance Statement ○ Letter of representation
C 2	**Risk management and internal control**		

Ref	Criteria	Compliance	Evidence
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.	Compliant	○ Annual Governance Statement. ○ Head of Internal Audit Opinion ○ Internal Audit reviews ○ Committee structures and reporting ○ Board development sessions on risk management
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.	Compliant	○ Directors report ○ 360 Assurance
C 3	**Audit Committee and auditors**		
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 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.	Compliant	○ Not applicable

Ref	Criteria	Compliance	Evidence
C 3.9	A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include: a. the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; b. 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 c. 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.	Compliant	○ Annual Report content – see section on the Audit Committee
REMUNERATION			
D.1	**The level and components of remuneration**		
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.	Compliant	○ Not applicable
RELATIONS WITH STAKEHOLDERS			
E 1	**Dialogue with members, patients and the local community**		

Ref	Criteria	Compliance	Evidence
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.	Compliant	○ Membership office ○ Log of all membership communications maintained ○ Regular membership e-bulletin issued to members ○ Membership Strategy ○ Involvement, Experience and Volunteering Strategy ○ Enhanced website ○ Further details contained in the Council of Governors section of this annual report
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 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.	Compliant	○ Annual report content in section on Council of Governors ○ Member feedback ○ Involvement, Experience and Volunteering Strategy ○ Ward visits programme ○ NED attendance at CoG ○ AGM /AMM
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.	Compliant	○ Membership data-base ○ Membership Strategy ○ Involvement, Experience and Volunteering Strategy ○ Annual report ○ Annual Involvement Report

Ref	Criteria	Compliance	Evidence
Additional	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, including progress towards any recruitment targets for members.	Compliant	○ See membership strategy in this annual report
Additional	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' 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.	Compliant	○ See Directors report and remuneration report included in this annual report

NHS OVERSIGHT FRAMEWORK

NHS England and NHS Improvement NHS Oversight Framework

This provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

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

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

Segmentation

The Trust is currently in segment 2. This segmentation information is the trust's position as at 1 April 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 ***NHS Oversight Framework***, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

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

Trust Performance against the NHS Single Oversight Framework	Standard (where applicable)	Monthly average 2017/18	Monthly average 2018/19
Formal complaints received per 1000 full time staff		**8.7**	**7.9**
Number of Never Events (year total given)		**1**	**0**
Staff % recommend as a place to work (quarterly)		**54%**	**59%**
Staff % recommend place of work as a care provider (quarterly)		**65%**	**66%**
Friends and Family Test - % Patients and carers recommend the Trust as a care provider		**95%**	**94%**
Follow up within 7 days of Care Programme Approach (CPA) patients	95%	**98.5%**	**98.0%**
CPA patients % in settled accommodation		**53.1%**	**41.1%**
CPA patients % in employment		**4.4%**	**3.8%**
Early Intervention Psychosis % waiting times less than 2 weeks	53%	**74.1%**	**71.0%**
Data quality maturity index (DQMI)	95%	**96.4%**	**98.1%**
Improving Access to Psychological Therapies (IAPT) Recovery rate	50%	**52.7%**	**53.4%**
IAPT – Wait from referral to treatment < 6 weeks	75%	**75.6%**	**75.0%**
IAPT - Wait from referral to treatment < 18 weeks	95%	**98.3%**	**98.4%**
Inappropriate acute mental health out of area placements – Bed days spent out of area vs improvement trajectory - April 18 to March 19 end position	versus local trajectory timeline	**1818**	**1265**
Staff Sickness and absence	4%	**5.4%**	**5.6%**
Staff Turnover	9-11%	**15.4%**	**14.5%**
Under 18 admissions to adult beds	Zero	**5**	**2**

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITY AS THE ACCOUNTING OFFICER OF NOTTINGHAMSHIRE HEALTHCARE 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 Nottinghamshire Healthcare 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 Nottinghamshire Healthcare NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

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

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

Dr John Brewin
Chief Executive
24June 2020

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Nottinghamshire Healthcare NHS Foundation Trust 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 Nottinghamshire Healthcare 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

Risk management is recognised by the Trust as an integral part of good management practice. Risk management involves understanding, analysing and addressing risk to make sure organisations achieve their objectives.

The Trust approved the updated Risk Management Strategy (RMS) 2016 – 2021 in June 2016 following the publication of its new 5 year strategy and new strategic objectives at the Board of Director's meeting in March 2016. The Risk Management Strategy is also subject to annual review at the Audit Committee.

The RMS:

- sets out the Trust's objectives for the management of risk at a strategic and operational level;
- describes the risk management framework that is in place by defining a systematic approach to how risk will be managed across the Trust; and
- ensures that associated thinking and practice is embedded in everyday processes, policies and activity.

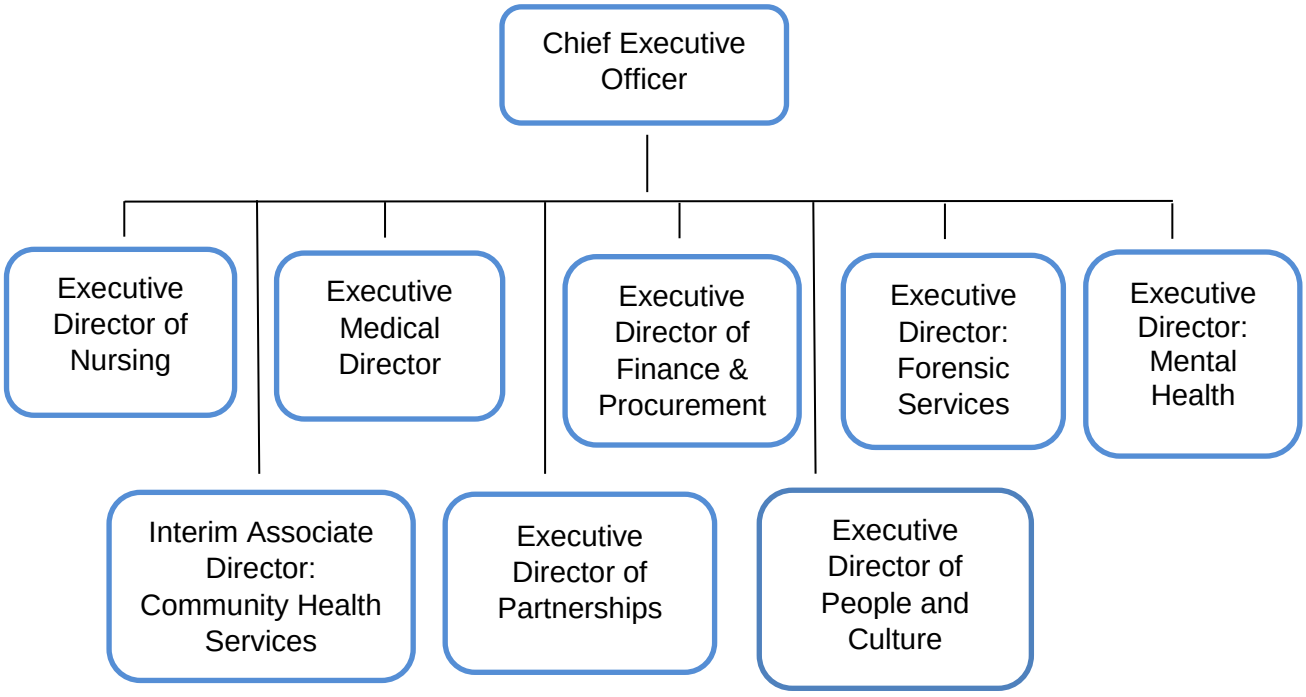
An Annual Implementation Plan is in place to deliver the six objectives set out in the RMS. The Plan is monitored at Divisional risk meetings and an update is provided to the Executive Leadership team (ELT) and the Audit Committee.

During 2019/20 the Trust has continued to develop and enhance its approach to governance and risk management, recognising the changing and challenging environment in which it operates. The identification and appropriate management of risk forms an integral part of the Trust's overall approach to integrated governance and one which is explicit in every activity the Trust and its employees are engaged.

Whilst recognising the essential requirement to identify, assess and appropriately manage risk, the Trust recognises the importance of proportionate risk mitigation and control acknowledging that not all risks can be wholly eliminated and to do so may indeed be detrimental to the provision of quality recovery-based services.

The Trust's approach to risk is discharged through clearly focusing executive responsibility for clinical governance and risk management with the respective Executive Directors. These Directors have responsibility for all Trust care services and supporting corporate functions working closely with the Chief Executive Officer in this context. The principal management lead for risk management during 2019/20 was the Trust Secretary on behalf of the Chief Executive.

Director Structure (Executive):



The aim of risk management is to support the Trust's vision and values by promoting a consistent and integrated approach across all parts of the organisation to ensure we are aware of our risks and are responsive, but not risk averse. The Trust aims to do this through a robust governance structure, sound processes and systems of working, and an open and fair culture that is focused on patient and staff safety.

Capacity is developed across the Trust through training events commensurate with staff duties and responsibilities and includes risk management training for all new

staff. Training opportunities are outlined in the Learning and Development Prospectus.

The Trust has an extensive range of organisation-wide policies and service/division specific procedures which support and align with the Trust's approach to risk management.

The risk and control framework

The RMS sets out the Trust's approach to risk and risk appetite/tolerance and sets out the leadership, responsibility, monitoring and accountability arrangements for risk management.

The Trust follows the 4 step risk management process below:

1. Identify and recording risks: answering the question: what could stop you achieving your objectives/cause harm?
2. Assess and score risks: assessing the risk and risk assessment (information about the risk/its effect)
3. Control and manage risks: the process of selecting and implementing of measures/controls to manage the risk to the agreed level.
4. Monitor and review risks: reviewing the risks, monitoring activity and measures put in place and evaluating the effectiveness of the controls.

The Audit Committee has the primary responsibility to provide assurance to the Board regarding the continued effectiveness of the Trust's system of integrated governance, risk management and internal control. Each of the Trust's four Committees (Finance and Performance, Quality, Mental Health Legislation and Workforce, Equality and Diversity) have responsibility for the oversight of specific risks associated to their respective remit.

Board Assurance Framework

The BAF is the framework for identification and management of strategic risks that might compromise the achievement of the strategic objectives. The purpose of the BAF is to:

- Provide timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues
- Facilitate escalation of risk and control issues requiring visibility and attention by senior management, by providing a cohesive and comprehensive view of assurance across the risk environment
- Provide an opportunity to identify gaps in assurance needs that are vital to the organisation, and to address them
- Provide critical supporting evidence for the production of the Annual Governance Statement.

The BAF is reviewed by the Board, the Executive Leadership Team and Committees on a regular basis. The BAF is an extract from the Organisational Risk Register, driven by the Trust's agreed risk appetite.

Executive responsibility for the BAF process is held by the Trust Secretary. Principle Risk Owners are identified for each identified risk together with a responsible Board Committee. The respective committees review those risks for which they have defined responsibility at each meeting.

The BAF has continued to be developed and enhanced during 2019/20 with the four Committees adopting a robust approach to reviewing and monitoring risks associated with their respective remit. Each Committee considers any gaps in risks, the effectiveness of controls and the extent to which they are assured by the evidence presented for each risk.

The Audit Committee membership includes the Chairs of the four Committees and through this positioning, can effectively review updates from Committee Chairs in relation to their respective oversight of the BAF and the extent of their assurance.

In line with the Audit Committee's Forward Plan, the Committee has agreed to focus on one Committee's oversight of respective risk at each of its standard meetings. The Committee also carries out a 'deep dive' into specified risk theme areas, these have included: BAF movement and actions delivered, risk appetite and an annual review of the RMS implementation plan. The Audit Committee and Board have also considered the Assurance Radar that shows the level of assurances given for each control of each of the Trust's top risks in order to identify where actions need to be agreed to strengthen the controls to provide further assurance to the Board.

The ELT and Audit Committee have continued their work to focus on the BAF being a live and meaningful document. The Audit Committee has maintained a 'watching brief' on the extent to which there has been 'risk movement' on the BAF and risk registers. The Committee also reviewed a piece of work that benchmarked the Trust's BAF against other similar Trusts. It was noted that the Trust was not an outlier in terms of the overall approach adopted.

The Executive Leadership Team continue to receive a monthly report on the BAF and the Trust's risks. There has been a significant drive to ensure that all risks are reviewed in a timely manner and all risk actions are updated. Following discussions at the Audit Committee on 9 April 2019, an exercise was carried out to assess the Trust's performance regarding the timely review of risks and risk actions. The table below shows the improvement over the year.

	25 April 2019	31 Oct 2019	6 March 2020
Total Risks	**396**	**402**	**376**
Risk Review Overdue	**85**	**22**	**20**
Percentage Overdue	21%	5%	5%

In April 2019, of all the open risk actions (441), 135 were overdue for a review (31%). As of February 2020, 35 were overdue (c. 8%).

As noted on the Audit Committee's Forward Plan, work will continue into 2020/21 to review the relevance and rigour of the assurance framework and the arrangements surrounding it, with a focus on the BAF movement and delivery of risk actions.

Risk Registers

Beneath the BAF sits a risk register structure detailing identified operational and corporate risks at trust-wide, divisional and directorate levels. The Trust has a risk escalation process in place which tracks operational risks and enables the organisation to escalate risks appropriately. This process has been scrutinised by the Audit Committee as part of their programme that focussed on risk management and the subject of an internal audit.

Risks are monitored and reviewed according to their score and type. It is the responsibility of individual risk owners to ensure each risk is captured on the relevant Risk Register which is reviewed in an appropriate group or committee.

Changes in risk scores are reported to the Board, Committees and divisional groups in line with monitoring levels set out in the RMS.

Risk Appetite

Risk appetite is determined through Board discussion, primarily through the Board of Director's Development Programme.

The RMS sets out the Trust's General Statement with regard to risk appetite and also states the risk appetite/tolerance levels for each strategic objective/sub objective – which is reflected in the framework for risk treatment and monitoring purposes.

All risk appetite levels were reviewed and revised at the March Board of Directors Development session.

Quality of Performance Information and Care Quality Commission (CQC) Assurance

The Board of Directors receives a monthly Integrated Performance Report which details Trust performance against all relevant Single Oversight Framework targets and other relevant Trust indicators, as well as providing an overview of current Trust performance against the themes outlined in the Single Oversight Framework. The overview of these themes, particularly 'Quality of Care' and 'Leadership and Improvement Capability' enables CQC review of Trust activity to be reported and discussed.

Performance against Trust key performance indicators is provided at Trust and Division level. Exception reports are received providing an explanation of areas of underperformance identified as significantly at variance against target.

The Trust has a Performance Indicator Assessment Process to verify and ensure the quality of reported data. Each indicator is assessed against five data quality domains to provide an overall data quality assurance rating which is included in the Quality and Performance Report. Data quality has remained an on-going area of focus during 2019/20.

Care Quality Commission (CQC) Registration

The trust is not fully compliant with the registration requirements of the Care Quality Commission.

The trust was first registered with the CQC on 1 April 2010. The trust is currently registered to provide regulated activities from 35 active locations. During registration the CQC implement routine conditions which define the regulated activities the Trust can provide at agreed locations. There are no non-routine conditions applied to the Trust's registration.

Whist the trust discloses it is not fully compliant with the registration requirements, it has processes in place to address all ssues identified by recent CQC inspections. Requirement notices remain open until the CQC re-inspect services and confirm if we have made the changes needed to improve. Our action plans are shared with the CQC at regular intervals following inspections They primarily focus on those services which were found to be directly in breach of a Regulation however, the Trust adopts an improvement approach by sharing the themes of inspections with other Divisions in the Trust. In following this process, we not only have an overview of our levels of compliance with the fundamental standards but use the themes and apply a risk management framework to service areas not inspected by the CQC. During 2019/20 the Trust had other inspections with favourable outcomes that could not contribute to our overall inspection rating.

The Trust has not been required to participate in any special reviews or investigations by the CQC in 2019/20 but has been inspected under the CQC's routine inspection programme.

CQC Inspections during 2019/20:

The CQC's last annual core and well-led inspection of the Trust took place during January and March 2019. The CQC inspected the following six complete core services

- Child and adolescent mental health wards
- Acute wards for adults of working age and psychiatric intensive care units
- Forensic inpatient or secure wards
- Community-based mental health services for adults of working age
- Mental health crisis services and health-based places of safety
- Community mental health services for people with a learning disability or autism

The final report published on 24 May 2019 rated the Trust as follows:

Table 1: CQC's aggregated ratings of Nottinghamshire Healthcare NHS Foundation Trust as at 24 May 2019:

SAFE	EFFECTIVE	CARING	RESPONSIVE	WELL LED	OVERALL
Requires improvement →← May 2019	**Good →← May 2019**	**Good →← May 2019**	**Requires improvement May 2019**	**Requires improvement May 2019**	**Requires improvement May 2019**

The 2020 core and well-led inspection was anticipated in June 2020 however, this was suspended due to the Coronavirus pandemic.

Other inspections which took place during 2019/20 were as follows:

02 July 2019: A comprehensive inspection of Rampton Hospital took place in response to concerns and a final inspection report was published on the 16 October 2019. Nine individual breaches of four regulations were noted:

Regulation 12 – Safe care and treatment

- Ensuring staff feel confident and are competent to implement physical healthcare plans.
- Ensuring National Early Warning Scores are accurate and acted upon
- Ensuring all medication is signed for and are not stored or used after expiry dates.
- Ensure adherence to the trust's observation policy.

Regulation 13 – Safeguarding

- The recording of seclusion and long-term segregation reviews are undertaken in accordance with the Mental Health Act Code of Practice.

- Investigation to take place into how widespread the use of racist language is.

Regulation 17 – Good governance

- Ensuring the system that records patient activities is accurate and used effectively by staff.
- Ensuring staff have enough time and are supported to report incidents accurately.

Regulation 18 – Staffing

- Ensuring adequate staffing to facilitate on and off ward activities, ground leave and, access to fresh air. Reducing the frequent movement of staff during shifts to other wards.

The CQC stated that the following good practice was found within Rampton Hospital:

- Staff supported patients to have visits from family members on the ward enabling families to see how their relative was living.
- The introduction Digi-Dialectical Behaviour Therapy: Enhancing the therapy programme and providing patients with interactive resources directly through their personal television to support them to practise skills.
- Having a cycle track and outdoor fitness equipment for patients with grounds access. An Annual Health and Fitness Award ceremony took place to celebrate the achievements of patients over the year.

The CQC rated Rampton Hospital as follows:

Table 2: CQC ratings of Rampton Hospital as at 16/10/2019:

SAFE	EFFECTIVE	CARING	RESPONSIVE	WELL LED	OVERALL
Inadequate  **July 2019**	**Requires Improvement** **July 2019**	**Requires Improvement** **July 2019**	**Requires improvement** →← **July 2019**	**Inadequate** **July 2019**	**Inadequate** **July 2019**

13 November 2019: The CQC undertook a focused inspection to see if the Trust had made improvements at Rampton Hospital since their last comprehensive inspection in July 2019. The report was published on the 24 January 2020. The CQC did not inspect all key lines of enquiry and therefore the ratings from the comprehensive inspection in July remain in place. As requested by the CQC, the

trust developed and is working to a Quality Improvement Plan detailing what action the Trust is taking to meet these requirements.

12 February 2020: An unannounced focussed inspection was undertaken against three of the five domains at Lucy Wade Ward at the Millbrook Mental Health Unit. On 18 February 2020, the CQC issued a Notice of Decision to apply conditions to the Trust's registration to prevent the admission of patients into the Lucy Wade Unit at the Millbrook Mental Health Hospital without the CQC's authorisation and to send a weekly report to the CQC on progress of the action plan to bring about improvements. On 26 March 2020, the CQC confirmed the Trust had met the requirements of the Notice of Decision and that the conditions had been lifted. This focussed inspection did not impact on the Trust's aggregated rating.

11 March 2020: The CQC undertook a focused inspection of the National Learning Disability Services at Rampton Hospital. At the time of the submission of the Quality Report, the Trust was waiting to receive the draft inspection report.

Inspections of Health and Social Care in the Criminal Justice System during 2019/20:

In England, most inspections of prisons are conducted jointly between HM Inspectorate of Prisons (HMIP) and the CQC. The CQC's rating principles do not apply to these services. This collaborative approach ensures expert knowledge is deployed in inspections and avoids multiple inspection visits by different regulators. The CQC undertook the following routine inspections of the Trust's prison healthcare services during 2019/20:

03 July 2019: The CQC inspected HMP Lowdham Grange and found no breaches of the relevant regulations. The report was published by the CQC on 30 July 2019.

28 October 2019: The CQC inspected Morton Hall Immigration Removal Centre and found no breaches of the relevant regulations. The report was published by HMIP on 10 March 2020.

09 December 2019: The CQC inspected HMP Lincoln and found no breaches of the relevant regulations. The report was published by HMIP on 15 April 2020.

13 January 2020: The CQC inspected HMP Nottingham and found no breaches of the relevant regulations. The report was published by HMIP on 07 April 2020.

22 January 2020: The CQC inspected HMP Gartree and found no breaches of the relevant regulations. The report is yet to be published on the CQC website.

The Trust does not provide services which are regulated by OFSTED.

Other CQC Activity:

CQC Mental Health Act (MHA) reviewers undertake visits to services where patients are detained to ensure their rights under the Mental Health Act 1983 are

protected. During 2019/20, CQC MHA Reviewers made 19 routine visits to services operated by the Trust and conducted one review of the Seclusion and Long-Term Segregation arrangements at Rampton Hospital. They made a total of 115 recommendations to improve practice. The key themes arising from the reviews were:

Table 3: Summary of MHA Code of Practice Breaches

Parts of the Mental Health Act 1985 Assessed	Recommendations Made
Least restrictive option and maximising independence	11 issues found in 7 services
Empowerment and involvement	35 issues found in 12 services
Respect and Dignity	6 issues found in 5 services
Purpose and effectiveness	38 issues found in 14 services
Efficiency and equity	3 issues found in 2 services
Protecting patients' rights and autonomy	19 issues found in 4 services
Care support and treatment in hospital.	3 issues found in 3 services

The Trust has responded to the CQC describing the actions to be taken to address these shortfalls in practice.

Public reports which detail the full findings of inspections made to Nottinghamshire Healthcare NHS Foundation Trust can be accessed via the CQC website. https://www.cqc.org.uk/provider/RHA

Joint CQC and HMIP inspection reports can be found at: https://www.justiceinspectorates.gov.uk/hmiprisons/inspections/

Risks to Data Security

Responsibility for Information Governance in the Trust rests with the Executive Director of Finance and Procurement who undertakes the designated role of Senior Information Risk Owner. Policies are in place and are compliant with NHS guidelines, and incident reporting procedures are in place and utilised by staff.

Due to COVID 19 the NHS Digital Data Security and Protection Toolkit submission date has nationally been extended until 30th September 2020. However, the Trust Data Security and Protection Toolkit was complete and therefore submitted on time (31 March 2020). The 360 Assurance Audit Report of the Trust's Toolkit evidence confirmed that the Trust had achieved a level of 'significant assurance'.

Data Security and Protection improvements over the year have included

- November 2019 the Penetration Test evidenced no vulnerabilities of internet facing systems and the Trust also once again passed the ISO 27001 External Audit with a couple of minor non-conformities
- March 2020 the Trust achieved the NHS Digital's DCB Secure Email Standard.
- The Trust has purchased a data discovery tool that will improve the data

security of the Trust's data and GDPR compliance by seeking out and identifying data in the Trust's file shares

- Purchase of a new Privileged Access Management (PAM) Solution which reduces the need for ICT staff to have access to elevated admin accounts, limiting the impact of a compromised account
- A new disaster recovery solution to improve the speed and effectiveness of the ICT Business Continuity plan has recently been purchased
- Privacy notices for service users, children and employees have been updated and published to reflect the introduction of National Data Opt Out
- Cyber Security training events have been attended by members of the Board, the SIRO and Head of Information Assurance
- The IT Security & Compliance Manager is currently undertaking a degree level course in Cyber Security

Trust Risk Profile

The Trust has a unique risk profile given the diversity of services provided ranging from community based physical health care services through to high secure forensic services and prison-based offender health services.

During 2019/20 the Trust maintained a close and robust review of its key strategic risks and put in place robust mitigating actions to ensure the potential operational, financial and reputational impact was mitigated as far as possible.

The Trust's High Scoring (12+) Organisational risks are summarised in the following table. There are three risks that is currently recorded on the BAF with a High Impact score of 5 (catastrophic) – they are ORG112, ORG113, ORG109.

Organisational Risks – Scoring 12+ (as of 31 March 2020)

Risk Reference Number	Risk Description	Monitoring Committee /Risk Owner	Current Risk score	Current Controls (to manage/mitigate the risk)	New Risk identified in 2019/20? Current or emerging risk?
ORG112	If significant numbers of staff are unable to attend for duty (clinical or non-clinical) either through contracting the Corona Virus / self-isolation or being required to care for dependents this could have a significant impact upon service delivery across the organisation.	WED AD CHS	25	• Implementation of national guidance in relation to case identification, self-isolation and social distancing will help to reduce further spread of the virus	Yes Emerging
ORG106	If the Board does not consistently demonstrate compassionate leadership with all staff then there will be an adverse impact on staff morale and patient experience leading to poor staff engagement and poor patient outcomes.	Quality Risk Owner CE	20	• Staff voice report • Patient experience report • Integrated Performance Report to Board • Feedback via Staff Voice report • Trust staff side partnership forum • Fit and proper persons test • Appraisal mechanism • Chief Executive/Chair appraisal • Board visits and visibility, triangulation of information • Board development • Clinical leadership development	Yes Emerging

Risk Reference Number	Risk Description	Monitoring Committee /Risk Owner	Current Risk score	Current Controls (to manage/mitigate the risk)	New Risk identified in 2019/20? Current or emerging risk?
ORG0100	Inability to manage admissions into AMH inpatient beds leading to reliance on subcontracted beds. This has an impact on the quality of care and service we provide to our patients and also significant financial risk for the Trust.	Quality Risk Owner EDMH	16	• Red – Green system in operation • Bed management protocol • Escalation to Clinical Directors for discussion/resolution • Communications (ward level) • Enhanced crisis service • Repatriation of PICU patients • Recruitment planning • Negotiated sub-contracts • Step down contract	No Current
ORG0020	System wide pressures, regulation regimes and national 'business rules', along with the organisational failure to transform organisation wide to provide efficient and effective models of care, impact adversely on the financial strategy and sustainability and lead to a lack of financial sustainability, short and long term.	F&P Risk Owner EDF	16	• Contract negotiations/ELT sign off/due diligence • FIP assurance process • New forms of contracting • Contract Executive Board in place • Clearer costing information for each service line. • High secure capacity review • Due diligence and risk assessment on new contract structure proposals • Formal governance structure for ICS and financial plan in place • Business cases for disinvestment scrutinized and approved through Board governance process • ICS governance and reporting.	No Current
ORG0071	Inability to recruit and retain an engaged and appropriately skilled and motivated workforce, with the right behaviours and leadership capacity while addressing unacceptable variance across the Trust, leading to loss of financial income and poor continuity of patient care.	WED Risk Owner EDPC	16	• Workforce metrics • Workforce plans • Monitoring safe staffing levels • Annual staff survey, staff voice surveys, open conversations, FTSU guardian • Vision 21 management programme • Recruitment and retention package/focussed campaigns • Workforce metrics reviewed • Implications of Brexit review, Cavendish Coalition • Agency spend monitored	No Current
ORG0079	If the health, wellbeing and resilience of the workforce is not effectively supported and managed, then there will be adverse impacts on patient care and patient and staff experience.	WED Risk Owner EDPC	16	• Well being at work scheme/champions • Signed up to Public Health 'Responsibility Deal' (pledges to support workforce wellbeing)/policies • Review approach to staff health and well-being • Review psychological support • ONS wellbeing questions in place	No Current
ORG0042	If we do not minimise and manage the risk of violence to others then patients/staff/visitors could be subject to physical and psychological harm (including serious injury and fatality) leading to: patient recovery being undermined, increased staff sickness, litigation claims, low staff morale and negative impact on staff retention.	Quality Risk Owner EDFS	16	• Policies and procedures • Incident reporting, awareness raising, complaints and claims management • Risk assessment • Staff training, induction • Clinical environment • Quality priority – reducing violence/restrictive practice workstream • Staffing, professional standards • Clinical supervision/debriefing, Post incident support • Professional Lead for Violence Reduction	No Current
ORG0096	Failure to have robust arrangements in place regarding compliance with the Mental Capacity Act 2005 may result in patients' rights under the Act not being upheld which in turn may result in legal or regulatory enforcement and reputational damage.	MHL Risk Owner EMD	16	• MCA Audits • Appointment of Medical Director with overarching operational responsibility for compliance with the MHA, with clinical lead • Action plan (to address issues raised in internal audit and other issues) • Compliance with best practice related to recording of capacity	No Current

Risk Reference Number	Risk Description	Monitoring Committee /Risk Owner	Current Risk score	Current Controls (to manage/mitigate the risk)	New Risk identified in 2019/20? Current or emerging risk?
ORG113	If resources at Rampton Hospital are not deployed effectively and efficiently then staffing may not be safe, treatment may not be effective and there may be poor patient experience leading to damaged reputation with stakeholders, financial loss, removal of licence, adverse regulatory assessment and enforcement action.	Quality Risk Owner EDFS	15	• Workforce management system - E-rostering/'safe care' systems • Electronic rostering policy in place for Rampton • Security policies in place • Daily operational oversight and deployment of resources by site manager (Rampton daily demand meeting) • Central Resource Office staff • Freedom to Speak Up Guardian • Dedicated Equalities & Diversity Matron • HR Department (specialist/expertise) • Supervision: Clinical Supervision (nursing staff), Medics – job evaluation + monthly 1-1s • Training Plans, Training strategy in development • Performance data/report – monitoring and review, take action (absence, sickness, retention, supervision) • Workforce data • Established and positive relationship between senior staff at Rampton and Commissioners • Return from retirement initiative • 6 Monthly	Yes Emerging
ORG109	If we are unable to provide effective leadership for the delivery of safe care at Rampton Hospital through robust systems and processes, then there may be avoidable harm to patients and may lead to regulatory action.	Quality Risk Owner EDFS	15	• Rampton Hospital Quality Improvement Plan Strategic Plan on a Page • Dashboard, 5KPIs (Commissioner oversight) • Governance Framework (Serious incidents, Incident reporting, policies and procedures, audit, complaints, risk management, never events, alerts) • One Hospital Model (clear leadership structure and reporting mechanisms in place) • Clinical Leadership Forum • Medical Leads appointed in each Care stream	Yes Emerging
ORG0080	Inability to recruit, retain and motivate a diverse workforce that is reflective of the diverse communities we serve.	WED Risk Owner EDPC	12	• Strategic Equality and Diversity Action Plan; • Workforce Race Equality Action Plan; • BSL Action Plan; • Director champions for each diversity strand; • Trust BME Staff Network • Improve and increase the use of patient data to analyse outcomes and assess and measure improvements. • Monitored via WED, E&D Sub Committee • Collecting and monitoring patient demographic data, taking action as required	No Current
ORG0090	If RIO progress notes and accompanying paper documentation are not viewed contemporaneously then high quality and safe patient care could be compromised.	F&P Risk Owner EDM	12	• Paper records follow the patient • Primary record is RIO • Record keeping policies • Clinical Records Group oversight • Contractual requirement • Statistics • Revised EPR Business case • Development of portal system	No Current
ORG0098	Failure to be able to determine statutory estates compliance in buildings not owned by the Trust in which Trust staff operate and services are delivered.	Quality Risk Owner EDF	12	• Desk top and site audits of NHS PS properties including unannounced visits	No Current
ORG0102	There is concern within the Trust is that the numbers of patients allocated to the Care Programme Approach do not reflect the level of complexity and risk of the patient population.	Quality Risk Owner EDMH	12	• Machine learning algorithm pilot • Regular reporting to Quality Committee and Quality Oversight Group • Revised Divisional monitoring and governance oversight	No Current

Risk Reference Number	Risk Description	Monitoring Committee /Risk Owner	Current Risk score	Current Controls (to manage/mitigate the risk)	New Risk identified in 2019/20? Current or emerging risk?
				• Ensuring those on CTOs and in clusters 16 and 17 are on CPA, and report exceptions. • System in place for review and reporting, at team level, of those who from their complexity scores appear CPA appropriate	
ORG107	If we are unable to ensure that effective systems and processes are in place for the delivery of safe and effective care, then there may be avoidable harm to patients.	Quality Risk Owner EDN	12	• Environment • Workforce • Policies and Procedures • Clinical • Governance	Yes (revised description) Emerging
ORG108	If we are unable to safeguard people at risk, then there may be avoidable harm to individuals leading to regulatory intervention, adverse publicity that would damage the Trust's reputation, litigation and negative impact on staff morale.	Quality Risk Owner EDN	12	• Multi-agency working - Safeguarding and Domestic Violence Boards • One Trust single integrated safeguarding team; Scrutiny and challenge, support and advice to all operational teams • Trustwide Safeguarding Strategy; Supervision Framework • Trust Policies and procedures; Multi-agency policies and procedures • Identify, prioritise and respond to themes and threats (safeguarding team) • Trustwide Safeguarding Strategy includes: Training Strategy; Domestic and Sexual Violence Strategy; Think Family Strategy; Modern Slavery Strategy • Domestic homicide reviews (suicide); Serious case review (child); Serious adult review; Learning the lessons; Reporting mechanism. • Research and development (inc evaluation) • Allegations against staff (people in positions of trust) -Recruitment process (values, knowledge, skills, competence, support and supervision); -Specialist advice; -Responding to concerns; -Co-ordinating actions as required	Yes (revised description) Emerging
ORG097	If we do not adhere to regulatory standards then delivery of care will be poor and unsafe leading to enforcement action/regulatory intervention, damage to our reputation and financial penalties.	Quality Risk Owner EDN	12	• Trust policies and procedures & process to ensure ongoing review; • Processes to ensure compliance with Licence Conditions; • Processes to ensure actions following internal audits are implemented; • IA Programme - links to BAF and supports the Head of IA Opinion; • Risk Management Strategy and framework in place. • Incident reporting and Serious Incident reporting processes; • Learning lessons and preventing recurrence (via CIRCLE); • Claims management policy; • Clinical Audit Strategy and policy; • Implementation of revised Quality Governance structure. • Quality Improvement Strategy • Nursing Strategy and Care Reviews • Quality Strategy • Performance management framework • Never events framework • Rampton Hospital Improvement Board and Improvement Plan	No Current

Current and future (new and emerging) risks are considered in line with the Trust's RMS and the current governance structure. The Board of Directors reviews the risks captured on the BAF at all the scheduled meetings. An Executive Summary

table and report details the current position and highlights reviews and action status. The full BAF is also provided, this details the controls, gaps in controls, RAG rating on the effectiveness of the control, the internal and external assurances, the gaps in assurance, RAG rating on the adequacy of the assurances and details the actions required. There is an overall question about 'is the board assured?' and this serves to generate discussion about the extent to which assurance is provided and if further work is required to strengthen controls/assurances for each risk. The Board's Committees has a duty to monitor the risks relevant to their remit, undertaking 'deep dives' when required. The Executive Leadership Team monitors and reviews BAF risks monthly and acts as required. The ELT considers new and future risks to the organisation and Executive Directors/Directors escalate/progress as required.

This Annual Governance Statement provides an outline of the various structures and mechanisms that the Trust has in place to maintain a sound system of governance and internal control, amongst other things, to meet the requirement of the Foundation Trust License Condition 4 (FT Governance). It takes assurance from these structures and its various committees as well as feedback from internal and external audit and other internal and external stakeholders regarding the robustness of these governance structures. The Trust monitors compliance with the Provider License through a range of mechanisms, including:

- The consistent review of the Board Assurance Framework and consideration of organisational risks at the Board of Directors, its committees and deep dives in Board development sessions and the audit committee.
- Internal audit reports to the audit committee on matters relating to governance, financial control and risk management.
- Continuous reporting in accordance with the Single Oversight Framework to the Board of Directors – Integrated Performance Report – and the Trust's regulators eg NHSI, CQC.

Embedding risk management as a core activity within the organisation is achieved through multiple systems and processes. During 2019/20, an assessment of the Trust's position against the components of embedding risk management was undertaken and reviewed by the Audit Committee. Examples of how the Trust has sought to embed risk management within the culture of the organisation.

At the point of writing this report, there were no risks reported that related to the Trust's ability to comply with Foundation Trust Licence Condition 4 (FT Governance).

COVID-19

The Covid-19 pandemic has impacted everyone in all parts of their lives. Following the move to National Level 4 Command and Control arrangements, there was

some relaxation of ‘business as usual’ arrangements. NHSE/I committed to support providers and commissioners in freeing up as much capacity as possible to prioritise workload and focus on doing what is necessary to manage the response to the COVID-19 pandemic. Despite this, as a public sector body, the trust is required to maintain proportionate governance and stewardship arrangements to carry out its statutory functions effectively, efficiently and economically.

NHSE/I advised trusts to have due regard to their constitutions and agreed internal processes, to enable timely and effective decision making, including the use of emergency decision-making arrangements.

The trust has enacted this in accordance with its constitution. Decisions being made during this emergency period were logged and a summary report of significant decisions presented to the Board at each of its meetings to ensure collective oversight. For matters where the risk or significance of the decision may have been considered material, it was agreed that the Chair and 2 Non-Executives would routinely be consulted prior to any approval being given.

The onset of the pandemic presented a significant challenge for all NHS Trusts to in ensuring the safe delivery of core services. The Trust responded to meet the challenges, harnessing the technology available to it to limit any impact on business continuity. Following government advice, all staff that were able to work from home were enabled to do so through remote working and virtual meeting spaces such as Microsoft Teams. This enabled core corporate services to be maintained. In operational settings, very few services were stood down due to the impact of the pandemic. All core operational services were maintained. Daily gold command calls were established 7 days a week. Those meetings reviewed live sit rep reporting from divisions to enable agile decision making and also support the distribution of resources across the trust to support safe delivery of services. Furthermore, the use of virtual clinical consultations was implemented to ensure safe therapeutic/clinical consultations could continue to take place across the community where clinically appropriate to do so.

As the trust continues to transition through the phases of restoration and recovery, the adequacy of business continuity plans will be reviewed.

The Head of Internal Audit Opinion has not been affected by the COVID-19 pandemic.

Corporate Governance Statement

The Board of Directors, as required under NHS Foundation Trust Condition 4 (8)(b) assures itself of the validity of its Corporate Governance Statement. The Audit Committee provides fundamental assurance to the Board in accordance with its terms of reference. The Audit Committee considered and approved compliance with the Monitor Code of Governance for NHS Foundation Trusts and the

Corporate Governance Statement for 2019/20 at its meeting in May 2020. In the course of approving the Corporate Governance Statement, the Audit Committee has had regard to supporting evidence, in addition to details of the risks and mitigations the statement made and provided subsequent assurance to the Board of Directors.

In addition, the Board of Directors, through the established governance assurance processes of the organisation, maintains on-going oversight of compliance with those principles, systems and standards of good corporate governance which would be reasonably be regarded as appropriate for a supplier of health care services to the NHS.

Management of Incidents

Robust systems are in place to manage and learn from patient safety incidents. The Board of Directors recognises the importance of ensuring an organisational culture which encourages and supports the reporting of incidents and near misses, the thorough and proportionate investigation thereof and the identification and dissemination of learning across the organisation.

The Board of Director's Integrated Performance Report continues to incorporate information on harm caused by incidents and detailed information on high risk incidents such as violence, using Statistical Process Control (SPC) which is based on plotting data over time. These are referred to as the 'Quality of Care' information.

The Trust reports and manages serious incidents in accordance with the NHS England Serious Incident Framework. The Trust responds quickly to incidents ensuring that lessons learned from them are implemented swiftly across the organisation.

Sharing the learning through risk related issues, incidents, complaints and claims is an essential component to maintaining the risk management culture within the Trust. Learning is shared through divisional governance structures and Trust wide forums including the Quality Committee, the Health, Safety, Security and Emergency Preparedness Sub Committee Trust and the Quality Operational Group. Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External Inspections.
- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

The Quality Operational Group maintains oversight of the Trust-wide reporting, investigation and monitoring of serious incidents, ensuring that appropriate learning is gained and reflected into practice. This is supported by a trust-wide Serious Incident/Significant Issues group which reviews serious incidents received in the preceding week; raises any queries and receives assurance that immediate risks are being managed. It ensures that the Duty of Candour is applied appropriately, and staff are supported, agrees what level of investigation is required and identifies incidents which could result in a difficult inquest or claim.

In addition, in line with NHS England Learning from Deaths guidance, the Trust has an established it Mortality Surveillance Group to provide corporate oversight of Trust systems to report, review, analyse and learn from deaths of service users. It also provides a framework for determining what level of review/investigation should be conducted following deaths of service users that meets national reporting requirements. As a result, the Trust is improving its learning from deaths of service users by introducing the Initial Management Review (IMR) process which determines the level of investigation required.

The Trust continues to work through a review of all policies including understanding how robustly these are embedded in the culture and working practices.

Public Stakeholders

The Trust proactively seeks and welcomes feedback from and involvement of stakeholders in relation to the provision of services and the management of risk. Key ways by which public stakeholders are involved in managing risks which have potential to impact on them include:

- Well established processes for patient, service user and carer feedback
- Through the Council of Governors
- The Trust’s engagement with commissioners, the Joint Health Scrutiny Committee and Healthwatch
- Consultation on the Quality Account
- Consultation on transformational plans.

Compliance Statements

Control measures are in place to ensure that all the organisation`s obligations under equality, diversity and human rights legislation are complied with. Training in equality and diversity is mandatory for all staff and a key component of our new staff induction process. This aims to ensure that all employees are equipped with the appropriate knowledge and awareness to provide consistently fair treatment towards both colleagues and patients/service users alike.

Attendance at any of the equality and diversity conferences that the Trust has hosted is also counted as mandatory training. In addition to this, team sessions are

being offered by the equality and diversity lead for any teams who would like further information and training around equality and diversity.

In accordance with the Modern Slavery Act 2015, the Trust ensures that Modern Slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only or tendered through robust procurement processes.

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 in place 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 which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

As part of the delivery of the Trusts People and Culture strategy and as mandated within the Developing Workforce Safeguarding recommendations the Trust developed a strategic workforce plan. Throughout 2019/20 the Trust has undertaken significant work and the workforce landscape in term of the future workforce expectations has grown. We now have more clarity about the shape and size of the workforce over the next 5 years. This analysis of that data has allowed us to forecast where we need to develop alternative skills, competencies or delivery methods. Sustainability model against known supply projections and demographics changes in order to identify the risk and potential gaps in the workforce.

We have also focussed internally on current workforce utilisation, ensure the best use of E-Rostering systems and focusing on retention and recruitment opportunities.

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

The Board takes responsibility for oversight and risk management assurance throughout the trust and receives the Board assurance framework at its formal meetings.

The trust's strategic objectives form the basis of the Board assurance framework. The strategic objectives are linked to key risks, internal controls and assurance sources. Mitigating controls and assurances are recorded and monitored to deliver reasonable assurance for prevention of risks, deterrent to risks arising and management of current risks. The control mechanisms in place are designed to minimise or eliminate the risk of failure to deliver objectives, including robust corporate and performance management frameworks, service level agreements and contract monitoring, policies and procedures.

The Board delegated detailed oversight of the Board assurance framework to the Audit Committee. This Committee assesses the effectiveness of risk management by: managing and monitoring the implementation of the Risk Management Strategy; considering findings from internal and external audit reviews; calling Executive Directors to account for their risk portfolios and monitoring the Board Assurance Framework at each of its meetings. The end of year review of the Board Assurance Framework by the Head of Internal Audit has resulted in an opinion of reasonable assurance that the Board Assurance Framework is effective.

Overall performance is monitored at meetings of the Board of Directors and the Finance and Performance Committee. Performance reports provide data in respect of financial, clinical and workforce together with national targets and objectives. Any areas of concern are highlighted and mitigating actions taken where deemed necessary. The Finance and Performance Committee is also responsible for the consideration of investment risk.

Achievement of efficiency, effectiveness and value for money is central to the Trust's organisational strategy and is one of four key objectives that underpin the Trusts approach to governance. The Trust has several workstreams focused around this objective and has an overarching programme executive to maintain focus and pace on delivery of key objectives.

The financial plan setting process is a rigorous process where we plan how each directorate will use its resources in the coming year. To do this we use the previous year outturn, assumptions on recruitment and investments, upcoming Financial Improvement Programme (FIP) plans and disinvestment and local knowledge from the directorates.

The Finance and Performance (F&P) committee receives reports at each of its meetings on performance year to date and forecast outturn against this plan. This information is also received at Trust board. This performance reporting against the

Trust plan is fed into each Finance report produced which is then seen at each divisional meeting and directorate meeting throughout the Trust.

FIP targets and performance against these targets are similarly received at each directorate and divisional monthly meeting to monitor performance and take correction action where needed. This is then taken to F&P in a summarised level for discussion, again this information is fed into Trust Board.

Clinical risk and patient safety are overseen by the Quality Committee, the director of nursing, the medical director and the operational directors. The Board receives reports at each of its meetings encompassing the quality and patient safety aspects for the trust. The Quality Committee has focused on assurance that the trust is embedding the lessons learned from inspections. This assurance is reported to the Board.

The Audit Committee received regular reports from the local counter fraud specialists which identified specific fraud risks and investigated whether there was evidence of those being exploited. No significant risks, classes of transactions or account balances were identified. The committee has focused some attention on the relationship between committees, ensuring triangulation of risk and performance data to ensure assurances are considered and robustly tested.

All the above arrangements are subject to and supported by Internal Audit reviews. Any findings and recommended actions are implemented, monitored and reported through to the Audit Committee. External Auditors are also required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in how it uses its resources.

Information governance

There were 28 incidents concerning data loss of breaches in confidentially reported in 2019/20. The details of those incidents are outlined in the table below, including those which were reported to the Information Commissioners Office (ICO) and any actions the ICO may have taken. The ICO is a body that upholds information rights in the public interest, promoting openness by public bodies and data privacy for individuals. The ICO has the enforcement powers to take steps against organisations that breach information governance and data privacy policy and legislation.

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
1	March 2020	A copy of meeting minutes from a department at Rampton Hospital were saved in a shared folder in error by a member of the administration service. The meeting minutes contained personal details of twenty-seven staff members, including: sickness management meetings, return to work information, physical health information, referral to Occupational Health, sickness information, performance management information.	ICO	ICO Investigation ongoing
2	March 2020	Staff member sent an email to 3 other members of staff regarding a claim for expenses. The recipients of the email were able to view each other's name, home addresses, signatures, bank account details (sort codes and personal account codes).	Not required to report	
3	February 2020	Following an audit of the electronic patient information system (SystmOne) within the Paediatric Speech & Language Therapy Service (SLT), It was identified that a member of staff had accessed two records of children which the staff member did not have a legitimate reason to access. No overriding reason was supplied on either record to record a reason for accessing.	Not required to report	

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
4	January 2020	A letter was sent to a senior member of staff, the content of which suggested that a confidential report relating to a conduct investigation had been inappropriately shared by a member of bank staff.	Not required to report	
5	January 2020	A member of staff had their Trust laptop stolen from the boot of their car in January 2020. The laptop was stored in the member of staff's car overnight which against Trust policy. The laptop was encrypted and there was no patient confidential paperwork lost.	Not required to report	
6	January 2020	An email was sent by a member of the Trust's Social Care service to 93 carers regarding upcoming events for carers at Rampton Hospital. The email did not contain patient information but did identify the 93 email recipients as carers of patients at Rampton Hospital. The email was sent without 'blind copying' the recipients in to the email. This meant that the email addresses of all 93 recipients were visible to each one of the recipients.	ICO	ICO Investigation ongoing
7	January 2020	A patient telephoned the Information Assurance Team, reporting they had received a letter dated October 2019 reference: XXXXX which contained information about them and information about another patient. The reporter stated personal data of another including: name, date of birth, address, symptoms, scores and risk assessment data was disclosed within the letter. The patient would not provide the name of the patient’s data who had been sent in error.	ICO	No Action

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
8	January 2020	An email was received by the IA team from patient A. Patient A had suspicions that a staff member had inappropriately viewed/accessed their clinical record to inform the decision and outcome of a private appointment. An audit report of the clinical record was requested. The audit result was returned and showed the staff member had accessed the patient record.	ICO	No action
9	January 2020	Sensitive, confidential information has been forwarded from a Trust email account to a private email account. The information includes unprotected psychiatric reports as well as corporately sensitive material and documents containing staff personal information.	ICO	ICO Investigation ongoing
10	December 2019	A community nurse left a work diary at a patient's home address overnight in November 2019. The diary contained patient full names and home addresses and some treatment information such: Leg wound, Bladder scan.	Not required to report	
11	November 2019	A suitcase containing sensitive, confidential information was found in a non-patient area of a secure unit. There were approx. 100 documents in the suitcase, all of which related to one former patient, and which included information from medical records, tribunals and complaints. The suitcase had been left in a 'rubbish' cage for disposal and had been found by porters. The suitcase was found to belong to a patient.	Not required to report	
12	November 2019	A letter written to a patient confirming receipt of their GP referral into Gender Services was sent to the wrong address. The referral was handwritten and the address had been recorded as 'Road'. This was incorrect.	ICO	No action

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
		A typed letter accompanied the referral, the address had been recorded as 'Grove'. This was correct. Both the typed GP letter and the handwritten referral had the correct postcode recorded. The letter sent by Gender Services was sent to the 'Road' address but the correct postcode was used.		
13	November 2019	Bank staff has shared log in details with an agency member of staff.	Not required to report	
14	November 2019	An Assistant Practitioner left a work diary at a patient's home address in October 2019 which was the last home visit of the day. The member of staff realised that they had left their diary after around 30 minutes of leaving the address and contacted the patient. The member of staff agreed with patient that they would collect the diary the following morning, first thing. The diary contained some patient full names and home addresses.	Not required to report	
15	November 2019	A Healthcare Assistant left their work diary at a patient's home address. The diary was left unattended at the address from 15:00 and was collected by another nurse when they visited the address at 22:00 on the same day. The diary contained full patient identifiable information and also included other patient information for non Trust patients, as the individual also works for another healthcare provider.	Not required to report	
16	November 2019	It has been alleged that a member of staff has inappropriately accessed the SystmOne medical records of a family member at least 15 times. Furthermore, information identified to suggest that member of staff has also provided	ICO	No action

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
		treatment to the family member but had not documented any relationship between them or reported a conflict of interests.		
17	October 2019	A member of agency staff sent a private message via Facebook to a member of Trust staff. The message included the first initial and surname of a patient as well as their address and the fact that they required a depot injection.	Not required to report	
18	October 2019	A member of staff allegedly obtained the log in details for another member of staff via coercion. The staff member then used the log in details to access the other employee's ESR and Outlook accounts.	ICO	No action
19	October 2019	A member of staff has shared their network log in details with another member of staff. The second member of staff has accessed the first staff member's email account and ESR records.	Not required to report	
20	August 2019	A member of staff has lost their work bag which contained a work laptop and charger, MIFI unit, work phone and a notebook. The laptop was encrypted and the phone did not have patient contact details stored in it. The notepad only contained patient first names and didn’t contain patient identifiable information.	Not required to report	
21	August 2019	A diary containing sensitive, confidential information relating to an investigation was found in a ward office. Information included disclosures made by a patient (referred to by first name and initials) and members of staff. The investigation examined allegations made by a patient of physical abuse by a member of staff.	Not required to report	

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
		Access to the ward office is restricted however it's likely that the diary was seen by at least five members of staff.		
22	August 2019	A letter from the Centre for Transgender Health had been sent to the incorrect address for a patient, the letter had been sent to the same street but incorrect house number. In an effort to provide an apology and discuss complaint and incident management, an email was sent by a member of the IA team to an incorrect email address. A second email followed from the Gender Services copying the same incorrect email address.	ICO	No action
23	July 2019	Email from external source sent to senior staff member within the Trust, copying in another staff member. The email had a document attached that appears to contain confidential information about a conduct hearing. The email and attachment had been sent to 4 other staff members within the Trust.	Not required to report	
24	June 2019	In June 2019, a clear plastic box file containing confidential information relating to 7 patients, together with a dictation tape was found in a hospital car park and handed in by a member of the public.	Not required to report	
25	May 2019	A bank HR investigator has breached the confidentiality of a member of staff. During a grievance investigation, the investigator disclosed to several witnesses that the subject of the grievance was also the subject of a conduct investigation. The investigator also disclosed that the subject was currently not	ICO	No Action

No.	Date	Summary of Incident	Reported to ICO (Yes/No)	Outcome (ICO Action)
		at work due to work related stress and anxiety. This was not relevant to the individuals. This constitutes excessive processing and disclosure.		
26	May 2019	A student nurse on a short placement from a University, is alleged to have looked in a family member’s mental health record whilst on placement with our Trust.	Not required to report	
27	May 2019	A staff diary was left in a patient's home overnight in April 2019 following a community visit at 18.00. The diary contained full names and addresses for 203 patients, some of which are duplicated throughout the diary. The patient's daughter rang the nursing team at 21.50 to inform them and the diary was collected the following morning.	Not required to report	
28	April 2019	Reported that Trust employee took work home without authorisation to complete a national return. This was in regard to weights and measure of children. The employee's family member 'shouted out the names' of the children from a 'class list employee had printed off so that the employee could populate a spreadsheet. The employee's family member is not a Trust employee.	ICO	No action from ICO

Data quality and governance

The Trust's Information Assurance Framework sets out a strategy and range of controls designed to help us ensure a high level of assurance around the quality of our information. The SIRO has overall responsibility for data quality of information held within our systems. Roles and responsibilities are defined for various levels of types of role, including senior management right down to frontline staff who input data directly into systems.

The data quality of our national submissions is monitored every month and a report summarising the results and raising awareness of other significant data quality issues is regularly reviewed within the Trust's governance structures by the Clinical Systems and Records Management Group. We monitor the Data Quality Maturity Index externally, and each relevant nationally submitted data set individually, benchmarking our performance against national performance, as well as flagging issues and monitoring progress where improvements have been required on specific indicators.

The Performance Indicator Assurance Process is embedded in the Trust Information Assurance Framework and is being used to review the data quality of the most important Trust KPIs in the Integrated Performance Report provided to the Trust Board, which cover a range of metrics including key national targets, integrated Care System ones as well as local and internal ones. Data sources, methodology and quality of data are monitored and each indicator is rated against a number of data quality dimensions. Alongside our own monitoring, some of these indicators are also audited by our Internal Auditors and by External Auditors.

Self-service data quality reports are widely available to users of our systems, and services apply resources to deal with and resolve data quality issues as they arise across our many information systems.

Quality Account and Quality Report

Due to COVID-19, national guidance on the preparation of a quality account and a quality report has been amended.

While primary legislation continues to require providers of NHS services to prepare a quality account for each financial year, the amended regulations mean there is no fixed deadline by which providers must publish their 2019/20 quality account. NHS England and NHS Improvement have recommended for NHS providers that a revised deadline of 15 December 2020 would be appropriate, in light of pressures caused by COVID-19. Draft quality accounts should be provided to stakeholders (for 'document assurance' as required by the quality accounts regulations) in good time to allow scrutiny and comment. For finalising quality accounts by 15 December, it has been advised that a date of 15 October would be reasonable for this; each trust

should agree this with their relevant stakeholders. The trust has consulted stakeholders and is aiming to meet a deadline of the end of September 2020.

It should be noted that NHS providers are no longer expected to obtain assurance from their external auditor on their quality account / quality report for 2019/20.

It should also be noted that NHS foundation trusts are not required to include a quality report in their annual report for 2019/20

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 quality committee and plans to address weaknesses and ensure continuous improvement of the system is in place.

The risk based internal audit reports which received limited assurance were:

- Recruitment and retention
- Freedom to Speak Up
- Estates Maintenance
- Care Planning and Decision Making
- Care Programme Approach
- Review of Restrictive Practices
- Consultant Job Planning
- Safeguarding

There is a clear, dynamic process for monitoring progress against audit recommendations with oversight by the Board Committees. Recommendations from any reports providing limited assurance are prioritised.

Director statements from executive directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board assurance framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed and addressed.

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, supported by the Audit and Quality committees' regular reports to the Board.

Processes are in place to maintain and review the effectiveness of the system of internal control by:

- the Board providing overall leadership for the management of risk against the achievement of organisational objectives
- the Board's receipt of the Board assurance framework at its meetings
- the Audit Committee assurance on the effective operation of the risk management system
- the Quality Committee has oversight of clinical audit as reported in the 2019/20 Quality Account
- each level of management being responsible for the risks in their areas, regularly reviewing them and the controls in place to mitigate them
- the internal assurance process used to monitor compliance with the Care Quality Commission essential standards.
- processes and structures to ensure our approach is systematic and rigorous.

The Head of Internal Audit provided an opinion of Moderate Assurance that the Trust generally operates within a sound framework of governance, risk management and control, however, inconsistent application of controls puts the achievement of the organisation's objectives at risk. The opinion stated:

"In providing our opinion we consider four areas:

- *Board Assurance Framework and strategic risk management*
- *Internal Audit Plan outturn*
- *follow-up of internal audit actions*
- *third part assurances*

Significant assurance has been provided for the Board Assurance Framework and strategic risk management with good oversight of the strategic risks by the Trust.
Internal Audit Plan outturn is moderate assurance as we have identified a number of risk based reviews with limited assurance that have common themes arising that were identified as part of our Head of Internal Audit Opinion for 2018/19, primarily in respect of policy, governance and training.

Implementation of agreed actions by their due dates following review is moderate assurance with a rate of 68%, which is the second consecutive year the Trust has been rated moderate for this element.

Third party assurance from the latest Trust-wide CQC inspection report (issued May 2019) is overall 'Requires Improvement', with this rating also applied for the well-led category, and represents a deterioration from the previous report. The CQC inspection report for High Secure Hospitals (issued October 2019) has shown a decline from 'Requires Improvement' overall to 'Inadequate', with the rating for well-led showing no improvement from the previous inspection being again rated as 'Inadequate'.

Conclusion

The Trust continues to develop and improve its internal governance systems, processes and structures to ensure our approach is systematic and rigorous. There have been no significant internal control issues in the Trust in 2019/20.

Dr John Brewin

Chief Executive

Date: 24 June 2020

EXTERNAL AUDITORS REPORT AND OPINION

Independent auditor's report to the Council of Governors of Nottinghamshire Healthcare NHS Foundation Trust

Report on the financial statements

Opinion on the financial statements

We have audited the financial statements of Nottinghamshire Healthcare NHS Foundation Trust ('the Trust') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by HM Treasury's Financial Reporting Manual 2019/20 as contained in the Department of Health and Social Care Group Accounting Manual 2019/20, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Key audit matters

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

Key audit matter	Our response and key observations
Valuation of Land and Buildings *Note 16.1 to the financial statements discloses information on the Trust's holding of property, plant and equipment (PPE) which includes £34.651m of land and £367.059m of buildings held at current value at 31 March 2020. These assets are subject to periodic revaluation in line with the requirements of the Group Accounting Manual (GAM). Note 1.7 to the financial statements describes the Trust's accounting policy with respect to the valuation of land, buildings and dwellings and Note 1.24 discloses further information on the basis of estimates used including includes disclosure of a material valuation uncertainty as a result of the Covid-19 pandemic.* Management engage a valuation expert ('the valuer') to provide the Trust with valuations in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) and the Group Accounting Manual. We consider there to be a significant risk of material misstatement in relation to the valuation of the Trust's land, buildings and dwellings as a result of the: • high degree of estimation uncertainty associated with the valuations; • level of judgement applied by management and the valuer in estimating current values; and • extent to which the valuations are reliant on complete and accurate source data on individual assets being provided to the valuer. The significant risk of material misstatement is further increased due to the additional estimation uncertainty arising from the Covid-19 pandemic.	**How we addressed the key audit matter** Our audit procedures included, but were not limited to: • obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from the Trust; • obtaining an updated understanding of the basis of valuation applied by the valuer in the year. This included, for a sample of valuations, understanding and assessing the methodology applied to estimate the gross replacement cost of the Trust's operational land and buildings on a modern equivalent asset basis; • sample testing the completeness and accuracy of underlying data provided by the trust and used by the valuer as part of their valuation; • testing the accuracy of how valuation movements were presented and disclosed in the financial statements; and • using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2020. In doing so, we utilised information provided by an auditor's expert to assess the effect of the material valuation uncertainty disclosed by the valuer and the Trust in the financial statements. **Observations and conclusions** Whilst drawing attention to Note 1.24 in the financial statements, where the Trust has highlighted the material valuation uncertainty raised by its valuation expert caused by the impact of Covid-19, we obtained sufficient appropriate evidence to conclude that the valuation of land, buildings and dwellings included in the financial statements is reasonable.

Key audit matter	Our response and key observations
Revenue Recognition *The Trust recognised £445.68million Operating Income from Patient Care Activities in the Statement of Comprehensive Income for the year ending 31 March 2020. The Trust's primary source of revenue is through contracts with commissioning bodies in respect of the provision of mental health and community healthcare services. Notes 3.1 and 3.2 of the financial statements provide further information on the nature and source of the Trust's revenue* ISA (UK) 240 incudes a rebuttable presumption that there is a risk of fraud in relation to revenue recognition. We have not rebutted the presumed risk on revenue recognition due to the pressure to manage income to deliver forecast performance in a challenging financial environment increases the risk of fraudulent financial reporting. Therefore there is a perceived incentive to recognise revenue before it has been earned. We consider the specific risk in relation to revenue recognition to be in the recognition of income from Patient Care Activities and related receivables at the year end.	**How we addressed the key audit matter** Our audit procedures included, but were not limited to: • testing a sample of revenue from patient care activities by agreeing the transactions to appropriate source documentation and obtaining assurance that each item was appropriately recorded in the financial year and at the correct value; • testing a sample of year-end receivables by agreeing the transactions to appropriate source documentation and obtaining assurance that each item was appropriately recognised; • considering information provided by the Department of Health and Social Care in respect of year-end intra-NHS revenue and receivables transactions. We identified any significant differences between the Trust's position and that of the counterparty and obtained assurance that the Trust's position was supported by appropriate evidence; and • testing a sample of receipts either side of the year-end to obtain assurance that the associated revenue was accounted for in the correct financial year. **Observations and conclusions** We obtained sufficient appropriate evidence to conclude that revenue recognised in the financial statements is reasonable.

Our application of materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures, and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as follows:

Overall materiality	£9.60m
Basis for determining materiality	2% of total operating expenses of continuing operations
Rationale for benchmark applied	Total operating expenses of continuing operations was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.
Performance materiality	£6.24m
Reporting threshold	£0.288m

An overview of the scope of our audit
As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the Accounting Officer made subjective judgements such as making assumptions on significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates. We considered the risk of acts by the Trust which were contrary to the applicable laws and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the National Health Service Act 2006.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Trust's accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but were not limited to:

- obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error;
- review of minutes of board meetings in the year; and
- enquiries of management.

As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities (other than the key audit matter on revenue recognition outlined above).

The risks of material misstatement, including due to fraud, that had the greatest effect on our audit are discussed under 'Key audit matters' within this report.

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

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

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements
As explained more fully in the Statement Of Chief Executive's Responsibility As The Accounting Officer Of Nottinghamshire Healthcare NHS Foundation Trust, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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

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

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2019/20; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement	
We are required to report to you if, in our opinion: • the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2019/20; or • the Annual Governance Statement 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 respect of these matters.
Reports to the regulator and in the public interest	
We are required to report to you if: • we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a Director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or • we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.	We have nothing to report in respect of these matters.

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, 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. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Use of the audit report

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

Certificate

We certify that we have completed the audit of Nottinghamshire Healthcare NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Mark Surridge Key Audit Partner
For and on behalf of Mazars LLP

45 Church Street, Birmingham, B3 2RT

25 June 2020

Nottinghamshire Healthcare NHS Foundation Trust

Annual accounts for the year ended 31 March 2020

Foreword to the accounts

Nottinghamshire Healthcare NHS Foundation Trust

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

Signed  ……..

Name **Dr John Brewin**
Job title **Chief Executive**
Date **24 June 2020**

Statement of Comprehensive Income for the year ending 31 March 2020

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	445,680	413,093
Other operating income	4	49,282	54,386
Operating expenses	6, 8	(480,175)	(443,173)
Operating surplus from continuing operations		**14,787**	**24,306**
Finance income	11	417	319
Finance expenses	12	(2,169)	(2,122)
PDC dividends payable		(12,744)	(12,279)
Net finance costs		**(14,496)**	**(14,082)**
Other gains	14	64	117
Surplus for the year from continuing operations		**355**	**10,341**
Surplus for the year		**355**	**10,341**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	7,098	5,988
Total comprehensive income for the period		**7,453**	**16,329**

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	15	3,000	2,185
Property, plant and equipment	16	419,858	409,267
Total non-current assets		**422,858**	**411,452**
Current assets			
Inventories	18	463	511
Receivables	19	28,317	30,061
Non-current assets for sale and assets in disposal groups	20	-	475
Cash and cash equivalents	21	42,759	45,675
Total current assets		**71,539**	**76,722**
Current liabilities			
Trade and other payables	23	(40,645)	(41,647)
Borrowings	25	(897)	(860)
Provisions	27	(640)	(573)
Other liabilities	24	(633)	(328)
Total current liabilities		**(42,815)**	**(43,408)**
Total assets less current liabilities		**451,582**	**444,766**
Non-current liabilities			
Trade and other payables	23	(150)	(164)
Borrowings	25	(17,558)	(18,455)
Provisions	27	(5,397)	(5,123)
Total non-current liabilities		**(23,105)**	**(23,742)**
Total assets employed		**428,477**	**421,024**
Financed by			
Public Dividend Capital		240,914	240,914
Revaluation Reserve		183,946	177,582
Income and Expenditure Reserve		3,617	2,528
Total Taxpayers' Equity		**428,477**	**421,024**

The notes on pages 132 to 169 form part of these accounts.

Name Dr John Brewin
Position Chief Executive
Date 24 June 2020

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

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**240,914**	**177,582**	**2,528**	**421,024**
Surplus for the year	-	-	355	**355**
Impairments	-	7,098	-	**7,098**
Transfer to Retained Earnings on disposal of assets	-	(734)	734	**-**
Taxpayers' equity at 31 March 2020	**240,914**	**183,946**	**3,617**	**428,477**

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

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**240,562**	**174,805**	**(11,024)**	**404,343**
Surplus for the year	-	-	10,341	**10,341**
Impairments	-	5,988	-	**5,988**
Transfer to Retained Earnings on disposal of assets	-	(3,211)	3,211	**-**
Public Dividend Capital received	352	-	-	**352**
Taxpayers' equity at 31 March 2019	**240,914**	**177,582**	**2,528**	**421,024**

Information on reserves

Public Dividend Capital
Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. Nottinghamshire Healthcare NHS Trust was approved as a Foundation Trust effective from 1 March 2015. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by Nottinghamshire Healthcare NHS Foundation 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 credited to operating expenses. 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 Nottinghamshire Healthcare NHS Foundation Trust.

Statement of Cash Flows for the year ended 31

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus		14,787	24,306
Non-cash income and expense:			
Depreciation and amortisation	6	9,346	8,032
Net impairments	7	5,820	(60)
(Increase) / decrease in receivables and other assets		1,744	(7,579)
(Increase) / decrease in inventories		48	(62)
Increase / (decrease) in payables and other liabilities		(1,585)	11,437
Increase / (decrease) in provisions		336	(211)
Net cash flows from operating activities		**30,496**	**35,863**
Cash flows from investing activities			
Interest received		417	319
Purchase of intangible assets		(1,212)	(540)
Purchase of PPE and investment property		(17,807)	(14,928)
Sales of PPE and investment property		921	1,361
Net cash flows used in investing activities		**(17,681)**	**(13,788)**
Cash flows from financing activities			
Public Dividend Capital received		-	352
Capital element of finance lease rental payments		(7)	(7)
Capital element of PFI, LIFT and other service concession payments		(853)	(786)
Interest paid on finance lease liabilities		(22)	(23)
Interest paid on PFI, LIFT and other service concession obligations		(2,143)	(2,093)
PDC dividend paid		(12,706)	(12,467)
Net cash flows used in financing activities		**(15,731)**	**(15,024)**
Increase / (decrease) in cash and cash equivalents		**(2,916)**	**7,051**
Cash and cash equivalents at 1 April - brought forward		**45,675**	**38,624**
Cash and cash equivalents at 31 March	21	**42,759**	**45,675**

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 1.2 Going concern

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

Note 1.3 Interests in other entities

The Trust is the corporate trustee to the Nottinghamshire Healthcare NHS Charitable Trust Fund (registration number 1111895), it effectively has the power to exercise control so as to obtain economic benefits.

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common controls with NHS Bodies are consolidated within the entities' returns, where those funds are determined to be material.

The Trust has reviewed its NHS charitable funds and concluded that they are not material and so are not consolidated within these accounts. Details of the transactions with the charity are included in the related parties' note 32.

The Charities draft accounts for 2019/20 show a net movement in funds for the year of £191,000 and total funds at 31 March 2020 of £1,004,000.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The majority of performance obligations relate to NHS contracts for provision of healthcare services, where they do not they are generally satisfied upon delivery as services are rendered with payment terms of 30 days typically applying.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

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

Revenue from research contracts

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

Provider sustainability fund (PSF) and Financial recovery fund (FRF)
The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Note 1.4.1 Other forms of income

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

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 1.5 Expenditure on employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

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

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 t 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. PC's and laptops attached to networks are considered interdependent, and where the remaining criteria for grouped assets apply, are capitalised. Also, assets which are capital in nature acquired as part of the initial setting-up of new buildings but which are valued individually at less than £5,000 but more than £250 may be capitalised as collective or grouped assets.

Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and day to day maintenance, is normally charged to the Statement of Comprehensive Income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits or service potential expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement. The impact of such capitalised expenditure on the Fair Value of assets is captured in the annual Revaluation exercise.

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 fair value.

Land and buildings 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. Ffair values are determined as follows:

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

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

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

Land, specialised and non-specialised buildings are valued on an annual basis as at 31 March by an independent professional valuer. In 2019/20 this was undertaken by the District Valuer (Valuation Office Agency).

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

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

An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. A transfer from the Revaluation Reserve to Retained Earnings is made for the lower of the impairment charged and the balance in the Revaluation Reserve for the asset. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and day to day maintenance, is normally charged to the Statement of Comprehensive Income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits or service potential expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement. The impact of such capitalised expenditure on the Fair Value of assets is captured in the annual Revaluation exercise.

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation 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.

Donated and grant funded assets

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

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

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

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

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

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

Lifecycle replacement

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 finance lease liability 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 when 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 the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

There are no assets contributed by the Trust to the operator for use other than in the scheme.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	4	90
Dwellings	17	30
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	2	10

Buildings, installations and fittings are depreciated over the estimated remaining life of the asset as advised by the Valuer.

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

Note 1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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.

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	5	10

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 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 1.11 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets and liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

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).

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.

Derecognition

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

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

13 **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.

The Trust as a lessee

Finance leases

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

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for 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 in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

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 published and mandated by HM Treasury.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

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 27.1 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 Public Dividend Capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.16 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 1.17 Corporation tax

The Trust has determined that it has no corporation tax liability as it does not operate any commercial activities that are not part of core health care delivery.

Note 1.18 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.

Note 1.19 Third party assets

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

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.22 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. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 1.23 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has made an assessment of the amount payable in relation to employee holiday pay based on the prior year outturn figures as adjusted for known variables which for 19/20 relates to a Covid 19 allowable carry forward assessment.

Location is a critical factor in the likely cost of building the modern equivalent assets for specialised properties. Location factors reflecting the likely cost impact of construction in different locations are published by BCIS and combined with BCIS tender price indices are used by the Valuation Office Agency during the annual re-estimation of property values.

As stated in note 1.7 to the accounts, the Trusts specialised buildings are valued on a modern equivalent asset basis. In view of the specialty, super-regional and national nature of the services provided from a range of premises, the Trust has considered it appropriate to conduct its valuation based on an 'alternative site' basis. For 2019/20 the impact of this approach resulted in a valuation of circa £24,471,000 lower than it would have been if the valuation was based on an alternative site in the same locality as where the properties are currently situated. The impact on the SoCI (PDC dividends) during 2019/20 of this valuation approach is £428,000.

The most significant impact of the Trust's use of the alternative site methodology relates to the choice of location for the specialised properties at Wathwood and Rampton Hospitals. After taking account of service and other considerations on their possible location and reviewing the impact of the location factors on the cost to re-provide the service potential of the premises on a modern equivalent asset basis, the Trust has assumed that for valuation purposes the facilities will be located in Barnsley and North East Lincolnshire respectively. This has resulted in a £20,362,000 reduction in reported value when compared to their value if based on an alternative site in the same locality, and a £1,748,000 reduction in reported value compared to what it would have been if retained in Rotherham as assumed in 2018/19. The impact on the SoCI (PDC dividends) during 2019/20 of these location choices are £356,000 and £31,000 respectively

Note 1.24 Sources of estimation uncertainty

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

● Provisions for permanent injury awards and early retirements have been calculated using the Government Actuary's Department interim life tables to estimate expected lives.
● The Trust has three PFI schemes which have been accounted for in line with the Department of Health guidance.

● The Trust has used accountancy based asset lives for premises which has reduced the charge to depreciation by £3,093,000 when compared to what it would have been under the design lives approach used in previous years.

- The Covid 19 outbreak is likely to have had an as yet unspecified and unmeasurable impact on the carrying value of the Trusts premises which reflect a valuation was provided by the Valuation Office Agency in February 2020 with a valuation date of 31 March 2020. The agency has made the following comments in relation to the reports its' officers have provided to NHS clients:

The outbreak of Covid-19, declared by the World Health Organisation as a global pandemic on 11 March 2020, has impacted on global financial markets. On 18 March 2020, the RICS published guidance to the profession in relation to material valuation uncertainty in response to Covid -19 impact on individual markets. Further RICS guidance – Impact of Covid-19 on Valuation - was issued on 2 April 2020.

This is an evolving and fast moving situation, as new government and regulatory requirements are announced daily alongside economic predictors & forecasts, and as an organisation the VOA are currently involved in RICS led profession discussions as to how to address the unprecedented circumstances.

Our opinion on the potential impact on the various asset categories is as follows:

a) Specialised In Use (Operational) assets - buildings valued using depreciated replacement cost

There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. Regarding the BCIS cost indices, BCIS have stated that they consider new construction output is likely to fall in 2020 as a result of the Covid-19 outbreak, as it affects labour availability on sites and delays or leads to cancellation of projects in the pipeline. However, at the present time, BCIS have advised and we agree that it is too early for Covid-19 related issues to impact on BCIS indices published and adopted in our valuations

b) Non – Specialised In Use (Operational) assets including the land element of the depreciated replacement cost valuation of specialised assets

There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. Their basis of valuation is however current value in existing use, having regard to comparable market evidence and early commentary as it exists regarding direction of travel tends to suggest and support a downward movement in value. It is too early at this stage in our professional judgement to accurately evidence this impact and it is our opinion at the date of valuation on the information then available that the assessed impact falls within normal valuation tolerances.

c) Assets Held for Sale and Surplus Assets.

Commentary as it exists tends to suggest that the direction of travel is again supporting a downward movement in value, but due to the specific nature of these assets we consider the impact to be greater than for the In Use (Operational) assets. We have therefore considered this in our reported valuations.

d) Investment assets

Commentary as it exists tends to suggest that the direction of travel is again supporting a downward movement in value, but due to the various terms of occupation of these assets, the impact could be greater than for the In Use (Operational) assets. We have therefore considered this in our reported valuations.

Next Steps

The duration of the impact and understanding of likely short, medium to long term effects are hard to predict currently. As further market evidence comes available then the full extent of the Covid-19 impact will become clearer. We therefore strongly recommend that a future impairment review is also undertaken. Further HMT/CIPFA/NHS advice or profession consensus may help inform your view as to the need or timing of any review.

The Trust has no investment assets or assets held for sale as at the date of the Statement of Financial Position.

Should the Covid 19 outbreak impact on the value of Trust premises, for every 1% change in value of buildings, there will be a £3.7m impact on the value of the Statement of Financial Position, and a related £65k impact on PDC dividend payable.

Note 2 Operating Segments

Nottinghamshire Healthcare NHS Foundation Trust has determined that in the context of IFRS 8, the Chief Operating Decision Maker (CODM) for the Trust is the Trust Board as the Board receives and reviews the Finance Board Report on a regular basis. The Finance Board Report contains information regarding expenditure divided across different service areas. However, it also contains the main accounting statements, none of which are divided nor reported at a lower level as these are considered on a Trust wide basis. The Trust considers it has one segment of healthcare for reporting purposes. Further detail is provided below:

	2019/20 £000	2018/19 £000
Income	494,962	467,479
Retained Surplus	355	10,341

	31 March 2020 £000	31 March 2019 £000
Net Current Assets	28,724	33,314

The services provided by Nottinghamshire Healthcare NHS Foundation Trust are delivered by the Local Partnerships and Forensic Divisions and are supported by Trust Corporate Services.

The Local Partnerships Division comprises of Mental Health services and Community Health services and is responsible for services provided in the community and acute settings including:

- Adult Mental Health Services
- Child and Adolescent Mental Health Services
- Mental Health Services for Older People
- Intellectual and Developmental Disabilities Service
- Substance Misuse Service
- Psychological Therapies Service
- Children's services - including health visiting, school nursing, specialist services, children's centres (Surestart).
- Adult services - including community nursing, intermediate care, therapy services, inpatient and outpatient services, specialist palliative care.
- Dental services

The Trust's Forensic Services break down into the following areas:

- High secure services (Rampton Hospital)
- Medium secure services (Wathwood Hospital and Arnold Lodge)
- Low secure in patient service
- Community forensic service
- Prison healthcare

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2019/20 £000	2018/19 £000
Mental health services		
Block contract income	289,734	277,343
Clinical partnerships providing mandatory services (including S75 agreements)	26,633	21,132
Clinical income for the secondary commissioning of mandatory services	8,630	7,924
Other clinical income from mandatory services	1,911	2,325
Community services		
Community services income from CCGs and NHS England	88,232	83,530
Income from other sources (e.g. local authorities)	15,421	15,112
All services		
Private patient income	-	16
Agenda for Change pay award central funding*		5,711
Additional pension contribution central funding**	14,576	
Other clinical income	543	-
Total income from activities	**445,680**	**413,093**

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

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

Note 3.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	**£000**
NHS England	199,359	172,915
Clinical commissioning groups	228,970	216,953
Department of Health and Social Care	-	5,711
Other NHS providers	49	118
Local authorities	15,076	15,333
Injury cost recovery scheme	1	-
Non NHS: other	2,225	2,063
Total income from activities	**445,680**	**413,093**
Of which:		
Related to continuing operations	445,680	413,093
Related to discontinued operations	-	-

Note 4 Other operating income

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	8,321	-	**8,321**	8,315	-	**8,315**
Education and training	10,369	1,077	**11,446**	11,915	505	**12,420**
Non-patient care services to other bodies	18,441		**18,441**	19,695		**19,695**
Provider sustainability fund (PSF)	3,890		**3,890**	6,647		**6,647**
Income in respect of employee benefits accounted on a gross basis	3,013		**3,013**	2,797		**2,797**
Other income	4,171	-	**4,171**	4,512	-	**4,512**
Total other operating income	**48,205**	**1,077**	**49,282**	**53,881**	**505**	**54,386**
Of which:						
Related to continuing operations			**49,282**			**54,386**
Related to discontinued operations			**-**			**-**

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

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	328	244

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2020	31 March 2019
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000
within one year	633	328
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	**633**	**328**

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

Note 5.3 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	142,886	144,141
Income from services not designated as commissioner requested services	302,794	268,952
Total	**445,680**	**413,093**

5 **Note 5.4 Profits and losses on disposal of property, plant and equipment**

The Trust sold the following properties during the course of the financial year.

	Net Book Value	Proceeds (net of costs of sale)
	£000	£000
Abbot Road Day Centre	225	225
Newlands	250	250
7 The Pastures	83	100
11 The Pastures	84	100
22 The Pastures	93	103
28 The Pastures	123	140
	858	**918**

None of the properties sold was being used for the provision of commissioner-requested services in the financial year.

Note 6 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	575	709
Purchase of healthcare from non-NHS and non-DHSC bodies	25,136	24,780
Staff and executive directors costs	361,154	334,812
Remuneration of non-executive directors	166	140
Supplies and services - clinical (excluding drugs costs)	5,398	5,669
Supplies and services - general	7,476	6,276
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	6,044	5,664
Consultancy costs	712	614
Establishment	6,873	8,300
Premises	20,150	20,567
Transport (including patient travel)	1,144	1,050
Depreciation on property, plant and equipment	8,949	7,672
Amortisation on intangible assets	397	360
Net impairments	5,820	(60)
Movement in credit loss allowance: contract receivables / contract assets	(5)	25
Change in provisions discount rate(s)	(121)	(104)
Audit fees payable to the external auditor		
audit services- statutory audit	44	85
other auditor remuneration (external auditor only)	1	12
Internal audit costs	152	149
Clinical negligence	801	616
Legal fees	1,084	623
Insurance	432	484
Research and development	3,097	2,599
Education and training	3,470	3,822
Rentals under operating leases	11,762	10,068
Early retirements	-	55
Redundancy	1,011	508
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	4,512	4,538
Hospitality	29	29
Other	3,912	3,111
Total	**480,175**	**443,173**
Of which:		
Related to continuing operations	480,175	443,173
Related to discontinued operations	-	-

Note 6.1 Other auditor remuneration

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	1	12
Total	**1**	**12**

Note 6.2 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial year 19/20 (2018/19: £1m)

Note 7 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus resulting from:		
Changes in market price	5,820	(60)
Total net impairments charged to operating surplus	**5,820**	**(60)**
Impairments charged to the Revaluation Reserve	(7,098)	(5,988)
Total net impairments	**(1,278)**	**(6,048)**

The revaluation exercise has resulted in a reversal of impairments charged to the Statement of Comprehensive Income (SOCI) in previous years for buildings of £1,302,000. There has been an increase in SOCI impairments arising from the revaluation exercise relating to buildings of £7,122,000. The net reversal of impairment arising from market changes in relation to premises and chargeable to SOCI is £5,820,000.

There have been no other transactions giving rise to impairments and reversals charged to the SOCI during the course of the year.

Note 8 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	276,155	268,011
Social security costs	26,174	25,119
Apprenticeship levy	1,340	1,286
Employer's contributions to NHS pensions	47,947	32,169
Pension cost - other	119	59
Termination benefits	1,296	660
Temporary staff (including agency)	9,790	8,432
Total gross staff costs	**362,821**	**335,736**
Recoveries in respect of seconded staff	-	-
Total staff costs	**362,821**	**335,736**
Of which		
Costs capitalised as part of assets	656	361

Note 8.1 Retirements due to ill-health

During 2019/20 there were 6 early retirements from the Trust agreed on the grounds of ill-health (14 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £321k (£649k in 2018/19).

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

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accrdingly.

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.

Those employees who are not eligible for the NHS Pensions scheme who wish to make pension contributions are covered by the National Employment Savings Trust (NEST) pensions scheme which is a non defined benefit scheme.

Note 10 Operating leases

Note 10.1 Nottinghamshire Healthcare NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Nottinghamshire Healthcare NHS Foundation Trust is the lessee.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	11,762	10,068
Total	**11,762**	**10,068**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	14,359	9,317
- later than one year and not later than five years;	21,625	13,880
- later than five years.	13,334	269
Total	**49,318**	**23,466**

Note 11 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	417	319
Total finance income	**417**	**319**

Note 12 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Finance leases	22	24
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	1,209	1,251
Contingent finance costs on PFI and LIFT scheme obligations	933	841
Total interest expense	**2,164**	**2,116**
Unwinding of discount on provisions	5	6
Total finance costs	**2,169**	**2,122**

Note 13 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20	2018/19
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	168	60
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 14 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	64	117
Total gains / (losses) on disposal of assets	**64**	**117**

Note 15 Intangible assets - 2019/20

	Software licences £000
Valuation / gross cost at 1 April 2019 - brought forward	**4,839**
Additions	1,212
Valuation / gross cost at 31 March 2020	**6,051**
Amortisation at 1 April 2019 - brought forward	**2,654**
Provided during the year	397
Amortisation at 31 March 2020	**3,051**
Net book value at 31 March 2020	**3,000**
Net book value at 1 April 2019	**2,185**

Note 15.1 Intangible assets - 2018/19

	Software licences £000
Valuation / gross cost at 1 April 2018 - brought forward	**4,299**
Additions	540
Valuation / gross cost at 31 March 2019	**4,839**
Amortisation at 1 April 2018 - brought forward	**2,294**
Provided during the year	360
Amortisation at 31 March 2019	**2,654**
Net book value at 31 March 2019	**2,185**
Net book value at 1 April 2018	**2,005**

Note 16.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**34,746**	**368,460**	**2,414**	**9,780**	**3,690**	**1,873**	**12,908**	**350**	**434,221**
Additions	-	-	-	11,878	479	88	6,191	8	**18,644**
Impairments	(20)	(5,575)	-	-	-	-	-	-	**(5,595)**
Reversals of impairments	80	12,514	99	-	-	-	-	-	**12,693**
Reclassifications	-	10,400	-	(10,400)	-	-	-	-	**-**
Disposals / derecognition	(145)	(68)	(169)	-	-	-	-	-	**(382)**
Valuation/gross cost at 31 March 2020	**34,661**	**385,731**	**2,344**	**11,258**	**4,169**	**1,961**	**19,099**	**358**	**459,581**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**6,009**	**99**	**7,563**	**1,892**	**1,262**	**7,787**	**342**	**24,954**
Provided during the year	-	6,853	105	-	344	152	1,491	4	**8,949**
Impairments	10	7,112	-	-	-	-	-	-	**7,122**
Reversals of impairments	-	(1,302)	-	-	-	-	-	-	**(1,302)**
Accumulated depreciation at 31 March 2020	**10**	**18,672**	**204**	**7,563**	**2,236**	**1,414**	**9,278**	**346**	**39,723**
Net book value at 31 March 2020	**34,651**	**367,059**	**2,140**	**3,695**	**1,933**	**547**	**9,821**	**12**	**419,858**
Net book value at 1 April 2019	**34,746**	**362,451**	**2,315**	**2,217**	**1,798**	**611**	**5,121**	**8**	**409,267**

Note 16.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - brought forward	**34,991**	**337,949**	**2,315**	**23,889**	**2,903**	**1,679**	**10,377**	**350**	**414,453**
Additions	-	-	-	10,743	862	267	2,531	-	**14,403**
Impairments	-	(12,625)	-	-	-	-	-	-	**(12,625)**
Reversals of impairments	30	18,484	99	-	-	-	-	-	**18,613**
Reclassifications	-	24,852	-	(24,852)	-	-	-	-	**-**
Transfers to / from assets held for sale	(275)	(200)	-	-	-	-	-	-	**(475)**
Disposals / derecognition	-	-	-	-	(75)	(73)	-	-	**(148)**
Valuation/gross cost at 31 March 2019	**34,746**	**368,460**	**2,414**	**9,780**	**3,690**	**1,873**	**12,908**	**350**	**434,221**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**-**	**-**	**7,563**	**1,730**	**1,214**	**6,645**	**338**	**17,490**
Provided during the year	-	6,069	99	-	237	121	1,142	4	**7,672**
Impairments	-	3,351	-	-	-	-	-	-	**3,351**
Reversals of impairments	-	(3,411)	-	-	-	-	-	-	**(3,411)**
Disposals / derecognition	-	-	-	-	(75)	(73)	-	-	**(148)**
Accumulated depreciation at 31 March 2019	**-**	**6,009**	**99**	**7,563**	**1,892**	**1,262**	**7,787**	**342**	**24,954**
Net book value at 31 March 2019	**34,746**	**362,451**	**2,315**	**2,217**	**1,798**	**611**	**5,121**	**8**	**409,267**
Net book value at 1 April 2018	**34,991**	**337,949**	**2,315**	**16,326**	**1,173**	**465**	**3,732**	**12**	**396,963**

Note 16.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	34,651	337,706	2,140	3,695	1,933	547	9,821	12	**390,505**
Finance leased	-	130	-	-	-	-	-	-	**130**
On-SoFP PFI contracts and other service concession arrangements	-	29,223	-	-	-	-	-	-	**29,223**
NBV total at 31 March 2020	**34,651**	**367,059**	**2,140**	**3,695**	**1,933**	**547**	**9,821**	**12**	**419,858**

Note 16.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	34,746	333,463	2,315	2,217	1,798	611	5,121	8	**380,279**
Finance leased	-	130	-	-	-	-	-	-	**130**
On-SoFP PFI contracts and other service concession arrangements	-	28,858	-	-	-	-	-	-	**28,858**
NBV total at 31 March 2019	**34,746**	**362,451**	**2,315**	**2,217**	**1,798**	**611**	**5,121**	**8**	**409,267**

Note 17 Revaluations of property, plant and equipment

The Trusts land and building property including dwellings (but excluding Assets under Construction) is held at revalued amounts for the 31st March 2020 as assessed by the District Valuer, who is independent to the Trust.

Land and non-specialised buildings are assessed at market value for existing use at an overall value of £44,701,000.

Specialised buildings are valued at depreciated replacement cost on a modern equivalent asset basis, alternative sites being used where appropriate. The overall assessed value of specialised properties is £359,149,000.

Note 18 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	228	311
Energy	235	200
Total inventories	**463**	**511**

Inventories recognised in expenses for the year were £3,357k (2018/19: £3,169k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 19 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	24,797	25,070
Allowance for impaired contract receivables / assets	(190)	(196)
Prepayments (non-PFI)	2,776	3,033
VAT receivable	504	657
Other receivables	430	1,497
Total current receivables	**28,317**	**30,061**
Of which receivable from NHS and DHSC group bodies:		
Current	20,173	20,366
Non-current	-	-

Note 19.1 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**196**	**-**	**-**	**218**
Prior period adjustments			-	-
Allowances as at 1 April - restated	**196**	**-**	**-**	**218**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			218	(218)
New allowances arising	-	-	25	-
Changes in existing allowances	(5)	-	-	-
Utilisation of allowances (write offs)	(1)	-	(47)	-
Allowances as at 31 Mar 2020	**190**	**-**	**196**	**-**

Note 19.2 Exposure to credit risk

The majority of the Trust's trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As Clinical Commissioning Groups and NHS England are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

	Current	1-30 days overdue	31 - 60 days overdue	61 - 90 days overdue	91+ days overdue
	£'000	£'000	£'000	£'000	£'000
Ageing of impaired financial assets	2,225	735	102	250	146
Ageing of non impaired financial assets	5,005	3,762	- 121	129	1,850

Note 20 Non-current assets held for sale and assets in disposal groups

	2019/20	2018/19
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**475**	**1,245**
Assets classified as available for sale in the year	-	475
Assets sold in year	(475)	(1,245)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**475**

Note 21 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible

	2019/20	2018/19
	£000	£000
At 1 April	**45,675**	**38,624**
Net change in year	(2,916)	7,051
At 31 March	**42,759**	**45,675**
Broken down into:		
Cash at commercial banks and in hand	96	70
Cash with the Government Banking Service	42,663	45,605
Total cash and cash equivalents as in SoFP	**42,759**	**45,675**
Total cash and cash equivalents as in SoCF	**42,759**	**45,675**

Note 22 Third party assets held by the Trust

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

	31 March 2020	31 March 2019
	£000	£000
Bank balances	1,919	1,910
Total third party assets	**1,919**	**1,910**

Note 23 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	1,144	6,228
Capital payables	3,802	2,965
Accruals	24,151	21,340
Social security costs	3,624	3,653
Other taxes payable	2,829	2,687
PDC dividend payable	242	204
Other payables	4,853	4,570
Total current trade and other payables	**40,645**	**41,647**
Non-current		
Other payables	150	164
Total non-current trade and other payables	**150**	**164**
Of which payables from NHS and DHSC group bodies:		
Current	6,637	5,031
Non-current	-	-

Note 24 Other liabilities

	2020 £000	2019 £000
Current		
Deferred income: contract liabilities	633	328
Total other current liabilities	**633**	**328**

Note 25 Borrowings

	2020 £000	2019 £000
Current		
Obligations under finance leases	9	7
Obligations under PFI, LIFT or other service concession contracts	888	853
Total current borrowings	**897**	**860**
Non-current		
Obligations under finance leases	153	162
Obligations under PFI, LIFT or other service concession contracts	17,405	18,293
Total non-current borrowings	**17,558**	**18,455**

Note 25.1 Reconciliation of liabilities arising from financing activities - 2019/20

	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2019	**169**	**19,146**	**19,315**
Cash movements:			
Financing cash flows - payments and receipts of principal	(7)	(853)	**(860)**
Financing cash flows - payments of interest	(22)	(1,209)	**(1,231)**
Non-cash movements:			
Application of effective interest rate	22	1,209	**1,231**
Carrying value at 31 March 2020	**162**	**18,293**	**18,455**

Note 25.2 Reconciliation of liabilities arising from financing activities - 2018/19

	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2018	**176**	**19,933**	**20,109**
Cash movements:			
Financing cash flows - payments and receipts of principal	(7)	(786)	**(793)**
Financing cash flows - payments of interest	(23)	(1,252)	**(1,275)**
Non-cash movements:			
Application of effective interest rate	23	1,251	**1,274**
Carrying value at 31 March 2019	**169**	**19,146**	**19,315**

Note 26 Nottinghamshire Healthcare NHS Foundation Trust as a lessee

Obligations under finance leases where the Trust is the lessee.

	31 March 2020	31 March 2019
	£000	£000
Gross lease liabilities	**285**	**315**
of which liabilities are due:		
- not later than one year;	30	30
- later than one year and not later than five years;	120	120
- later than five years.	135	165
Finance charges allocated to future periods	(123)	(146)
Net lease liabilities	**162**	**169**
of which payable:		
- not later than one year;	9	7
- later than one year and not later than five years;	51	44
- later than five years.	102	118
received at the reporting date	-	-

Note 27 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Total
	£000	£000	£000	£000
At 1 April 2019	**1,328**	**4,132**	**236**	**5,696**
Transfers by absorption	**-**	**-**	**-**	**-**
Change in the discount rate	**(12)**	**(109)**	**-**	**(121)**
Arising during the year	**91**	**843**	**306**	**1,240**
Utilised during the year	(141)	(371)	(67)	**(579)**
Reversed unused	**(1)**	**-**	**(203)**	**(204)**
Unwinding of discount	**4**	**1**	**-**	**5**
At 31 March 2020	**1,269**	**4,496**	**272**	**6,037**
Expected timing of cash flows:				
- not later than one year;	142	226	272	**640**
- later than one year and not later than five years;	673	878	-	**1,551**
- later than five years.	454	3,392	-	**3,846**
Total	**1,269**	**4,496**	**272**	**6,037**

Due to the inherent nature of provisions, the timing and value of cash flows are uncertain.

Note 27.1 Clinical negligence liabilities

At 31 March 2020, £3,683k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Nottinghamshire Healthcare NHS Foundation Trust (31 March 2019: £4,733k).

28 Contractual capital commitments

Commitments under capital expenditure contracts at 31 March 2020 were £nil (31 March 2019 £nil)

The Trust has assets under construction at 31 March 2020 of £3.7m (31 March 2019: £2.2m), however this is spread across a large number of schemes, none of which include a legally binding contractual obligation at the Statement of Financial Position date.

Note 29 On-SoFP PFI, LIFT or other service concession arrangements

Note 29.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

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

	31 March 2020	31 March 2019
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**30,711**	**32,766**
Of which liabilities are due		
- not later than one year;	2,051	2,062
- later than one year and not later than five years;	7,962	8,022
- later than five years.	20,698	22,682
Finance charges allocated to future periods	(12,418)	(13,620)
Net PFI, LIFT or other service concession arrangement obligation	**18,293**	**19,146**
- not later than one year;	888	853
- later than one year and not later than five years;	3,807	3,665
- later than five years.	13,598	14,628

Note 29.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2020	31 March 2019
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**132,340**	**137,056**
Of which payments are due:		
- not later than one year;	7,799	7,633
- later than one year and not later than five years;	31,196	30,532
- later than five years.	93,345	98,891

Note 29.3 Analysis of amounts payable to service concession operator

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

	2019/20	2018/19
	£000	£000
Unitary payment payable to service concession operator	**7,546**	**7,485**
Consisting of:		
- Interest charge	1,209	1,251
- Repayment of balance sheet obligation	852	780
- Service element and other charges to operating expenditure	4,512	4,538
- Capital lifecycle maintenance	40	75
- Contingent rent	933	841
Total amount paid to service concession operator	**7,546**	**7,485**

Note 29.4 Off-SoFP PFI, LIFT and other service concession arrangements - details

Newark PFI

The Newark PFI scheme involves an arrangement for the design, build, finance and operation (non-clinical services), through a private sector operator, of a facility for 25 years, providing a mental health and learning disability resource centre and mental health day care centre and was developed on Trust-owned land.

At the expiration of the arrangement, the underlying asset will remain with the private sector operator and the Trust will have the following three options.

1) Enter into a new project agreement with the operator for a further 25 years;
2) Take an under lease for a term of 25 years;
3) Take vacant possession on payment of the 'Break Sum' (presumed to be 'market value').

The infrastructure asset associated with the scheme will, under IFRS, fall to be recognised on the Statement of Financial Position, based on the application of IFRIC 12 (*Service concession arrangements*), which requires the Trust to:

a. control or regulate what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and to

b. control – through beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

It is considered that the requirements of above are complied with. In particular, the availability of the options, listed 3 above, indicate potential control of a significant residual interest in the infrastructure asset at the end of the term of the arrangement. IFRIC 12 therefore applies and this scheme should be recognised on the Statement of Financial Position.

Highbury PFI

The payment mechanism for the contract allows for charging for services from inception, with incremental charges for new or altered buildings as they become available at each phase completion. The Unitary Charge is calculated to ensure that the Trust owns the PFI facilities at no further cost at the end of the contract.

The facilities provided under the scheme include those for in-patient and day patient activities, as well as ancillary facilities including canteen, kitchen and laundry. In addition, certain Soft and Hard facilities management services are provided to a number of other Trust properties on the site.

The project commenced in December 2004 and comprises 3 phases. Services commenced at the inception of the contract in December 2004, and at the opening Statement of Financial Position date (1 April 2009), phases 1 and 2 were complete and in use.

Certain Trust-owned buildings (to be demolished) were transferred to the private sector operator at no cost. Certain other Trust-owned buildings (“alteration buildings”) were transferred for development by the private sector operator.

Non-property non-current assets, such as IT equipment and software and telecommunications equipment have been and will be acquired separately and are not part of the scheme.

As part of the arrangement, the Trust has entered into certain guarantees with the Royal Bank of Scotland concerning the private sector operator’s financial performance. These guarantees are underwritten by The Secretary of State for Health by a Deed of Safeguard, dated 6 December 2004. No financial guarantee is recognised at the opening Statement of Financial Position date.

The scheme’s cash flows change in line with the UK Retail Prices Index (RPI). The embedded derivative is considered to be closely related to the host contract and is therefore not separately accounted for.

Benchmarking, market testing, and variable charging arrangements are in line with Standard Form applicable at commencement. Benchmarking opportunities are scheduled at year 2, 5 and each 5th year subsequently.

Changes to Trust accommodation requirements in the final phase are completed and were handed over to the Trust in April 2011. The leased element was handed over in August 2010, and capitalised at £5,925,000, with the subsequent part funded by capital injection. Incremental construction costs arising from the Trust requirement changes were funded through capital injection, and the contract will still complete at the original planned completion date of 31st January 2039.

Rampton Boiler Replacement and Effluent Treatment Plant scheme

The Rampton Boiler Replacement and Effluent Treatment Plant scheme is a Public Private Partnership venture facilitated by the Carbon Energy Fund through their framework arrangements. It involves the development by a Private Sector Partner (PSP) using private finance it has secured and on land licenced to it by the Trust for the purpose, of installations comprising Energy Facilities including a Combined Heat and Power Unit (CHP), a Biomass Boiler, two dual fuel boilers, and a new Effluent Treatment Plant (ETP), followed by provision of services therefrom by the PSP for a 15 year operational term to commence on the later of the Actual Completion Date in relation to the Energy Facilities Works and the Actual Completion Date in relation to the ETP Works.

The PSP will provide Energy Services utilising the Energy Facilities provided, managed and procured by it. The PSP will be responsible for the provision of electricity and heat to the Hospital and the operation, maintenance and replacement of the Energy Facilities in accordance with the terms of the Project Agreement for the 15 years of the operational term.

PSP staff will operate and manage the energy plant to output specifications agreed by and solely for the benefit of the Trust incentivised by a payment mechanism based on a guaranteed savings model that punishes poor savings performance and shares the rewards of savings performance greater than the contract specification. This is stiffened by a Service Failure and Availability Deductions mechanism.

The PSP will provide Effluent Treatment Services under the terms of the agreement being a comprehensive service for the processing and treatment of effluent leaving the hospital utilising the ETP provided, managed and procured by it. The PSP will be responsible for the monitoring, management, operation, maintenance and replacement of the ETP facilities for the 15 years of the operational term.

Under the terms of the Project Agreement no payment would be made to the company for the facilities until the facilities were complete and handed over (Actual Completion) in accordance with the project agreement. Payment for the facilities and services will be made to the PSP by the Trust through a Unitary Payment which will comprise an element each for property (lease rental) and service charge. The first Unitary Payment covering the first quarters composite charge fell due at commencement of the operational term, and Unitary payments will continue to be paid quarterly in advance for remainder of the 15 year operational term.

The facilities and associated finance costs will have been paid for in their entirety through the Unitary Payment at expiry of the agreement, at which point the company will cease to have in interest in facilities and plant and ownership will lie with the Trust.

The capital cost of purchase and installation of the facilities agreed at commencement of the Project Agreement is £5,049,000 and the annual unitary charge £841,000, both figures exclusive of VAT.

The Trust entered into the Project Agreement with the PSP on the 13th December 2013, and works to prepare the site for the new developments commenced shortly thereafter. All construction works and delivery of plant on site took place in 2014/15, with Practical Completion and handover of both the Energy Facilities works and ETP works, and Actual Completion under the terms of the contract and commencement of the operational term being achieved on the 4th February 2015. The first quarters Unitary Payment fell due at that point, being a quarter of the annual Unitary Payment as agreed at commencement of the project agreement adjusted for contractually agreed inflation, equating to £863,505 pa exclusive of VAT.

Note 30 Financial instruments

Note 30.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Nottinghamshire Healthcare NHS Foundation Trust (the Trust) has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has some powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

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

Interest rate risk

The Trust borrows from government for capital expenditure. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's income comes from contracts with other NHS and non-NHS public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the receivables note.

Liquidity risk

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

Note 30.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	25,037
Cash and cash equivalents	42,759
Total at 31 March 2020	**67,796**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	26,370
Cash and cash equivalents	45,675
Total at 31 March 2019	**72,045**

Note 30.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost
	£000
Obligations under finance leases	162
Obligations under PFI, LIFT and other service concession contracts	18,293
Trade and other payables excluding non financial liabilities	29,172
Total at 31 March 2020	**47,627**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost
	£000
Obligations under finance leases	169
Obligations under PFI, LIFT and other service concession contracts	19,146
Trade and other payables excluding non financial liabilities	30,533
Total at 31 March 2019	**49,848**

Note 30.4 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	30,068	31,393
In more than one year but not more than two years	938	860
In more than two years but not more than five years	2,920	2,849
In more than five years	13,701	14,746
Total	**47,627**	**49,848**

Note 30.5 Fair values of financial assets and liabilities

In all cases, the carrying values of financial assets and liabilities represent a reasonable approximation of their fair value.

Note 31 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	22	28	7	2
Fruitless payments	1	-	1	3
Bad debts and claims abandoned	22	12	39	52
Stores losses and damage to property	-	-	1	-
Total losses	**45**	**40**	**48**	**57**
Special payments				
Compensation under court order or legally binding arbitration award	1	8	-	-
Ex-gratia payments	88	169	99	146
Total special payments	**89**	**177**	**99**	**146**
Total losses and special payments	**134**	**217**	**147**	**203**

Note 32 Related parties

The Trust is part of the National Health Service within the UK government; its parent department is the Department of Health and Social Care. The main entities within the public sector with whom the Trust has dealings are:

NHS England
Nottingham City CCG
Mansfield & Ashfield CCG
Newark & Sherwood CCG
Bassetlaw CCG
Nottingham North & East CCG
Rushcliffe CCG
Nottingham West CCG
Health Education England
Department of Health & Social Care
Nottingham University Hospitals NHS Trust
Leicester City CCG
West Leicestershire CCG
East Leicestershire & Rutland CCG
Sherwood Forest Hospitals NHS Foundation Trust
Sheffield Health and Social Care NHS Foundation Trust
St Helens and Knowsley Hospital Services NHS Trust
University Hospitals of Leicester NHS Trust
NHS Property Services Ltd
University Hospitals of Derby and Burton NHS Foundation Trust
Derbyshire Healthcare NHS Foundation Trust
Doncaster CCG
Leicestershire Partnership NHS Trust
Community Health Partnerships
Doncaster and Bassetlaw NHS Foundation Trust
NHS Resolution
Care Quality Commission
Lincolnshire East CCG
NHS Business Services Authority
Derby & Derbyshire CCG
Derbyshire Community Health Services NHS Foundation Trust
East Midlands Ambulance Sevice NHS Trust

The Trust has also received revenue and capital payments from Nottinghamshire Healthcare Charitable Trust Funds, the trustee of which is the Trust. This amounted to £148,000 (2018/19: £50,000) towards staff and patient welfare and amenities. An administration charge of £12,000 (2018/19: £12,000) was made by the Trust to Nottinghamshire Healthcare Charitable Trust Fund.

Additional information on compensation and expenses paid to senior management can be found in the staff and remuneration section of the Trust's annual report.

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

During the year, the Trust's Executive Director of Finance acted as Chair of the East Midlands branch of the Healthcare Financial Management Association (HFMA),which provides training courses, guidance and publications to its members. He subsequently became a National Board member. Purchases from the HFMA during 2019/20 amounted to £8,000 (2018/19: £7,000).

The Trust's former Chair is a governor for Portland College and another non Executive Director of the Trust also acts in the same capacity for the college to which the Trust provides Speech and Language services in respect of this income of £186,000 was received (2018/19: £208,000) during the year.

The Trust's Director of People and Culture also performs the same joint role for Sherwood Forest Hospitals NHS Foundation Trust.

The Trust's substantive Medical director is also a Board member of the NHS Confederation Mental Health Network. The Trust received no income (2018/19: £nil) during the year from NHS Confederation.

One of the Trust's Non-Executive Directors (NEDs) is also a NED at Derbyshire Health United Limited. The Trust spent £197,000 (2018/19: £108,000) during the year with Derbyshire Health United Limited.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. These material transactions have been with the University of Nottingham, Nottinghamshire County Council, Nottingham City Council and Leicester City Council. A number of directors of the Trust have held positions with various universities during the year, but transactions with these universities have been on an 'arms length' basis during the normal course of business.

Note 33 Prior period adjustments

There have been no prior period adjustments.

Note 34 Events after the reporting date

There have been no events after the reporting date having a material impact on the financial statements.