NHS
Surrey and Borders Partnership
NHS Foundation Trust

Annual Report and Accounts

1 April 2019 - 31 March 2020

For a better life

Surrey and Borders Partnership NHS Foundation Trust
Annual Report and Accounts 2019-20

Surrey and Borders Partnership NHS Foundation Trust

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Performance Report

This section provides an overview of the Trust's performance in 2019/20

Foreword from the Chairman and Chief Executive

The successes, challenges and day-to-day running of Surrey and Borders in 2019/20 feel almost totally overshadowed by the arrival of Coronavirus. Writing this foreword in May 2020 with the country still in lockdown and with around 1,000 people in our geography having lost their lives to a terrible virus, it seems almost inappropriate to look back to a time when #GoodToGreat was our mantra, but it would be remiss to publish an Annual Report – even an abbreviated one – without at least some reflections on the wider story of a year full of successes and development.

As a mental health Trust, we are inspected annually by the Care Quality Commission. Their inspectors returned in January 2020 and we are pleased that we retain the 'Good' status, which we first achieved in 2017, with many services showing an improvement from last year. We also remain 'Good' for all five domains assessed by the CQC and for every one of our 10 services.

Our partnership working, always a crucial aspect of work, overcame substantial challenge this year, as we made a substantial change to longstanding joint working arrangements with Surrey County Council for our Community Mental Health Recovery Services. From November 2019, the adult social care part of adult mental health services is now separated from mental health care and provided by new adult social care mental health locality teams. That such significant change was implemented as smoothly as it was is testament to the dedicated work of a large number of individuals in both organisations.

We continue to gradually bring our community services for people of all ages together into improved accommodation under our Community Hubs programme. Bramdean was due to open on 1 April 2020, but due to the pandemic, we anticipate at the time of writing that it will not open before July 2020. Located in Staines, it will allow us to meet the needs of people who use our services in the Spelthorne area.

Planning for our next two mental health hospitals continues at pace. We will still build two hospitals, one in Chertsey and one in east Surrey, but recent developments in land availability and viable decant options have allowed us to investigate new opportunities to deliver even better solutions within the financial means available. We will now be able to build a brand-new hospital on the St. Peter's Hospital site, rather than a refurbishment, as well as a new hospital in east Surrey. We expect to have completed both hospitals by summer 2025.

The planned land sale of West Park took place within this financial year. Originally planned for 2022/23, this sale was bought forward as part of a local systems plan, resulting in sale proceeds of £23.8m and profit on sale of £12.2m being recognised within the year. The

Trust has entered into an agreement to lease this property back, allowing services to be unaffected by this change, until the plans outlined above are completed.

Our NHS Staff Survey results continue to be very positive overall and we are now significantly outperforming our sector on all of the overall theme scores. Of the 89 questions in the survey, 69 were answered more positively than the previous year. Nonetheless, we are not satisfied and continue to drive for further gain, using our well embedded QI (Quality Improvement) methodology. Our Joy in Work initiative has now become a central plank of a thorough Strategic People Plan, developed during the year in review.

As a successful organisation, our people and projects are often recognised by their peers in awards. Among these outstanding individuals and teams, one of our nurses, Katie Hougham, won the British Institute of Radiology Make it Better Award with partner the Jarvis Breast Screening Centre, for encouraging women with learning disabilities to have the recommended breast checks, a project that warmed our hearts – and the judges'.

Our TIHM (Technology Integrated Health Management) for dementia project that uses the Internet of Things and Artificial Intelligence to remotely monitor the health of people with dementia living at home, won the New Health Tech Innovation of the Year at the Health Tech Digital Awards; we offer our congratulations to Professor Helen Rostill and Professor Ramin Nilforooshan who lead the team, as well as to our partners, Howz, and the University of Surrey.

It has been a year of relative stability amongst our senior team. Graham Wareham was deservedly promoted to Deputy Chief Executive at the start of the year in review. The only other change to the Executive Directors was to welcome our new Chief Nursing Officer, Heather Caudle, who brings a wealth of experience as well as dynamic and compassionate leadership. We give our thanks to Sharon Spain who had held the position on an interim basis pending the recruitment.

Ultimately, however, the events of the last few weeks of the year will always dominate our memories of 2019/20. We are both awed by the enormous amount of innovation, energy, speed of reaction and sheer hard work displayed by the 'Surrey and Borders family' in response to Coronavirus. Significant technological advances, spearheaded by Toby Avery's Digital team, supported the swift move to virtual appointments for those for whom it was appropriate, and helped keep remote-working teams in touch. Our inpatient and residential care staff also coped with new infection prevention and control measures with enormous skill and dedication, keeping people who use our services safe.

We followed our emergency planning protocols and established Gold, Silver and Bronze commands. These were supported by our Clinical Reference Group and with input from our Staff Networks, in particular our Disability and Wellness (DAWN) Network and our BAME Network, which represents staff who are Black, Asian and from minority ethnic

groups, for whom Coronavirus brought additional concerns, with the well-publicised high death rate among NHS staff from ethnic minorities around the country.

There is a time for pedantic drawing of lines for annual reporting periods, but not when reflecting on sad loss of life caused by a virus that has no notion of what year it is. Thankfully, none of our staff have so far died of Coronavirus, but sadly, a handful of people who lived in our 24/7 services have lost their lives to it. Each was well-known to staff who had worked to support them for many years and in many cases cared for them like family members. Such is the caring attitude that is so prevalent in this organisation.

In the light of this, it seems insufficient to end with a 'thank you', but thanks are due. To our many partners, volunteers, people who use our services and carers, for your major contribution to our achievements throughout this year. We'd like to thank our non-Executive Directors and Governors for their support and encouragement and the senior team. Overwhelmingly, however, it is our staff who deserve enormous thanks and the highest praise imaginable. You make us ever so proud to lead this organisation. The true test of people is how they respond to a crisis. Whether your roles are in nursing, therapies, finance or property, whether you are frontline, back office, and at every level, you have been magnificent. It is a privilege to call you our colleagues.

Dr Ian McPherson
Chairman

Fiona Edwards
Chief Executive

Introducing Surrey and Borders

This section gives an overview of Surrey and Borders Partnership NHS Foundation Trust, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

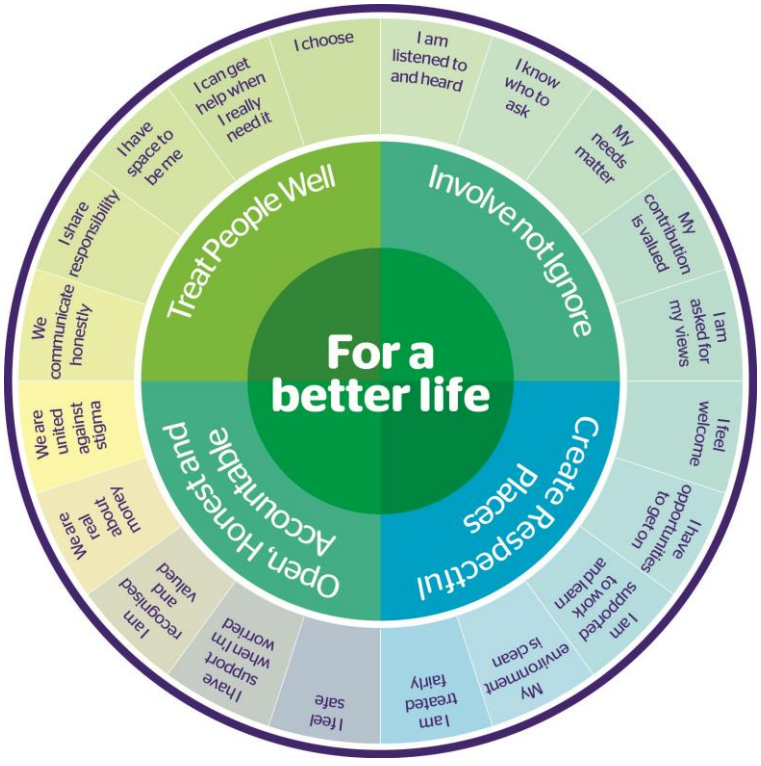
We are ambitious providers of mental health, drug and alcohol and learning disability services for people of all ages.

We provide a broad range of community services, integrated health and social care, early intervention and detection programmes, as well as highly specialised therapy and treatment. Our high-quality care focuses on enabling people to live well with their conditions and to work towards recovery.

2,598 people on average work with us substantively at Surrey and Borders Partnership to provide our services, which equates to an average 2,384 whole time equivalent (WTE) staff. Many of these are highly-skilled professionals who work with a variety of partners in the private, public and voluntary sectors to ensure we deliver high quality care to our local population of 1.3 million. We seek to involve and engage people who use our services and their families in our community and we have around 7,350 public members of our Foundation Trust.

In April 2005 we were established as a health and social care partnership Trust and, in May 2008, we became an NHS Foundation Trust; the first mental health and learning disability Trust in the South East Coast NHS region to gain this status.

Our overall Trust income for the 2019/20 financial year was £216 million, whilst the income for the group, including Children and Family Health Surrey, was £228.5 million.



Our Strategy

Our core purpose is: "To work with people and lead communities in improving their mental and physical health and wellbeing for a better life; through delivering excellent and responsive prevention, diagnosis, early intervention, treatment and care."

The ultimate benefit we aim to deliver is to improve the health and well-being of people who use our services and carers to help them achieve a better life. Our approach is to develop a plan for each person using our services that connects mind and body, family and friends, community and the environment.

Our services will offer:

- Earlier intervention and prevention and health promotion
- Mind and body approach
- Targeted expertise
- Training and equipping others
- Consultancy and advice, as well as treatment
- Ready access to experts when needed

Our Services in Detail

We provide a wide range of health and social care and treatment through our community, hospital, rehabilitation and residential services offering:

- Early detection, assessment and diagnostic services
- Urgent and unplanned hospital and home treatment services
- Personal support and treatment programmes for health and social care
- Specialist advice and liaison services
- Integrated care pathway and system support
- Registered residential care homes

These are provided to the following communities:

Services	Surrey	Hampshire	Berkshire	Croydon	Brighton & Hove
Children and young people's learning disabilities	✔				
Adult learning disabilities	✔	✔ *		✔	
Adult autism and ADHD	✔	✔			
Improving access to psychological therapies	✔				
Children and young people's mental health	✔	✔ *^			
Working age adult mental health	✔	✔ *	✔	✔	
Older people's mental health	✔	✔ *	✔	✔	
Forensic mental health	✔				
Eating disorders	✔	✔ *			
Drug and alcohol	✔				✔

* North East Hampshire only; ^ Early Intervention in Psychosis only

Principal Risks and Uncertainties

The Board carefully monitors our activities and ensures the following risks to our operations are mitigated to successfully deliver our plans:

- **Lack of high quality therapeutic environments for all inpatients** – the limitations of our inpatient hospital facilities, where there is a lack of privacy and dignity for people being admitted at our Abraham Cowley Unit, Chertsey (serving north west and east and mid Surrey) due to the out-dated dormitory environments.

- **Demand pressures** - pressures arising in both community and acute assessment and treatment services. This is especially the case with increased admissions under the Mental Health Act and managing demand for beds when people, including children, need them, in order to reduce the number of people being admitted to Out of Area Placements. Other pressures include Children and Adolescent Mental Health services (CAMHs), neuro-developmental disorders and Community Mental Health Recovery Services (CMHRS) as new arrangements for joint working with our social work colleagues develop.

- **Health and wellbeing of our people** – the need to ensure we lead, manage and support our staff well so that they can in turn provide high quality services.

- **Managing well the pace and scale of change** – ensuring we are able to manage well our capacity and capability so that we take the opportunities to implement the benefits of the NHS's Long Term Plan for mental health alongside transforming and delivering our core services.

- **Coronavirus response -** maintaining our ability to ensure business continuity of core services through our emergency preparedness, resilience and response arrangements, and beyond to living well with Coronavirus, led by our Chief Operating Officer.

Summary of Performance

This has been another year of strong performance for our organisation overall with improvements in the safety and quality of our services as well as sustained financial performance.

The quality of the care we provide continues to improve. The Care Quality Commission reconfirmed our Trust-wide rating of 'Good'.

We ended the year strongly with an operating surplus of £3.885 million, which included £1.294 million of additional Provider Sustainability Funding (PSF) from the Department of Health and which was £0.070 million better than our control total.

Going Concern Basis

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. Analysis of our financial performance can be found in the full accounts from page 77.

Fiona Edwards
Chief Executive

22 June 2020

Accountability Report

Directors' Report

Board of Directors

The Directors for the reporting period were:

Non-Executive Directors

- Ian McPherson, Chairman
- Stephen Firn
- Vivek Govil[1]
- Leslie Morphy
- Rahul Jaitly
- Susan Scholefield
- Jennifer Seeley

Executive Directors

- Fiona Edwards, Chief Executive
- Graham Wareham, Deputy Chief Executive and Chief Finance Officer
- Heather Caudle, Chief Nursing Officer[2]
- Lorna Payne, Chief Operating Officer
- Helen Rostill, Chief Innovation Officer & Director of Therapies
- Sharon Spain, Acting Chief Nursing Office[3]
- Justin Wilson, Chief Medical Officer

[1] Commenced 1 May 2019
[2] Commenced 19 August 2019
[3] From 1 April 2019 to 2 August 2019

Register of Interests
We maintain a Register of Interests for Directors that is open to the public through our Governance Manager on 01372 216292 or via communications@sabp.nhs.uk.

Service Quality Governance

At Surrey and Borders, we have robust arrangements in place to govern service quality, to ensure the safety of people using our services, their carers and our staff. Our system of internal control is designed to manage risk to a reasonable level, with the Trust Board taking overall responsibility for strategic risks, whilst the Executive Board manages high level risks and ensures efficient and effective mitigation measures and controls are in place for all identified risks.

Weekly Safety Huddle meetings for Executive Board members - to receive progress updates against high level risks and to raise awareness of new risks or emerging issues - were introduced in 2015 and have continued throughout the reporting year, including virtual Safety Huddles held via Microsoft Teams, with emphasis on addressing serious incidents.

During the reporting year, the Care Quality Commission undertook a 'Well-led' inspection of our Trust, which resulted in us retaining our existing 'Good' rating. We remain 'Good' for all five domains and across all ten services assessed.

Further details on our quality governance arrangements can be found in the Annual Governance Statement on page 63.

Quality Improvements

Quality Improvement (QI) is a central part of all that we do. We are striving to embed a culture of continuous improvement, with improvement tools and methods being used to assist strategic, project level and system wide changes. Our core improvement approach is based on the IHI (Institute of Healthcare Improvement) principles and Model for Improvement framework. We have a well-established improvement team that includes a number of qualified Improvement Advisors with a vast amount of improvement expertise and experience. Our team is led by our Director of Quality Improvement & Medicine Optimisation and our Chief Innovations Officer & Director of Therapies.

Our improvement culture encourages and empowers frontline teams to lead improvement projects and our QI Champions course provides them with tools and knowledge needed to lead a project. Our QI Leads are aligned to our different divisions and provide improvement expertise, support and coaching to these projects and divisions.

We have a number of improvement strategic priorities including Joy in Work, inpatient safety (with an inpatient safety collaborative in place to support this work), suicide prevention and physical health. We are working with senior colleagues and leaders to collectively strengthen the connection between improvement priorities and organisation priorities including learning from serious incidents and connecting with annual planning work.

Learning is shared through each divisional Quality Assurance Group and the Inpatient Improvement Board, where teams share their experiences and developments. We also share learning from our divisions and priority areas at our Quality Risk and Safety Committee, where we also use SPC (Statistical Process Control) charts to help us spot trends and intervene early. We are working closely with our People Participation and Experience Team to increase the number of co-produced improvement projects and increase the involvement of people who use services and carers in improvement work at all levels.

Building improvement capability and expertise in all groups, levels and services is a priority for our central QI Team. We deliver a variety of different improvement courses including Trust induction sessions, Foundation level training, Project level training and more recently we have started introducing a series of masterclasses. We also support our Trust's Senior Leaders with the use of improvement tools including SPC tools.

Whilst the IHI's Model for Improvement is our main approach we are also exploring other improvement methods to ensure that we are able to provide the most appropriate improvement tools and approach to different types of problems for example members of our team are trained in Lean and Agile. We have lots of different teams that support project work and we are working more collaboratively so we can help services apply the right tools/approach to the area of work.

In addition to the work we have been doing across the organisation, we have been actively involved in developing an Improvers Network in Surrey and are leading on developing a Surrey wide Improvement Collaborative, which will include an improvement course which will be available to our system partners.

Service Developments

We have continued to develop our services in line with our strategic and service plans throughout the year, to improve the experiences of people who use services, their carers and staff, whilst also managing unprecedented demand on services. Notable amongst these have been:

- During the year, the way Community Mental Health Recovery Services are delivered in Surrey changed significantly. The changes mean that our social care colleagues from Surrey County Council no longer work in our mental health teams under the same management structure. The adult social care part of adult mental health services is now separated from mental health care and provided by new adult social care mental health locality teams, following the model already in place in North East Hampshire.
- We launched a Children's Wellbeing Practitioner Service with funding from Health Education England. Children facing mild mental health issues, such as anxiety and low mood, will be offered up to eight 1:1 sessions with a Children's Wellbeing Practitioner (CWP) and access to group mental health workshops with other children facing similar issues. The CWP service will be offered in selected primary and secondary schools in Epsom and Spelthorne for a year.
- A new talking therapy to help lift the mood of people with Alzheimer's disease is being trialled by our Research and Development Team.

The NHS Long Term Plan for mental health provides dedicated investment into Mental Health services and we were successful with two bids, one for Community Transformation and one for Crisis Transformation:

- The Community Transformation work focuses on supporting people with serious mental Illness. Working with Surrey Heartlands Health and Care Partnership and Frimley Health and Care, we had to include in the bid one specialist area, and chose personality disorder. The service is known as 'GPimhs' which stands for GP integrated mental health service and people in Surrey and North East Hampshire who have a severe mental illness can now benefit from a ground-breaking new community mental health service designed to improve access to a wide range of specialist support. This new approach means patients will, where appropriate, be offered extended appointments with mental health experts from NHS, social care and specialist third sector organisations. They will also have access to therapies, physical health checks and pharmacists in their local GP practice and in the community. We are one of the first Trusts in the Country to develop this new model as we cover two of the 11 areas selected to pilot the work nationally.
- The Crisis Transformation model has focused on two aspects. First, enhancing our Home Treatment Team response, to offer support that includes older adults, and also a more comprehensive offer outside of the normal core hours. Additionally, we can now offer training and support for a Trauma Informed Care Approach for our system partners.

As a result of the Coronavirus outbreak, we made wholesale changes to the way many services are delivered:

- Services which do not require face-to-face contact moved to a virtual basis, with our staff engaging with people who use our services and carers by video call or phone.
- We swiftly deployed an app called Attend Anywhere, which offers appointment times and private 'waiting rooms'.
- We worked hard to minimise spread of Coronavirus by improving infection, prevention and control through use of personal protective equipment (PPE), social distancing and regular hand washing. We facilitated this approach by introducing polo shirts for staff in our clinical settings. By the end of the year in review, we had been successful in restricting the virus.

Health and Safety

During the reporting year and under new leadership, the Health, Safety and Security Committee has further developed with new membership to ensure the committee captures the concerns of the operational divisions. A full review of the Terms of Reference has also helped develop a safety culture.

The committee now feels that it has a better understanding of operational issues and how best we can support them with their compliance to health and safety within the Trust. During the Coronavirus outbreak, all meetings have been held virtually, using Microsoft Teams.

The Health, Safety and Security Committee continues to improve our assurance in the management of asbestos, water safety, fire and medical devices. Towards the end of the

year in review, Coronavirus had begun to impact on compliance / monitoring, due to the lockdown and the inability to carry out site visits.

During the year, two incidents led to internal and external investigations being undertaken:

- Incident at the 136 Assessment Suite at Farnham Road Hospital where a person using our services barricaded himself in the assessment suite and set fire to his bedding. Fire procedure was not followed and this led to delays in the Fire Service being directed on arrival to the scene of the fire. Surrey Fire and Rescue and the Trust's authorised fire specialists were involved in the review of fire procedures, also the roles of Fire Wardens and Assembly Officers.
- Three members of staff based at Gatton Place contracted Legionnaires' disease. We immediately closed the building and informed Public Health England and the Health and Safety Executive. An investigation was undertaken. The investigation did find evidence of Legionella though not in the form that would make people seriously ill. We completed some remedial works and once we were convinced that the building was safe, we reopened it, six days after the closure.

Work continues with Surrey Police on reducing the numbers of people absconding from our services – we have seen a reduction in such incidents from our inpatient facilities.

Ward searches by staff have been successful and contraband confiscated and we continue to refine and enhance our approach to reducing unauthorised substances on our hospital sites.

A new Security Strategy was written and approved during 2019/20. We hope that it will bring many benefits to people who use our services and carers, as well as our staff. The Respect Programme is proving effective in reducing unacceptable behaviour towards our staff and others within our services.

In 2020/21, we hope to see the launch of the pilot scheme for the use of Body Worn Cameras. This was approved in the year in review, but because the areas identified went into lockdown implementation was postponed.

Patient Information

We are in the process of updating our Patient and Carers Communications and Information Policy with an overall aim of ensuring high quality, accessible and up to date Trust leaflets that do not duplicate existing materials. This has involved reviewing over 400 of the Trust leaflets and posters currently in circulation and deciding whether to archive, update, digitise or reprint each one.

We have also been working closely with our Governors and Learning Disability Services to improve our Easy Read patient information. Together, we've reviewed the materials in circulation, including what works well and what doesn't for people with a learning disability. This feedback has informed updates to the Accessible Information and Communication Policy.

We have created a leaflet library on our website at www.sabp.nhs.uk/leaflets which enables people to view and download key Trust leaflets. This means that people who use our services, carers and professionals can access our patient information leaflets online, which has proved invaluable since Coronavirus led to so many interactions becoming virtual. We will be adding more leaflets to the library over the coming months.

Compliments, Complaints and PALS Contacts

Our Complaints and PALS (Patient Advice and Liaison) team recorded 485 compliments and 133 formal complaints during 2019/20, compared with 618 compliments and 99 formal complaints in the previous year.

During the investigations we undertook, we contacted every complainant to ensure all issues of concern were identified and incorporated into an agreed complaint plan. We also ensured that the complainant's preferences regarding communication were agreed and documented. A full response detailing the outcome of the investigation and, where appropriate, changes made to service provision were provided to every complainant.

PALS contacts

We experienced a decrease in PALS contacts made during the year, with 360 PALS queries logged in 2019/20 compared with 431 in 2018/19. Improvements in phone management systems may enhance our ability to capture more PALS enquiries in future.

Themes

The main themes arising from complaints were concerns about how our services share important information related to care, clinical treatment, and the values and behaviours of our staff. There were also some issues identified with how well carers and family members are included in supporting care and treatment.

Responsiveness
The objective of the PALS and Complaints service is to respond to enquiries as quickly as possible and support the completion of any formal investigations within 40 working days if possible.

Whilst the team did not always meet this target during 2019/20 there were noticeable improvements with many issues being resolved more quickly and more informally. The service has done much to identify and address barriers to prompt resolution of complaints for example, training of staff in required procedures, streamlining of quality assurance processes and reduction of unnecessary bureaucracy. We are also promoting the less formal mechanisms for resolution of concerns as this tends to be a faster pathway. Nonetheless, we recognise that complainants waited too long for responses in 2019/20, and some waited far too long. We are keen to do better next year.

Some difficulties with staffing have also contributed to the challenge of working efficiently but these were largely resolved by the end of the year in review.

The team aim to contact people with PALS queries within 24 hours of receiving the query by telephone to discuss the best way to resolve their concern and despite periods of high volume calls, this objective is routinely achieved. The outcome of such contacts may lead to immediate resolution.

Learning from Complaints
We recognise that complaints should be used to improve our services, and there can be learning on how to do things better even- when a complaint has not been upheld. Lessons learned through local resolution and formal complaints are important to the Trust as they can be used to address first contact issues, through to improvements of communication from practitioners and clinicians to people who use our services, which can lead to improved health and well-being in general.

Changes to processes and procedures have been made during the year across all service areas as a direct result of concerns raised by complainants.

Some examples include:

- Panel Meetings have been introduced to address complex complaints which cross divisions. In some instances, these have been held virtually which improves access to services.
- An improvement to procedures that ensure that adequate lead-in periods are in place for young people transitioning from Children Services to Adult Services, especially for those with complex needs and eating disorders.
- Improvements to communication at first contact, which enhances a positive therapeutic rapport.
- Support to GPs to aid in the prescribing and rationalisation of medicines for those in shared care arrangements.

- Ensuring families of older people living with dementia on our wards are better involved in care planning.
- Review of our local administration processes to improve communication with families within our CAMHS Community teams.
- Important feedback to some of our doctors within inpatient teams, reflecting on poor experiences and opportunities to improve communication.
- Community Mental Health Recovery Services making sure that the correct discharge procedures are followed.

Parliamentary and Health Service Ombudsman

During 2019/20, the Trust had no complaints investigated by the Parliamentary Health Service Ombudsman (PHSO). During this period, we received one query from the PHSO regarding a complaint where they asked us to review two points (with no further involvement from them). This complaint was not upheld, and the reviewed points were communicated to the complainant and no further action taken.

Community Engagement and Involvement

We particularly ensure we involve people in our service changes and developments and we have been developing our People Participation and Experience Strategy in partnership with people who use our services and carers. We now have a dedicated People Participation and Experience Team in place who are incredibly passionate about ensuring that people who use services and carers are at the heart of all we do.

In November 2019, we held a strategy development day which was co-designed with people who use our services and carers, alongside other local partner organisations. We had presentations from people who user services and carers and this was followed by a variety of different workshops/activities where we discussed all of the main areas that we needed to consider in our strategy. Our People Participation and Experience Team also attended each of the local FoCUS (Forum of Carers & People who use our Services) area groups and circulated a questionnaire consisting of the questions we discussed at the strategy development day to ensure that we were engaging as many people as possible. Following on from this, our Working Together Group has also been working on developing a Core Principles for Participation Document.

As a Trust we are committed to supporting volunteers and providing lots of different volunteering opportunities. Over the past 12 months people have volunteered in a variety of different roles, including volunteering in the Quality Improvement Team, Recovery College, Volunteer Peer Mentors in IAPT services and Pastoral and Spiritual Care volunteers. We also had a number of new volunteers join us during the Coronavirus Pandemic and were invaluable in helping across a variety of different services and roles especially helping our Digital Team.

Over the year, we have been working with members of our Carers Action Group, our Carers Governors, partner organisations and carers themselves to develop our Trust's Carers Strategy. We are continuing to use the Triangle of Care Framework and have embedded this throughout our services. We have also developed a Staff Carers Policy. We have lots of fantastic work being developed and are committed to further supporting and increasing the opportunities to work in partnerships with people who use services and carers.

Looking ahead, we will continue to involve people in the development of our new hospitals at the Abraham Cowley Unit and in East Surrey, as well as in the development of our Mole Valley hub and we will continue to involve people in our transformation programmes.

Disclosures

During 2019/20, the Trust met the requirements of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) that state our income from the provision of goods and services for the purposes of the health service in England is greater than our income from the provision of goods and services for any other purposes. We have a few sources of other income, as detailed in Note 4 of the accounts. This income is reinvested in our health services.

We have complied with the cost allocation and charging guidance issued by HM Treasury.

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later. Performance for non-NHS invoices paid within target continued the year-on-year trend of overall improvement. There has also been improvement in respect of payment of NHS invoices, although the extent of this is less clear because the 2018/19 figures were skewed by a significant dispute, now resolved. Nonetheless, we have continued a trajectory of improvement from the prior year (2017/18, 81.3% number, 82.6% value).

	2019/20		2018/19	
	Number	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the period	13,954	100,050	14,150	89,445
Total non-NHS trade invoices paid within target	12,885	96,091	12,588	87,140
Percentage of non-NHS trade invoices paid within target	**92.3%**	**96.0%**	**89.0%**	**97.4%**
Total NHS invoices paid in the period	697	9,832	684	11,014
Total NHS invoices paid within target	583	8,710	469	8,858
Percentage of NHS invoices paid within target	**83.6%**	**88.6%**	**68.6%**	**80.4%**

Directors' Opinion

The operating and financial information presented in this Annual Report covers the year from 1 April 2019 to 31 March 2020. The Directors of the Trust are responsible for ensuring that the annual report and accounts have been prepared following a direction issued by NHS Improvement, in exercising the statutory functions conferred on Monitor, under the National Health Service Act 2006. They consider the annual report and accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for people who use services, regulators and other key stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Fiona Edwards
Chief Executive

22 June 2020

Remuneration Report

Annual Statement on Remuneration

Reviews of Executive Directors' salaries were undertaken in July 2019, November 2019 and March 2020. Whilst previously we have used an external company to provide a benchmarking report to inform the salaries of our Executive team, we are now required to pay attention to the Guidance on pay for very senior managers in NHS Trusts and foundation Trusts (March 2018). This formed the basis of the salary recommendations in the paper to our Remuneration and Terms of Service Committee.

This guidance sets out to provide:

- an analysis of the roles and existing salaries of the Board Executive Directors in relation to the 'established' pay ranges in different sized Mental Health NHS foundation Trusts and NHS Trusts.
- guidance to the Remuneration and Appointments Committee by benchmarking the salaries of our Directors in a way that ensures we can demonstrate prudent use of public sector budgets and our adherence to the VSM guidance.

Senior Managers' Remuneration Policy

Senior Managers' contracts which fall within the remit of the Remuneration and Terms of Service Committee are all substantive and permanent or Interim. The committee looks at the remuneration of voting Board Directors reporting to the Chief Executive, who are, therefore, also Executive Directors, and of other directors reporting to the Chief Executive.

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

Our Remuneration and Terms of Service Committee agrees the policy framework within which decisions on Directors' remuneration are made. Our appraisal policy includes a set of principles which are applicable to the remuneration of Executive Directors and other Senior Managers and Directors.

When considering our Executive Pay the committee are mindful of their responsibilities in relation to equality of opportunity and creating a Trust Board which is diverse and representative of the community it serves. We are guided by our Equality and Human Rights Policy. We want to be more overt and transparent in our consideration of equality, diversity and inclusion and we will be updating the committee's Terms of Reference and every Agenda will now include a discussion on these issues with reference to our WRES, WDES and Gender pay gap data.

Executive Director Remuneration

Remuneration component	Application	Comment	Strategic objective
Salary	All Directors	Subject to annual review Appraisal process and capability process can influence uplift Remuneration is directly linked to performance. The appraisal process has a minimum performance threshold for entitlement to a pay uplift and the appraiser has to confirm whether an uplift would be appropriate, given performance, if the Remuneration and Terms of Service Committee agrees an uplift is applicable for Directors' pay	To attract and retain outstanding leaders
Pension contribution	All Directors	13.5-14.5% employer contribution (depending on salary) made for those Directors in the NHS Pension Scheme paid for by SABP, the DHSC increased these percentages up to 20.68%	To attract and retain outstanding leaders
Travel expenses	All Directors	Expenses need to be claimed within three months of travel and receipts provided for parking or other work-related expenses	To ensure the appropriate use of public money and effective allocation of resources
Other	All Directors	There are no other allowances payable in line with Directors' salaries	To be open, honest and accountable in our appropriate use of public money
Loss of office payment	All Directors	If redundancy is appropriate, the Remuneration and Terms of Service Committee uses principles informed by NHS Terms and Conditions to apply to our Directors, with the cap of £160K maximum payment	To ensure we have the right capacity and capability to realise our strategy from Board to ward

As part of our formal appraisal process, all Directors are required to deliver to a set of agreed objectives, which support service delivery of our quality improvement plan and our strategic aims. Uplift to salary may not be paid to a Director, if they have not achieved a rating above two for performance against their objectives, their leadership responsibilities or their professional duties and behaviours in the execution of their role. This is assessed and provides a score, as part of their appraisal, in accordance with our appraisal policy. Similarly, if they are being formally performance managed, they are not entitled to receive a salary uplift.

The Deputy CEO role attracts a £10k (per annum) payment. No other bonuses were paid.

All Board Directors are required to confirm their compliance with the Fit and Proper Person Test requirements for Directors.

Non-Executive Director Remuneration

Remuneration component	Application	Comment	Strategic objective
Fee £13,000 pa Chairman fee set at £40,000 pa Chair of Audit Committee fee set at £15,000 pa	All Non-Executive Directors	Subject to review as required by the Nominations Committee Annual appraisal process, over three year term for Non-Executives including the Chairman, agreed by the Nominations Committee	To attract and retain outstanding leaders
Travel expenses	All Non-Executive Directors	Expenses from home to place visited need to be claimed within three months of travel and receipts provided for parking or other work-related expenses	To ensure the appropriate use of public money and effective allocation of resources throughout the year
Other	All Non-Executive Directors	No other payments are made to our Non-Executive Directors	To be open, honest and accountable in our appropriate use of public money

Policy on Payments for Loss of Office

Our Executive Directors have three months' notice written into their contracts of employment. This would not be payable should a Director be summarily dismissed. The Chief Executive's notice period is six months. If she were to be dismissed on the grounds of capability, notice would be paid. Similarly, if there were to be a conflict of interest or a failure to meet the Fit and Proper Person Regulation, then our contract is clear that a Director would be required to resign with no payment due by our Trust in these respects.

Consideration of Employment Conditions

The Directors' salary review is undertaken once the national pay awards are announced so that there is an awareness of the fairness of any awards compared to the workforce as a whole. We also consider our Directors' salaries, including the Chief Executive's, relative to that of the median of our workforce. Directors' terms and conditions are informed by Agenda for Change terms and conditions, apart from some key elements, as stipulated in the contracts of employment. As stated above, our principle is always to benchmark ourselves in relation to other NHS employers and public and voluntary sector employers, to ensure we remain competitive in the labour market.

We do not have a separate remuneration policy and, therefore, have not consulted with our employees in this respect. Our Remuneration and Terms of Service Committee agrees the policy framework within which decisions on Directors' remuneration are made. Our appraisal policy includes a set of principles that are applicable to the remuneration of Senior Managers and Directors. This Policy was consulted upon with our staff.

Annual Report on Remuneration

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is responsible for making recommendations to the Board on the Trust's remuneration policy and, within the terms of the agreed policy, determining the total individual remuneration package of the Executive Directors and those other directors who report directly to the Chief Executive.

During the year, the Committee was chaired by Leslie Morphy, Non-Executive Director. The membership comprised all of the Non-Executive Directors. Further details of the membership and attendance of the Remuneration and Terms of Service Committee is included on page 51 of this Annual Report.

The Chief Executive attends all meetings of the Committee but is not present for discussions about her own remuneration.

The Committee reviews:

- The remuneration and terms of service of the Chief Executive and of those Board Directors and other Directors who report directly to the Chief Executive.
- The performance of those Board Directors and other Directors who report directly to the Chief Executive, through reports submitted by the Chief Executive. The Chair will similarly report on the performance of the Chief Executive.
- Guidance on pay for very senior managers in NHS Trusts and Foundation Trusts in order to ensure that appropriate arrangements have been made for the salaries of the aforementioned Directors.
- Appropriate contractual arrangements for the staff, including the proper calculation and scrutiny of termination payments, taking account of such national guidance as appropriate

The Committee meets annually, as a minimum, but may meet on other occasions as required. The Chief Executive holds annual appraisal meetings with each Board Director and other direct reports to assess progress against objectives.

Nominations Committee
The Non-Executive Directors' remuneration is agreed and approved by the Council of Governors, based on recommendations put before them by the Nominations Committee, following discussion at the Committee.

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 Surrey and Borders Partnership NHS Foundation Trust in the financial year 2019/20 was £195 - £200k (2018/19: £195k - £200k). This was 6.56 times higher at the midpoint than the median actual remuneration of the workforce, including high cost living allowance, which was £29.7k. The 2018/19 comparative was 6.98 times higher. 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.

There are no employees who received remuneration in excess of the highest-paid Director.

Three individuals were paid more than £150,000 (the threshold used in the Civil Service by the Chief Secretary to the Treasury, equating to the Prime Minister's ministerial and parliamentary salary). Analysis from Total Reward Solutions, a company that has previously undertaken benchmarking of our Executive salaries, indicates that these salaries are broadly consistent with the market, below some of the salaries recently advertised by very similar Trusts and commensurate with the level of remuneration needed for retention. They are, therefore, deemed reasonable.

Payments for Loss of Office
There were no payments for loss of office in year.

Expenses of the Governors and Board Directors
The Trust had a total of 23 Governors in office during 2019/20 (31 in 2018/19). Of these, seven received expenses, totalling £3,065 between them (11 in 2018/19: aggregate total £3,515).

The Trust had six Non-Executive Directors in office in 2019/20 in addition to the Chair. In 2018/19 there were eight, noting that two left and two joined, so, discounting a short period of overlap, there were six in office. Of the six individuals, five received expenses in 2019/20, totalling £2,058.81 between them (seven in 2018/19: aggregate total £4,476).

The Trust employed seven individuals across six Executive Director roles during the year, with Sharon Spain seconded in to cover the Chief Nursing Officer role from 01 April to 02 August whilst the vacancy was recruited to following the departure of Jonathan Warren (seven in 2018/19 over six roles). All seven received expenses in 2019/20 totalling £10,229.49 between them (seven in 2018/19, aggregate total £13,061).

In line with the 2019/20 FT ARM (Foundation Trust Annual Reporting Manual), the Trust is required to disclose in its Remuneration Report the salaries and pension benefits of those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. This means those who influence the decisions of the Trust as a whole. It is the responsibility of the Chief Executive to confirm the senior managers to whom this relates. She has confirmed that, for Surrey and Borders NHS Foundation Trust, disclosure applies only to those senior managers who are voting members of the Board.

KPMG, our external auditors, audited the table of salaries and allowances of senior managers on page 32 and the table of pension benefits of senior managers on page 34 as part of their audit of the 2019/20 financial statements.

Signed

Fiona Edwards
Chief Executive

22 June 2020

Pension Related Benefits
The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The Senior Manager Pensions Disclosure on page 34 provides further information on the pension benefits accruing to individuals.

Applicable Inflation
The inflation applied to the accrued pension, lump sum (if applicable) and CETV is the percentage by which the Consumer Prices Index (CPI) for the September before the start of the tax year (September 2018) was higher than it was for the previous September. The difference in CPI between September 2017 and September 2018 was 2.4%. Therefore, for benefit and CETV calculation purposes for the 2019/20 reporting period, CPI is 2.4%.

Lump Sum
No lump sum will be shown for senior managers who only have membership in the 2015 Scheme or 2008 Section, unless they chose to move their 1995 Section benefits to the 2008 Section under the Choice exercise.

Cash Equivalent Transfer Values
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. However, real increases in pension, lump sum and CETV relate to the number of days that the senior manager was in post during the year.

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

No CETV will be shown for senior managers over Normal Pension Age (NPA). NPA is age 60 in the 1995 Section, age 65 in the 2008 Section or State Pension Age (SPA) or age 65, whichever is the later, in the 2015 Scheme.

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 benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

1. Senior Manager Remuneration

Name and title		Salary and fees (in bands of £5,000)	Taxable benefits (rounded to nearest £100)	Annual performance related bonuses (in bands of £5,000)	Long-term performance related bonuses (in bands of £5,000)	Pension related benefits (in bands of £2,500)	Total remuneration (in bands of £5,000)
For the Period 01 April 2019 to 31 March 2020		**£000**	**£**	**£000**	**£000**	**£000**	**£000**
Ian McPherson	Chairman	35 - 40	0	0	0	0	35 – 40
Jennifer Seeley	Non-Executive Director	10 – 15	0	0	0	0	10 – 15
Rahul Jaitly	Non-Executive Director	10 – 15	0	0	0	0	10 – 15
Leslie Morphy	Non-Executive Director	10 – 15	0	0	0	0	10 – 15
Stephen Firn	Non-Executive Director	10 – 15	0	0	0	0	10 – 15
Susan Scholefield	Non-Executive Director	10 – 15	0	0	0	0	10 – 15
Vivek Govil	Non-Executive Director (From 1 May 2019)	10 – 15	0	0	0	0	10 – 15
Fiona Edwards	Chief Executive	170 - 175	0	0	0	0	170 - 175
Sharon Spain	Acting Chief Nursing Officer (to 02 August 2019)	45-50	0	0	0	25 – 27.5	70 - 75
Heather Caudle	Chief Nursing Officer (From 19 August 2019)	70 - 75	0	0	0	85 - 87.5	155 - 160
Dr Justin Wilson	Chief Medical Officer	195 - 200	0	0	0	15 - 17.5	215 - 220
Lorna Payne	Chief Operating Officer	125 - 130	0	0	0	30 - 32.5	155 -160
Graham Wareham	Chief Finance Officer & Deputy Chief Executive	150 - 155	0	0	0	37.5 - 40	190 - 195
Dr Helen Rostill	Chief Innovation Officer & Director of Therapies	120 - 125	0	0	0	72.5 - 75	195 - 200

Sharon Spain received a salary enhancement for the role of Chief Nursing Officer.
Justin Wilson receives a total package that reflects Clinical Excellence Awards, a geographical allowance and a responsibility payment for undertaking the Chief Medical Officer role.

Name and title		Salary and fees (in bands of £5,000)	Taxable benefits (rounded to nearest £100)	Annual performance related bonuses (in bands of £5,000)	Long-term performance related bonuses (in bands of £5,000)	Pension related benefits (in bands of £2,500)	Total remuneration (in bands of £5,000)
For the Period 01 April 2018 to 31 March 2019		**£000**	**£**	**£000**	**£000**	**£000**	**£000**
Ian McPherson	Chairman	35 - 40	0	0	0	0	35 – 40
Mark Perry	Non-Executive Director (to 31 Oct 2018)	5 - 10	0	0	0	0	5 – 10
Jennifer Seeley	Non-Executive Director	10 - 15	0	0	0	0	10 – 15
Rahul Jaitly	Non-Executive Director	10 - 15	0	0	0	0	10 – 15
Jon Bye	Non-Executive Director (to 31 May 2018)	0 - 5	0	0	0	0	0 – 5
Leslie Morphy	Non-Executive Director	10 - 15	0	0	0	0	10 – 15
Stephen Firn	Non-Executive Director (from 01 May 2018)	10 - 15	0	0	0	0	10 – 15
Susan Scholefield	Non-Executive Director (from 01 June 2018)	10 - 15	0	0	0	0	10 – 15
Fiona Edwards	Chief Executive	165 - 170	0	0	0	0	165 – 170
Jonathan Warren	Chief Nursing Officer and Deputy Chief Executive (Acting Chief Executive from 29 Jan 2018 to 30 Sept 2018)	155 - 160	0	0	0	67.5 - 70	225 – 230
Justin Wilson	Chief Medical Officer	195 - 200	0	0	0	12.5 - 15	210 – 215
Lorna Payne	Chief Operating Officer	125 - 130	100	0	0	22.5 - 25	145 – 150
Graham Wareham	Chief Finance Officer	125 - 130	0	0	0	30 - 32.5	160 – 165
Helen Rostill	Director of Innovation, Development and Therapies	110 - 115	0	0	0	7.5 - 10	120 – 125
Billy Hatifani	Acting Chief Nursing Officer (from 12 Feb 2018 to 30 Sept 2018)	45 - 50	0	0	0	17.5 - 20	65 – 70

2. Senior Manager Pensions Disclosure

Name and title		Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2020 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000)	Cash equivalent transfer value at 1 April 2019	Cash equivalent transfer value at 31 March 2020	Real increase in cash equivalent transfer value	Employer's contribution to stakeholder pension
01 April 2019 to 31 March 2020		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fiona Edwards	Chief Executive	0	0	0	0	0	0	0	n/a
Sharon Spain	Acting Chief Nursing Officer (from 01 April to 02 August 2019)	0 - 2.5	0 - 2.5	5 - 10	20 -25	119	145	18	n/a
Heather Caudle	Chief Nursing Officer (from 19 August 2019)	2.5 - 5	5 – 7.5	35 - 40	75 -80	541	638	72	n/a
Justin Wilson	Chief Medical Officer	0 - 2.5	0 - 2.5	30 - 35	10 -15	396	431	14	n/a
Lorna Payne	Chief Operating Officer (from 1 April 2018)	0 - 2.5	0	15 - 20	0	219	271	29	n/a
Graham Wareham	Chief Finance Officer & Deputy Chief Executive	2.5 – 5	0	10 -15	0	117	157	15	n/a
Helen Rostill	Chief Innovation Officer & Director of Therapies	2.5 - 5	5 – 7.5	35 - 40	105 -110	766	881	79	n/a

Fiona Edwards opted out of the NHS pension scheme from 01 April 2016

Justin Wilson opted into the NHS pension scheme from 01 December 2019 and opted out from 01 February 2020.

Name and title		Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 1 April 2018	Cash equivalent transfer value at 31 March 2019	Real increase in cash equivalent transfer value	Employer's contribution to stakeholder pension
01 April 2018 to 31 March 2019		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fiona Edwards	Chief Executive	0	0	0	0	0	0	0	n/a
Jonathan Warren	Chief Nursing Officer and Deputy Chief Executive (Acting Chief Executive from 29 Jan 2018 to 30 Sept 2018)	2.5 - 5	10 – 12.5	60 - 65	190 - 195	1,114	1,363	193	n/a
Justin Wilson	Chief Medical Officer	0 - 2.5	2.5 – 5	25 - 30	10 - 15	339	396	42	n/a
Lorna Payne	Chief Operating Officer	0 - 2.5	0	10 - 15	0	167	219	30	n/a
Graham Wareham	Chief Finance Officer	2.5 – 5	0	10 - 15	0	71	117	25	n/a
Helen Rostill	Director of Innovation, Development and Therapies	0 - 2.5	0	30 - 35	95 - 100	664	766	66	n/a
Billy Hatifani	Acting Chief Nursing Officer (from 12 Feb 2018 to 30 Sept 2018)	0 – 2.5	0 – 2.5	20 - 25	40 - 45	221	291	29	n/a

Fiona Edwards opted out of the NHS pension scheme from 01 April 2016

Justin Wilson opted out of the NHS pension scheme from 01 July 2016 and opted back in from 01 February 2018. He opted back out from 01 June 2018

Signed 

Fiona Edwards, Chief Executive, 22 June 2020

Staff Report

Our Workforce

We seek to create an environment in which our staff can develop in satisfying jobs and rewarding careers. We strive fully to consult and involve our staff in the improvement and development of our services.

2,598 people on average work with us substantively at Surrey and Borders Partnership to provide our services, which equates to an average 2,384 whole time equivalent (WTE) staff. The breakdown of directly-employed staff groups by professional group is provided below.

Staff group by WTE (average No of staff)	Total	Permanent	Other	Total cost £000	Total	Permanent	Other	Total cost £000
	2019/20	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19	2018/19
Medical and dental	167	151	16	24,508	153	146	8	20,672
Administration and estates	635	598	37	28,539	573	542	31	24,948
Healthcare assistants and other support staff	784	572	212	21,721	759	530	229	18,711
Nursing, midwifery and health visiting staff	714	573	141	37,244	692	550	142	31,777
Scientific, therapeutic and technical staff	510	500	11	26,345	506	502	4	23,042
Total average number of staff	**2,810**	**2,394**	**416**	**138,357**	**2,684**	**2,269**	**414**	**119,150**
Of which, employed on capital projects	22	20	2	1376	21	14	7	1,430

In line with the guidance, the above table is expressed as average whole-time equivalents. The following table, showing the breakdown of directly employed Surrey and Borders Partnership male and female staff by whole time equivalent, is expressed as at 31 March 2020.

Category by Average Whole Time Equivalent	Female	Male	Grand Total	Female	Male	Grand Total
Executive Director	4	2	6	66.7%	33.3%	100%
Senior Manager	182.03	87.82	269.85	67.5%	32.5%	100%
Employees	1561.91	499.74	2061.65	75.8%	24.2%	100%
Grand Total	**1747.94**	**589.56**	**2337.5**	**74.8%**	**25.2%**	**100%**

The male Chief Nursing Officer was replaced by a female Chief Nursing Officer in 2019/20. Therefore, the gender balance for Executive Directors has changed. The female percentage changed from 50% in 2018/19 to 66.7% and the male from 50% in 2018/19 to 30.8%

In the Senior Manager category, the percentage of female staff has decreased by 0.4 percentage points over 2019/20. There was a smaller 0.1 percentage point increase in the percentage of female staff in the general employees' category.

For 2019/20 our sickness absence rates can be found at https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff Policies and Actions Applied During the Year

We place an equally strong emphasis on our staff complying with our Standards of Business Conduct and with our Anti-Fraud, Bribery and Corruption Policy, both of which are available on our website.

Our organisational change policy requires us, as managers, to ensure we actively engage and consult with our employees on all matters that affect their work environment or terms and conditions of employment. We hold monthly Joint Consultative Committees with our recognised trade unions, where all consultation documents are shared in advance of any consultation occurring, for discussion and debate.

We share all our consultation documents personally with those directly affected and we also put them on our staff intranet, in order to reach the wider workforce for their comment. We usually consult for 30 days but often longer, if the implication of a change is Trust wide. We seek to avoid redundancies whenever we can and to redeploy all our employees subject to change.

In addition to our formal consultative processes, we informally communicate with staff on a weekly basis via an electronic bulletin. This provides a variety of information and topics to keep our staff engaged with the work of our Trust and its progress.

Involvement

A wide range of events to involve staff in the work of the Trust has continued this year, such as professional conferences and bi-monthly leadership forums

The programme of Director and Governor walk-arounds to clinical teams provides opportunities for staff to discuss topical issues with senior management in their own environments. These initiatives allow us to hear personal accounts of the issues that the teams are facing, understand the impact of Board decision-making on our teams and help monitor the environment.

We have involved staff with our key change programmes and service developments in the year. This included continuing representation on the working group for our new Unither House community hub in Runnymede, to help decide the locations of teams and inform the internal design and operating model for the hub. Staff also managed the logistics of the move locally for their services / sites and have continued to inform snagging and improvements to aid working together, following go live in December 2018.

The programme to re-provide 24/7 inpatient services at the Abraham Cowley Unit has involved a User Group that meets fortnightly in full or in targeted subgroups. Its purpose is to help formulate the brief and to review the emerging designs. It represents clinicians, managers, people who use the services and carers.

We received 172 nominations for a revamped Staff Awards, with categories to recognise the achievements of individual staff members, teams and volunteers. The nominations period fell within some of the most challenging weeks of responding to the onset of the pandemic, so the volume of entries was a huge success. We hope to complete the processes for the 2020 Staff Awards and hold an Awards ceremony as soon as it is possible.

NHS Staff Survey

Overall, the results of the 2019 Staff Survey showed significant improvement. In total, 69 questions in the survey were answered more positively than in 2018 and 10 remaining the same, while 10 questions were answered more negatively.

All of the overall theme scores are better than the sector averages; some significantly so. Many of the scores improved by 0.2 from our 2018 and no scores have declined.

There is a very encouraging theme around raising concerns. Of those who indicated they had experienced physical violence in the workplace, 88% said they had reported it. 98% say they are reporting errors or near misses, 89% felt that the Trust encourage them to report errors, near misses or incidents and 96% would know how to report it if they were concerned about safe clinical practice.

In general people feel very positive about their jobs, with most questions increasing in percentage terms and in the main having a positive score of over 80%. Staff were extremely

positive about their managers and there was an impressive increase in positive responses in 2019.

Source http://www.nhsstaffsurveyresults.com/wp-content/uploads/2020/02/NHS_staff_survey_2019_RXX_full.pdf	2019/2020		2018/19		2017/18	
	Trust	Bench-marking Group	Trust	Bench-marking Group	Trust	Bench-marking Group
Equality, diversity and inclusion	9.2	9	9.2	8.8	9.1	9.0
Health and wellbeing	6.3	6	6.3	6.1	6.4	6.2
Immediate managers	7.6	7.3	7.4	7.2	7.4	7.2
Morale	6.4	6.3	6.2	6.2	N/A	N/A
Quality of Appraisals	6	5.8	5.8	5.7	5.8	5.5
Quality of care	7.6	7.4	7.4	7.3	7.5	7.3
Safe environment - bullying and harassment	8.3	8	8.3	7.9	8.4	8
Safe environment - violence	9.5	9.3	9.4	9.3	9.3	9.2
Safety culture	7	6.8	6.9	6.7	7	6.7
Staff engagement	7.3	7	7.1	7	7.1	7

Summary of Performance – Response Rates

	2019/2020		2018/19		2017/18	
	Trust	National average (mental health)	Trust	National average (mental health)	Trust	National average (mental health)
Response Rate	59%	54%	59%	54%	68%	52%

Engaging with staff

Our Staff Survey results are very important to us and we have a dialogue with all our staff about the Trust findings and expect each team to discuss the results for their group, aided by a Trust presentation, which is tailored for local feedback. Teams discuss whether the results accurately reflect how staff feel and the team agrees a focus for change in the coming year. These action plans are monitored by Divisional Directors and reviewed by the Executive Board. In addition, our Leadership Forum of senior managers reviews the findings from a Trust perspective and agrees where we need to take action across our whole organisation.

Future Priorities and Targets

As with last year, individual Divisions and Directorates will not be asked to develop local action plans, although it is expected that managers will consider the results for their specific areas of responsibility and work with colleagues to make improvements where necessary.

Rather than seeking to develop actions to improve every specific area in the survey, we will continue to focus on improving staff satisfaction. Our newly drafted Strategic People Plan will provide the framework to do this and is underpinned by our ongoing commitment to our Joy in Work initiative. The Strategic People Plan adopts four key pillars which focus on attracting staff, supporting their career aspirations, creating a culture of caring and one which embraces equality, fairness and inclusion. We will link with existing workstreams and quality improvement projects to ensure there is no duplication of effort or additional work created and leverage existing expereince and commitment.

The advantage of this approach is that it allows us to give some focused attention to key issues that have a significant impact on staff satisfaction and make changes that provide tangible improvements

Trade Union Facility Time

The tables below show the required disclosures as set out in the Trade Union (Facility Time Publication Requirements) Regulations 2017. There is fixed facilities time for the Staffside Chair of 15 hours per week to carry out the responsibilities of their office.

The Staffside Secretary will be allocated 15 hours per week facility time for carrying out the responsibilities of their office.

The Staffside Health & Safety Lead will be allocated 15 hours per week facility time for carrying out the responsibilities of their office

Table 1 - Relevant Union Officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	13.8

Table 2 - Percentage time spent on facility time	
Percentage of time	Number of employees
0%	10
1-50%	4
51-99%	1
100%	0

Table 3 - Percentage of pay bill spent on facility time	
	Cost
Total cost of facility time	£36,483.30
Total pay bill	£1,243,488.00
Percentage of the total pay bill spent on facility time (total cost of facility time divided by total pay bill) x 100	2.93%

Table 4 - Paid trade union activities	
	Hours
Time spent on paid trade union activities as a percentage of the total paid faciility time (total hours spent on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours) x 100	Hours spent on paid facility time: 2055 Hours spent on paid trade union activities: 2055 Percentage of total paid facility time hours spend on paid TU activities: 100%

Expenditure on Consultancy

We spent £0.95m on consultancy in 2019/20 (2018/19: £0.75m).

Off-Payroll Arrangements

As of 31 March 2020, the Trust has engaged with a small number of highly paid and/or senior off-payroll staff for longer than six months. Details of these engagements are provided below.

Highly paid off-payroll engagements are only entered into on an exceptional basis and are subject to senior manager review.

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

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

We have two fewer engagements to report at year-end compared to last year. All engagements at year-end are seven months or less in duration.

All existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax and, where necessary, that assurance has been sought. All contractors have needed to comply with the IR35 process since April 2017.

2. 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

No of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020 of which	7
Of which...	
Number assessed as within the scope of IR35	6
Number assessed as not within the scope of IR35	5
Number engaged directly (via PSC contracted to Trust) and are on Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	7
Number of engagements that saw a change to IR35 status following the consistency review	3

Where appointments are through an approved agency provider, we have been explicit with the agencies we use as to their duty to undertake checks of income tax and National Insurance obligations.

3. Off-payroll engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

The Trust had no Board member off-payroll engagements during 2019/20 and no senior members of staff with significant financial responsibility (two in 2018/19)

The total number of individuals on or off-payroll deemed to have significant financial responsibility, including those detailed above, was 37, a slight increase on 35 last year.

Off-payroll engagements	
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements	37

Exit Packages

There were a total 17 exit packages during the year. A total of two compulsory redundancies were made, totalling £44,631 (compared with four in 2018/19, with a total value of £110,925). The redundancies were as a result of the closure of a service and re-provision of another. We were unable to redeploy because the two members of staff had restrictive working patterns that did not meet the needs of the service.

Total Exit Packages

Exit package cost band	Number of compulsory redundancies 2019/20	Number of other departures agreed 2019/20	Total number of exit packages by cost band 2019/20
<£10,000	0	12	12
£10,001 - £25,000	2	3	5
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
Total number of exit packages by type	**2**	**15**	**17**
Total resource cost £000s	**£45k**	**£71k**	**£116k**

Exit Payments – Other Departures

	Agreements number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	15	£71k
Exit payments following employment tribunals or court orders	0	0
Non-contractual payments requiring HMT approval*	0	0
Total	**15**	**£71k**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

* Includes any non-contractual severance payment made following judicial mediation and amounts relating to non-contractual payments in lieu of notice, of which there were none.

As single exit packages can be made up of several components, each of which will be counted separately in the above table, the total number above will not necessarily match the total numbers in the previous table, which represents the number of individuals. The Remuneration Report on page 25 provides details of exit payments, if applicable to individuals named in that Report.

Code of Governance

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

Board of Directors

On 31 March 2020, Surrey and Borders Partnership had seven Non-Executive Directors (including the Chair) and six Executive Directors (including the Chief Executive) who are members of the Trust Board. From 1 May 2019, the Board had its full complement of seven voting Non-Executive Directors. This followed the appointment of one Non-Executive Director to fill the vacancy when a Non-Executive Director departed on 31 October 2018. Three additional senior Directors regularly attended Board meetings during the year but are non-voting.

The Board of Directors is responsible for the management of the Trust and for ensuring corporate governance, performance and operational standards are upheld. Risks to the delivery of our strategic objectives are monitored through a Board Assurance Framework that identifies the controls, the gaps in the controls, where assurances can be found and the gaps in assurances. Surrey and Borders Partnership complies with the provisions of the NHS Foundation Trust Code of Governance. The Board has conducted a review of the effectiveness of its system of internal controls.

The performance of the Executive Directors and Directors reporting to the Chief Executive is managed through our appraisal and supervision policy and is reported for discussion at the Remuneration and Terms of Service Committee. The Council of Governors appoints a Nominations Committee which undertakes the same function of performance evaluation for the Non-Executive Directors, including the Chair. The Board of Directors is held to account by the Council of Governors.

The Board of Directors consults on its future strategy and develops its annual plans with the close involvement of its Council of Governors. Twice yearly, joint workshops with the Board and Governors are held to reflect on progress against plans and to discuss priorities for the coming year. The key role of the Council of Governors is to influence our strategic direction, taking into account the needs and views of the members, stakeholders and partners. Any disagreements between the Council of Governors and Board of Directors are resolved by the Chair in the first instance. If necessary, the Chair will appoint a joint special committee with a view to resolving any disagreements. If this is unsuccessful, the Chair may refer the issue back to the Board of Directors for a final decision.

The membership of the Board of Directors will continue to be regularly reviewed by the Board of Directors and members of the Remuneration and Terms of Service Committee and the Nominations Committee, which includes Trust Governors, to ensure that it is well balanced and covers the full range of expertise required by a Foundation Trust. Through self-

assessment, the Board believes that it currently has a good mix of commercial and financial knowledge, management and clinical experience, public sector expertise and community engagement. Terms of office for Non-Executive Directors may be ended by resolution of the Council of Governors, following a procedure laid down in the Foundation Trust's constitution.

The Board did not commission an independent review of our governance arrangements in 2019/20 but has commenced its work to do so in the coming year to ensure these continue to meet the needs of the organisation and our regulators.

Non-Executive Directors

Dr Ian McPherson, Chairman
Appointed in March 2017, initial term of office three years, and reappointed for a second three-year term. A clinical psychologist by professional background who has held senior clinical, managerial and policy implementation roles in a career working across many aspects of health and social care. Since finishing full-time employment, Ian has been involved with a number of organisations in the statutory and voluntary sectors. This includes Non-Executive Director at another mental health NHS Foundation Trust, where he was also Vice Chair, and being a Trustee of the Centre for Mental Health and of the International Initiative in Mental Health Leadership. **Qualifications:** MA in Psychology, University of Glasgow; MSc in Clinical Psychology, University of Birmingham; PhD in Psychology, University of Birmingham; Fellow of the British Psychological Society. Awarded the OBE for services to mental health in 2012.

Stephen Firn, Non-Executive Director
Stephen was appointed in May 2018 for a term of three years. He is the Chair of the Quality Assurance Committee (from November 2018). Stephen trained as a mental health nurse and has worked in the NHS for 37 years. Most recently he was Programme Director for New Care Models in Mental Health at NHS England. Prior to this he spent 20 years on the Board of Oxleas NHS Foundation Trust, with 14 years as CEO. **Qualifications**: BSc Sociology (First Class Honours), MSc Nursing, RMN, Honorary Doctorate (Christ Church Canterbury University). OBE for services to healthcare

Vivek Govil, Non-Executive Director
Vivek was appointed in 2019. He has over 30 years of experience in senior roles across a range of sectors, including Education, Hospitality and Consumer Products. Until recently, he was Vice President at Pearson Education, responsible for the global Schools portfolio. Vivek was born and raised in India, and moved to the UK in 2011. He has been the governor of a special needs school and a private online school. He is the Chairman of CRY UK, a charity focused on child rights in India. **Qualifications:** MBA (Indian Institute of Management), BComm (Sydenham College of Commerce and Economics).

Dr Rahul Jaitly, Non-Executive Director

Appointed in June 2017, initial term of office three years. Rahul has over 20 years' experience working across a number of industry sectors providing global IT leadership and digital transformation management. Most recently Group Chief Information Officer at L&Q Group, one of the UK's foremost developers of new homes and a leading housing association. Rahul's earlier career included technology related roles at Kuoni Group, Universal Music Group, GlobalNetFinancial.com and the Financial Times. **Qualifications:** BA Hons Electrical & Electronic Engineering, University of East London; MBA; PhD in Electronic & Electrical Engineering, King's College, University of London.

Leslie Morphy, Non-Executive Director

Appointed in April 2015, initial term of office three years, and reappointed for a second term in 2018. Leslie's career is in the not-for-profit sector, including in a social enterprise, charities and a non-departmental government body. She was formerly Chief Executive of homeless charity Crisis UK and Director of The Prince's Trust. Since leaving Crisis UK in 2014, she has held Non-Executive posts in organisations involved in health, housing and education. Chair of Governors of Oxford Brookes University; Non-Executive Director for the Home Group Housing Association; and Chair of Pathway, a charity working to provide better healthcare for homeless people. **Qualifications:** BSc in Economics, London School of Economics; MSc, Birkbeck University of London. Awarded an OBE for services to homelessness in 2011.

Susan Scholefield, Non-Executive Director

Appointed May 2018, term of office three years. Susan was the Secretary and Chief Legal Officer at the London School of Economics and Political Science until September 2014. She had an early academic career at the University of California, then joined the Civil Service in 1981 and held senior roles in the Balkans Secretariat, Northern Ireland Office, Communities Department and the Cabinet Office as Head of the Civil Contingencies Secretariat. Most recently, she was Director General, Human Resources and Corporate Services, at the Ministry of Defence. She is currently Chair of the Competition Appeal Tribunal and Competition Service, a magistrate and an appointed independent member of the Sussex Police and Crime Panel. **Qualifications**: BA Hons (First Class) and MA in classical literature and philosophy, respectively from the Universities of Oxford and California at Berkeley and is a Fellow of the Chartered Institute of Personnel and Development and a Chartered Public Finance Accountant. Ecole Nationale d'Administration in Paris from 1985 to 1986 and, in 1999, was awarded a CMG in the New Year's Honours for her work on Bosnia.

Jennifer Seeley, Non-Executive Director
Appointed in June 2017, term of office three years. Jennifer is Chair of the Audit Committee. She has worked in senior roles across local councils in London, Kent and the Midlands. She is now a tutor in public finance. Jennifer was a Non-Executive for the South East Coast Strategic Health Authority and member of the audit committees of the Open University and General Dental Council. **Qualifications:** BA Hons in Economics and Social Policy & Administration; MBA; Fellow of the Chartered Institute of Public Finance and Accountancy; and Fellow of the Chartered Institute of Procurement and Supply.

Executive Directors

Fiona Edwards, Chief Executive
Appointed to post in April 2005 and Chief Executive-designate since November 2004. Fiona has led the Trust through a successful merger, becoming a Foundation Trust and forging innovative partnerships to deliver our clinical strategy. Her health service career began in 1994 at West Berkshire Priority Care Services NHS Trust, where she was Executive Director responsible for human resources and major change programmes. Fiona's private sector career spanned 10 years within the manufacturing sector as a human resources professional. **Qualifications:** MA in English, University of St Andrews. Post-graduate professional qualifications in Personnel Management. INSEAD Advanced General Management.

Graham Wareham, Deputy Chief Executive and Chief Finance Officer
Appointed to his Finance role in February 2016, Graham was promoted to Deputy Chief Executive in April 2019. Previously Chief Finance Officer at Leonard Cheshire Disability, where Graham worked closely with the Chief Executive to develop future plans and manage day to day performance. He started his career in 1995 with British Airways and then food retailer Safeway, working across a wide number of finance roles, including supply chain, retail and change management, and has played a significant role in implementing efficiency projects. **Qualifications:** BA in Economics, Leeds University; MA in Transport Economics, Leeds University. Member of the Chartered Institute of Management Accountants.

Heather Caudle, Chief Nursing Officer
Heather Caudle joined the Trust in August 2019. She has worked for over 23 years as a registered nurse, systemic psychotherapist and strategic leader in mental health as well as acute health. Her previous roles include Executive Chief Nurse of Ashford and St. Peter's NHS Foundation Trust, as well as her role at a national level as the Director of Nursing for Improvement in NHS England. **Qualifications**: Dip RN 1995; MSc Syst Psych 2002.

Lorna Payne, Chief Operating Officer
Appointed to post in April 2017, previously Divisional Director at Central and North West London NHS Foundation Trust. Lorna comes from Australia with a background in health and adult social care and commenced her UK career in adult social care in 2006. Working in the Victorian Department of Health, she was responsible for policy and commissioning for mental health, older people and primary care, overseeing the review of the Mental Health Act, the implementation of clinical outcome measures and a new clinical information system for mental health Trusts. **Qualifications:** Maitrise es Lettres, Paris V, Sorbonne University; Master of Arts (Honours), Melbourne University; Cycle International Court, Ecole Nationale d'Administration.

Prof Helen Rostill, Chief Innovations Officer & Director of Therapies
Appointed to post in December 2014 after joining the Trust in October 2012 as Director of Innovation and Therapies. Helen is a consultant clinical psychologist and began her career in learning disability services, followed by roles in the National Schizophrenia Fellowship and a multi-agency child, young people and family service. She was a senior lecturer in clinical psychology at the University of Birmingham for 10 years. **Qualifications:** BSc (First Class Hons) in Psychology, University of Birmingham. Awarded Clinical Doctorate (Clin PsyD) in 1997, Postgraduate Diploma in Strategic Management and Leadership.

Sharon Spain, Interim Chief Nursing Officer
Sharon joined us in February 2019 as interim Director of Nursing and from 1 April until 2 August 2019 covered the Chief Nursing Officer role on an interim basis. Previously, she was Head of Nursing and then Deputy Director of Nursing at South West London and St George's Mental Health Trust. Sharon also has experience of acting as a Specialist Advisor to the Care Quality Commission. **Qualifications:** RGN, RMN, (Kingston University), MSc in Clinical Leadership (Kingston University).

Dr Justin Wilson, Chief Medical Officer
Appointed to post in November 2016, following a year with the Trust as Co-Medical Director. Previously Medical Director of Berkshire Healthcare NHS Foundation Trust, a mental health and community Trust, for over six years. He has worked as a consultant psychiatrist in a variety of NHS and independent settings, particularly within learning disability services. **Qualifications:** MBBS 1996. MRCPsych 2000. Studied medicine at Charing Cross and Westminster Medical School and trained in psychiatry in Oxford and London.

Governance Committees

Our Governance Committees provide assurance and focus to key work programmes for the Board during the year. The Trust Board keeps its governance arrangements under constant review to ensure they remain fit for purpose. A formal review is undertaken at least on an annual basis.

Audit Committee

The Audit Committee, chaired by and comprising non-executive directors, is charged with making sure the Trust governs itself well by monitoring the effectiveness of the Trust's activities, controls and assurance processes. This effectiveness can be described in five main categories: integrated governance, performance, controls, value for money and probity.

These responsibilities include:

- Governance: Monitoring the effectiveness of Board committees, scrutinising external reviews and risk management and reviewing the assurance framework.
- Performance: Reviewing the financial outturn and the integrity of the financial statements of the Trust and its accounting policies
- Controls: Monitoring the Trust's internal financial controls, SFIs (Standing Financial Instructions) and Reservation of Powers and the internal control and risk management systems
- Value for Money: Monitoring the value for money of the Trust's activities and its achievement of its strategic goals
- Probity: Scrutinising the independence and effectiveness of External Audit and considerations of business ethics, public sector values and conflicts of interest

The Committee is responsible for all aspects of the Trust's operations, including charitable funds and wholly owned subsidiaries. The Committee reviews its terms of reference annually.

The Audit Committee considered the valuation of our property and land to be a decreased audit risk for the year, following the comprehensive revaluation undertaken in 2017/18, but recognised that income recognition and management override of controls remain as significant audit risks, in terms of their impact on our financial statements.

Our main source of income is the provision of healthcare services to the public under contracts with NHS commissioners – NHS clinical commissioning groups, other providers and NHS England. This income is captured through the Agreement of Balances exercises, performed at months 6, 9 and 12. The Agreement of Balances exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners and all differences are investigated by the finance team.

In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to expenditure being manipulated to meet externally set targets. As most public bodies are net spending

bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.

The Committee receives a regular progress report from Counter Fraud and has received updates on 9 investigations throughout the year and a number of enquiries. The relationship between Counter Fraud and HR has improved during the year following work to ensure disciplinary action can be taken as promptly as is appropriate.

During 2016/17 the work of our internal auditors moved to a more risk based approach, which has continued throughout 2019/20. From quarter 4 of 2017/18 and going forward, it was agreed by both Internal Audit and the Audit Committee that the audit reports should now reflect the outcome of both the design of controls and the operation of these controls. Two levels of assurance are now being assigned for each audit report. There has been good progress in implementing internal audit recommendations and the Head of Internal Audit has provided a reasonable assurance opinion in his annual report, in line with the previous year.

The Council of Governors reappointed KPMG as our external auditors in 2017, following a renewed tender process, for a further three years with the option of a one or two-year extension. The annual fee will be £74,250.

The external auditors have attended the Council's Audit Panel during the year to discuss their annual audit letter and provide assurance on the action taken in response to recommendations.

Nominations Committee

The Nominations Committee advises the Trust Board about appropriate appointment and remuneration for the Non-Executive Directors. In relation to the remuneration and terms of appointment for the Chairman and Non-Executive Directors, recommendations are made to the Trust Board and then the Council of Governors to ensure they are in line with our reward strategy. The Committee also receives reports on behalf of the Council of Governors on the process and outcome of the appraisal of the Chairman and Non-Executive Directors.

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is responsible for making recommendations to the Board on the Trust's remuneration policy and, within the terms of the agreed policy, determining the total individual remuneration package of the Executive Directors and those other directors who report directly to the Chief Executive. The Committee also receives reports on their appraisals.

Quality Assurance Committee

The Quality Assurance Committee provides assurance to the Board of Directors that there is an effective system of quality improvement, planning and control across our clinical activities. Three of our Governors serve on our Quality Assurance Committee.

Investment and Development Committee

The Investment and Development Committee was introduced in 2019/20 to provide assurance to the Board of Directors regarding significant developments and investments, in particular those requiring Board of Directors and/or Council of Governors approval.

Attendance at Meetings 1 April 2019 – 31 March 2020

Name	Trust Board 10 meetings	Audit Committee 5 meetings	Remuneration Committee 3 meetings	Nominations Committee 7 meetings	Quality Assurance Committee 6 meetings	Investment & Development Committee 5 meetings	Mental Health Act / Mental Capacity Act 2 meetings
Non-Executive Directors							
Ian McPherson	9 / 10 (Chair)		3 / 3	7 / 7 (Chair)			
Rahul Jaitly	9 / 10		3 / 3		2 / 2	5 / 5 (Chair)	
Leslie Morphy	8 / 10	5/ 5	3 / 3 (Chair)	4 / 7			
Jennifer Seeley	10 / 10	5 / 5 (Chair)	2 / 3		6 / 6		
Stephen Firn	9 / 10		3 / 3		6 / 6 (Chair)		
Susan Scholefield	9 / 10	5 / 5	3 / 3				2 / 2 (Chair)
Vivek Govil[1]	7 / 9		1 / 3		3 / 4	5 / 5	
Executive Directors							
Fiona Edwards	10 / 10						
Lorna Payne	9 / 10				5 / 6	4 / 5	
Helen Rostill	9 / 10						
Graham Wareham	10 / 10	5 / 5			6 / 6	5 / 5	
Justin Wilson	9 / 10				6 / 6		
Sharon Spain[2]	4 / 4				1 / 2		
Heather Caudle[3]	6 / 6				4 / 4		
Governors							
Sean Fernandez				3 / 7			
Sandra Dessent[4]				2 / 5			
Penny Burnett				3 / 7			
Margaret Hicks				5 / 7			
Janice Clark					5 / 6		
Michele Amoah-Powponne				3 /3	6 / 6		
Karen Murray					2 / 6		

[1] Commenced 1 May 2019
[2] Until 2 August 2019
[3] Commenced 19 August 2019
[4] Until 31 January 2020

Council of Governors

Our Council of Governors has 31 Governors, 24 of whom are elected. These are made up from the following constituencies:

All Governors are elected for a three-year period. They can hold office for up to nine years, subject to being re-elected after each three-year period.

In 2020 we held public elections to fill the vacant seats in all our public constituencies. These included North West and South West Surrey, East and Mid Surrey, Hampshire and the Rest of England, People who use Learning Disability services and People who use other Trust services. These elections were necessitated due to Governors coming to the end of their completed terms of office and vacant seats.

We also had four vacant staff Governor seats, due to people coming to the end of their terms. Three seats were filled: Qualified Nursing, Therapies and Health & Social Care.
We are currently seeking new appointments to our Governor seats to represent Surrey Police Surrey County Council and Social Work and other County Council employee.

Governors have been represented in our key development programmes this year, including our 24/7 Hospital Redevelopment. Governors have helped to deliver the Suicide Prevention Strategy; delivery of suicide prevention training, implementation of the new Walkaround process and celebrating our staff at our CARE Awards.

Our Governors are able to canvass opinion of the Trust's members and the public at our regular members' events and annual members' meeting; at our quarterly Council of Governors meetings; and through the wider networks that they are part of within their local communities.

The Board of Directors attends all Council of Governor meetings and Annual Members' Meetings to develop an understanding of the views of Governors and members. Periodic surveys of members are also undertaken to seek their opinions on specific topics.

Register of Interests
We maintain a Register of Interests for Governors that is open to the public through the Governance Manager on 01372 216 292.

Composition of Council of Governors for the Period 2019/20[1]

Class	Name
Public Constituency – People who live in the communities we serve	
East & Mid Surrey	Jacqueline Clark
East & Mid Surrey	Sandra Dessent – Lead Governor (until January 2020)
East & Mid Surrey	Margaret Hicks
NW & SW Surrey	Darren Ayres
NW & SW Surrey	Lyn Day
NW & SW Surrey	Raj Chhetri
Hampshire & Rest of England	Steve Forster
Hampshire & Rest of England	Tikendra Dal Dewan
Public Constituency – People who use services and carers	
Learning Disability	David Muir
Learning Disability	Darren Power
Other Services	Alex Farkouh (until June 2019)
Other Services	Michele Amoah-Powponne – Deputy Lead Governor
Other Services	Isaac Bury
Other Services	Karen Murray
Other Services	Vacant
Other Services	Vacant
Carers	Elaine Braithwaite (until May 2019)
Carers	Penny Burnett
Carers	Janice Clark
Staff Constituency	
Medical and Dental	Sean Fernandez
Qualified Nursing	Phil Boulter

Health and Care Assistants	Katharine Nurse
Therapies	Ana Brisbar (until June 2019)
Social Worker and other County Council employees[i]	Vacant
Admin, Managerial and Facilities	Martin Clark
Appointed Governors	
Surrey County Council	Cllr Bill Chapman
	Cllr Edward Hawkins (until July 2019)
Hampshire County Council	William Withers
Social Worker and other County Council employees (from 01.01.20)	Vacant
Borough Councils	Sharon Galliford (from 01/12/2019)
Action for Carers	Hasu Ramji
Surrey Police	Vacant

[1]Our Constitution changed with effect from 1 January 2020 to create a new nominated governor constituency for Social Worker and other County Council employees when they became ineligible to be considered as a Staff constituency, following the end of integrated working arrangements with Surrey County Council. This change was approved by our Trust Board and Council of Governors at their meetings in December 2019.

Composition of Council of Governors and Attendance at Council of Governor Meetings for the Period 1 April 2019 – 31 March 2020

Class	Name	No of council meetings eligible	No of council meetings attended
Public Constituency – People who live in the communities we serve			
East & Mid Surrey	Jacqueline Clark	3	3
East & Mid Surrey	Sandra Dessent –Lead Governor	3	3
East & Mid Surrey	Margaret Hicks	3	3
NW & SW Surrey	Darren Ayres	3	0
NW & SW Surrey	Vacant		
NW & SW Surrey	Lyn Day	3	3
NW & SW Surrey	Raj Chhetri	3	3
Hampshire & Rest of England	Steve Forster	3	0
Hampshire & Rest of England	Vacant		
Hampshire & Rest of England	Tikendra Dal Dewan	3	2
Public Constituency – People who use services and carers			
Learning Disability	David Muir	4	4
Learning Disability	Darren Power	4	4
Other Services	Michele Amoah Powponne – Deputy Lead Governor	3	3
Other Services	Vacant		
Other Services	Vacant		
Other Services	Karen Murray	3	1

Other Services	Vacant		
Other Services	Isaac Bury	3	0
Carers	Vacant		
Carers	Penny Burnett	3	3
Carers	Janice Clark	3	3
Staff Constituency			
Medical and Dental	Sean Fernandez	3	3
Qualified Nursing	Phil Boulter	3	3
Health and Care Assistants	Katharine Nurse	3	3
Therapies	Ana Brisbar (until June 2019)	1	0
Admin, Managerial and Facilities	Martin Clark	3	2
Appointed Governors			
Surrey County Council	Cllr Bill Chapman	3	0
	Cllr Edward Hawkins (until July 2019)	1	0
Hampshire County Council	William Withers	3	2
Borough Councils	Isuelt Roche (ended June 2018)	1	0
Social Work and other County Council employee	Vacant		
Action for Carers	Hasu Ramji	3	3
Surrey Police	Vacant	0	0

Director Attendance at Council of Governor Meetings

1 April 2019 – 31 March 2020

Name	No of council meetings eligible	No of council meetings attended
Non-Executive Directors		
Ian McPherson	3	3
Leslie Morphy	3	3
Jennifer Seeley	3	3
Rahul Jaitly	3	3
Stephen Firn	3	3
Susan Scholefield	3	3
Vivek Govil[1]	3	3
Executive Directors		
Fiona Edwards	3	3
Lorna Payne	3	1
Helen Rostill	3	1
Graham Wareham	3	3
Justin Wilson	3	1
Sharon Spain[2]	1	1
Heather Caudle[3]	2	2

[1] Commenced 1 May 2019
[2] Until 2 August 2019
[3] Commenced 19 August 2019

Membership

We offer Foundation Trust membership as an opportunity for people to understand and get involved with the work we do, particularly local people with an interest in mental health and learning disability services across Surrey, Hampshire and neighbouring counties. On 31 March 2020 the public membership total stood at 7,343. The membership is largely representative of the communities we serve.

Constituency	Eligibility	Number of members
Public Constituency – People who live in the communities we serve		
NW & SW Surrey	Resident of NW or SW Surrey	3,000
East & Mid Surrey	Resident of East or Mid Surrey	1,479
Hampshire & Rest of England	Resident of Hampshire or residing in England	1,925
Public Constituency – People who use services and carers		
Learning Disability	Someone who uses learning disability services	205
Other Services	Someone who uses other Trust services	297
Carers	A carer or family member of someone who uses services	437

There are five classes within the staff constituency and staff are aligned to one of these classes dependent upon their role. All staff employed by the Trust continuously or on a fixed-term contract of more than 12 months automatically become members unless they choose to opt out. When a staff member leaves the Trust, they are asked if they wish to become a public member. On 31 March 2020 the staff membership total stood at 2,441.

Our membership remains above our original target of 7,000 public members. An updated guide for membership recruitment for Governors was produced in April 2019 and this gives an overview of Trust membership information and can be used to support Governors in the active recruitment of new members.

Over the last 12 months, our membership has had net growth of 258. Work to recruit new members and retain existing ones continues to include strengthening our relationships with local community organisations and involving partners in the recruitment of new members. In 2019/20, we attended two local freshers' fayres, to help maintain our membership numbers in the 21 and under age bracket.

Our membership events continue to be successful with 317 people attending five events in 2019/20, with unfortunately the last one having to be cancelled due to Coronavirus. For the coming year, we have developed a new programme of members' events with topics including ADHD in Children and Adults, Understanding Personality Disorders, Mental Wellbeing, Supporting Young People and Research and Innovation.

Currently members who wish to communicate with either a Trust Governor or Director can do so by contacting the Director of Governance and Planning in the first instance.

NHS England and Improvement's Oversight Framework

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

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

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

Segmentation

The Trust is rated in segment 1, reflecting the highest level of autonomy within the Single Oversight Framework.

This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score.

Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above (1) might not be the same as the overall finance score shown in the following chart.

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

Our financial performance gradually improved through the year, as a result of increasing confidence in our ability to achieve our plan. The Trust has scored a 4 throughout the year for Agency spend due to supporting accelerated mobilisation of newly commissioned services and meeting demand in core services over and above the level of recurrent income available for permanent staff recruitment. The Trust has proactively discussed the levels of agency spend with NHS Improvement who are content with the actions taken by the Trust.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Surrey and Borders Partnership NHS Foundation Trust

The National Health Service 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 England and Improvement, in exercise of the powers conferred on Monitor by the National Health Service Act 2006, has given Accounts Directions that require Surrey and Borders Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Surrey and Borders Partnership NHS Foundation Trust and of its income and expenditure, items of other comprehensive income 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 Group Accounting Manual and, in particular, to:

- Observe the Accounts Direction issued by NHS England and 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 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 Trust's performance, business model and strategy.
- Prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and 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.

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

Fiona Edwards
Chief Executive

22 June 2020

Annual Governance Statement

Scope of Responsibility
As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I 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 Surrey and Borders Partnership NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Surrey and Borders Partnership NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk
The Trust Board has overall responsibility for strategic risks. It defines risk tolerance levels, approval of the process to manage the risks and the assessment and the monitoring of the efficiency of the risks, to ensure the public interest is protected.

The Chief Executive (as Accounting Officer) chairs and leads the Executive Board, which defines the Risk Management Strategy and supporting policies and has full control of the risk management system. The Executive Board makes strategic decisions regarding possible further implementation and development, identifies and manages high level risks and ensures the existence of efficient and effective risk mitigation measures and controls.

The Quality Assurance Committee is chaired by a Non-Executive Director and has delegated authority from the Board to help us to deliver our strategy and quality improvement ambition by providing assurance to the Board of Directors that there is an effective system of quality improvement, planning and control across our clinical activities within the risk appetite of the Trust and in line with regulatory compliance. Three Governors sit on the Committee. The Terms of Reference for the Committee specify that we must ensure that two of these Governors represent our Public constituencies with at least one of these Governors having lived experience as a person who uses our services and one as a carer. This helps to enhance the ability of Governors to hold the Board to account through the Council for managing issues and risks associated with the quality and safety of our services on behalf of the people we serve.

The Audit Committee is formed of three Non-Executive Directors and has delegated authority from the Board to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical). Additionally, the Committee reviews the work of the external auditor and considers the implications and management responses from their work.

Our Quality, Risk and Safety Committee is a sub-committee of the Executive Board. It is chaired by the Chief Nursing Officer and is attended by the senior quality, risk and safety function leaders and operational leads. It helps us by focusing on risks to quality, within the risk appetite of the Trust, learning from when things go wrong, as well as good practice, and proactively championing quality improvement.

Any report presented to our key governance meetings are accompanied by a standard front sheet summarising the report including the considerations of any Data Impact Assessments (DIA) and Equality Impact Assessments required.

Risk Management Training

Throughout 2019/20 there was a training programme for all appropriately qualified staff. There is a comprehensive rolling three-year process to ensure a constant supply of up-to-date programmes. Clinical risk training is available at corporate induction for all new recruits and staff who are already in post who require the programme are also encouraged to attend.

The Clinical Risk and Safety Team disseminates lessons learnt from serious incident investigations to all staff through our weekly e-bulletin and by attending directorate Quality Action Groups in addition to delivering bi-monthly lessons learnt sessions for staff. Our Suicide Prevention Information Network events continue to be held quarterly, to share wider learning from inquests and suicides in Surrey and nationally.

The Risk and Control Framework

Our Risk Management Strategy and Policy are based on the principle that it is impossible to eradicate risks, so they must be identified and minimised in a manner that provides staff with the confidence that the organisation seeks to learn and not to blame when incidents occur.

The Risk Management Strategy is underpinned by policies and processes that allow all staff to proactively identify and manage risks, incidents and near misses as they occur and to ensure learning from these takes place and is embedded.

Our current Risk Management Strategy 2017 – 2020 is under review to reflect updates that will enable us to strengthen governance processes for the management, review and monitoring of risks from ward to Board.

The Incident Management Policy, including serious incident, was updated and approved July 2019 and is aligned to the national Serious Incident Framework. The Incident Management Policy clearly outlines the process of reporting incidents electronically through the Trust's electronic risk management system.

We have a fully paperless incident reporting and risk escalation process, which allows for tracking of outcomes from action taken following the reporting or escalation of a clinical and corporate incident or risk, including data security risks. Real-time reporting has enabled prompt resolution of risks escalated in clinical and corporate areas, including data security.

Cyber security remains a risk for us, as it is nationally, with a number of associated risks to the confidentiality, integrity and availability of both corporate and patient data. A successful cyber-attack has the potential to affect patient care and general service provision. We have continued our work to improve our security and to achieve Cyber Security Essentials Plus accreditation however shifting standards and Coronavirus response have unfortunately delayed progress. We expect to achieve this accreditation by the end of 2020/21, subject to ongoing Coronavirus response requirements.

Board Assurance

The Board Assurance Framework is developed by the Trust's Executive Board and the Trust Board. Its purpose is to ensure that the Board focuses on the risks to delivery of the strategic objectives. The Board Assurance Framework format was reviewed by the Audit Committee to ensure it remains relevant and effective for this organisation at its meeting in September 2019. The Board Assurance Framework is informed by, and linked to, the Trust's High Level Risk Register. The Framework is reviewed regularly by the Board to ensure reporting to the Board continues to provide sufficient assurance on the mitigation of risks to its strategic objectives.

The Trust Board identifies the risks to the delivery of its strategic objectives within its Annual Plan. These are reflected in the Board Assurance Framework 2019/20.

Our Council of Governors consists of elected and appointed (nominated) Governors who represent those stakeholders who share our ambition to be the best we can be for the communities we serve. The Council works with the Board to help develop and inform the development of our annual Operational Plan. This includes the risks to the delivery of our strategic objectives in our plans for the year. Our Council meetings include a standing agenda item for Governors to raise issues of concern and interest. The Council also receives a Performance Update at each meeting. This brings to their attention areas of success but also areas where improvement or risks are emerging for discussion and oversight.

In addition, our Forum of Carers and people who Use Services (FoCUS) and a Carers Action Group, both of which raise any issues of concern and have a work programme that holds the Trust to account for any improvements. We also have integrated arrangements with Surrey CAMHS Youth Advisors (CYA) who provide feedback and get involved on all aspects of our children's mental health services.

The Trust Risk Register

We have a simplified process in place for the escalation of risks through our risk management system. This simplification and access to the risk module electronically has enhanced the ability for clinical teams to escalate risks to the Board. There is greater openness and transparency in the escalation and scrutiny of risks logged.

The high-level risks are reviewed weekly at the Safety Huddle, formed of senior managers as well as members of the Executive Board, to ensure a focus on rapid mitigation of risks. The Trust Board receives a risk report on a regular basis, thus demonstrating an embedded continuous risk review process. During 2019 we enhanced further this report to provide the Board with more detailed information drawn from our High Level Risk Register. Mitigating actions to address high-level risks are also discussed on a weekly basis at the Safety Huddle meeting, to provide regular oversight and ensure actions are delivered.

Specific actions to mitigate strategic risks were identified as part of the Annual Plan process. Progress against these in 2019/20 was monitored and reported to the Executive Board and Trust Board through the Board Assurance Framework. The Framework considers the level of risk, considering both potential likelihood and impact, and reflects this in an "alert map" which awards a Red/Amber/Green rating to each risk.

Following the assessment of residual risk (after mitigating controls, assurance and action plans have been applied) one risk to our strategic objectives has been identified as 'High' or 'Red' at year-end. This is 'Property', to reflect the priority to improve further the environment at the Abraham Cowley Unit whilst our 24/7 Programme delivers the redevelopment programme to replace the facility following feedback through our recent CQC inspection.

A thematic review of the Trust risk register highlights the following highest clinical risks within our major operational risk themes at the end of the year:

- **Lack of high quality therapeutic environments for all inpatients** – the limitations of our inpatient hospital facilities, where there is a lack of privacy and dignity for people being admitted at our Abraham Cowley Unit, Chertsey (serving north west and east and mid Surrey) due to the out-dated dormitory environments.

- **Demand pressures** - pressures arising in both community and acute assessment and treatment services. This is especially the case with increased admissions under the Mental Health Act and managing demand for beds when people, including children, need them, in order to reduce the number of people being admitted to Out of Area Placements. Other pressures include Children and Adolescent Mental Health services (CAMHs), neuro-developmental disorders and Community Mental Health Recovery Services (CMHRS) as new arrangements for joint working with our social work colleagues develop.

- **Health and wellbeing of our people** – the need to ensure we lead, manage and support our staff well so that they can in turn provide high quality services.

- **Managing well the pace and scale of change** – ensuring we are able to manage well our capacity and capability so that we take the opportunities to implement the benefits of the NHS's Long Term Plan for mental health alongside transforming and delivering our core services.

- **Business Continuity** - maintaining our ability to ensure continuity of our core services through our emergency preparedness, resilience and response arrangements, and beyond, particularly in relation to two current known risks:

    - Coronavirus – moving from the initial phase of pandemic response to living well with Coronavirus, including supporting our colleagues, particularly those from BAME communities; whilst retaining our ability to step back up to mitigate any second wave and managing the anticipated surge in demand for mental health services widespread across our communities.

    - EU Exit – ensuring our ability to respond well to any uncertainties and changing requirements to support the UK's exit from the EU, including supporting our colleagues personally affected by the changes.

Quality improvement and learning is sustained and protected by assurance and good governance. Our quality assurance processes operate from our Board, supported by our Quality Assurance Committee and Executive Board through our Quality, Risk and Safety Committee, Operations Board, Directorate Management Teams and Divisional Quality Assurance Groups to our front line and back. These are shown in the following infographic:

Short, Medium and Long-Term Workforce Strategies and Staffing Systems

We seek to create an environment in which our staff can develop in satisfying jobs and rewarding careers. We are focused on continuing to enhance our culture, leadership and equality, ensuring the consistent availability of excellent staff to meet current and future needs including driving increased productivity and effectiveness. Our ambition is to inspire people to want to work for us, and to be the best they can be in their roles, by making our Trust a great place to work and achieve your potential.

Our newly drafted Strategic People Plan will provide the framework to do this, and is underpinned by our ongoing commitment to our Joy in Work initiative. The Strategic People Plan adopts four key pillars which focus on attracting staff, supporting their career aspirations, creating a culture of caring and embracing equality, fairness and inclusion.

We have a number of key governance and reporting arrangements which provide assurance to the Board that our staffing processes are safe, sustainable and effective in keeping with the Developing Workforce Standards. These include notably:

- **Quality, Risk and Safety report** – this draws together Statistical Process Control (SPC) charts to track our key performance indicators for quality, safety and experience. It includes a number of key indicators relating to our workforce e.g. absence, and comments on safe staffing levels, rostering and vacancies.

- **Guardian of Safe Hours report** - which follows a set format highlighting the set areas of Guardian concern: Exception reports, Work Schedule reviews and the Trust's use of locums to cover the junior doctor rota in each of the localities.

- **Safe Staffing report** - this report helps us, twice a year, to monitor whether we have the right staff with the right skills in the right place at the right time. It provides an overview of our skill mix and use of temporary nurse and support staff in our inpatient settings across all our services. It shows how our staffing establishments have been adjusted to respond to staff absence and increases in acuity and dependency e.g. risk of falls, 1:1 nursing, as indicated through our safe-staffing establishment tool.

- **Value for Money report** - which provides information monthly on our agency spend. In addition, our annual budget setting processes support the review and reset as necessary of nursing skill mix and establishments in line with experience over the year and anticipated developments and demand.

- **Workforce and Human Resources report** - which comments on vacancies, agency use, sickness, turnover and plans for addressing areas of concern.

- **Nurse Recruitment and Retention group -** this is underpinned by the STAAAY Strategy (Supervision, Training, Appraisal, Acknowledging Achievement, Advancement in your career, Investing in You) for recruiting and retaining nursing staff to our Trust.

- **Recruitment and Retention group** - this agrees strategies for recruiting and retaining professional staff to our Trust.

- **Operations Board and Divisional Management Groups** - have oversight on our workforce data and discuss plans to support areas of concern at a Divisional level.

- **Early Warning Signs (EWS) indicators** - incorporated into the Quality Risk and Safety report our EWS indicators identify services that may require extra help prior to there being significant harm and a Circle of Support is implemented which is a task and finish group to immediately address the issues.

- **Daily Safety Calls (hospital services)** - provide the opportunity for immediate issues to be raised across services and teams on key safety issues for urgent action and support. This includes the deployment of additional resources including staff.

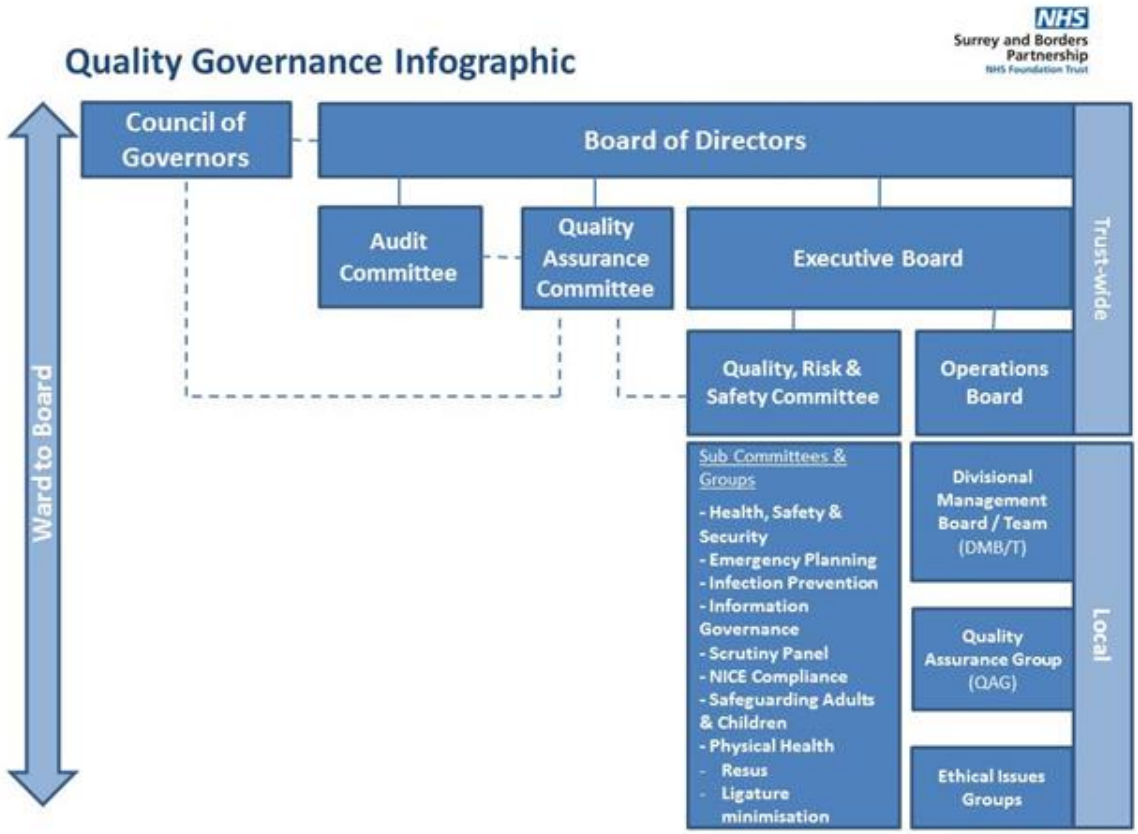
- **Healthroster** - Nurse Rostering team has been implementing the NHS Professionals (NHSP) interface with Healthroster and this will be live for all teams in 2020.

- **SafeCare Pilot** - We are moving to the evaluation stage of the SafeCare pilot with the four teams who have been piloting this new approach. This had been paused due to the impact of Coronavirus. Once we are satisfied that SafeCare is working as it should be, a roll out for the rest of the rostered teams will be established.

In addition, over the last year our safer staffing approach has been further strengthened by updating our terms of reference and governance structure. We have been undertaking safer staffing reviews in collaboration with operational services through spring 2020 using the assessment tools of the National Quality Board.

Through our annual Governance Review our Board has identified the priority of convening a new Board sub-committee in 2020/21 to focus on our workforce. The aim of this sub-committee will be to provide additional focus on implementation of our Strategic People Plan, including Workforce Race Equality Standards (WRES) and Workforce Disability Equality Standards (WDES) progress and annual plans for improvements.

Each year our annual Operational Plan sets out how we will progress our overall Strategy, including our workforce priorities, over the next year. Our Plan is developed and approved by the Board, informed by discussions with our Governors.



Our Board reviews its governance arrangements each year to ensure they remain fit for purpose. In addition, in the last year, as part of its ongoing development work, the last year the Board was selected to complete the NHSI Leaders for Improvement programme to develop further its capability to lead the development of our Quality Improvement (Qi)

culture. The Board is currently undertaking its self-assessment in preparation for commissioning its independent Developmental Review of Leadership and Governance (using the Well Led Framework) in 2020/21.

CARE Excellence Accreditation

We continue to aspire to be best in class as outlined in our Quality Plan and have now completed year three of our CARE Excellence Accreditation process, which is our internally developed process to improve the quality of our care through challenging our services to become 'Outstanding'. Following the recent Care Quality Commission (February 2020) inspection they highlighted our accreditation process as being an area of outstanding practice.

Foundation Standards reviews are the first step towards accreditation. Each year the Foundation standards tool is refreshed to reflect changes in practice, ensure it is aligned to the Care Quality Commission's standards and to add focus in areas we want to improve on.

All services have undertaken a Foundation Standards self-assessment and peer review and have subsequently been given a rating which reflects the CQC rating process. The key is as follows:

Rating	Scoring
Outstanding	CARE Excellence Accreditation
Good	Score of 95% and achieved all mandatory standards
Requires Improvement	Score of below 95% and above 84% or score of 95% or above but not achieving all the mandatory standards
Requires Significant Improvement	Score of below 85%

The rationale for the ratings is to ensure that key mandatory standards are given a higher weighting. Although a service might have scored high for the other standards they can only achieve a 'Good' rating if they meet all the mandatory areas too.

All services have an action plan following their Foundation Standards reviews to help focus their attention. During the year, five services did not meet the minimum scoring of 85% for their peer review. All of these services have had follow-up full reviews and all have shown significant progress.

Once a service achieves a GOOD rating in their peer review, they can move on to the next step of the accreditation process. We now have thirteen services (up from eleven last year) that have been successful in achieving accreditation to a rating of 'Outstanding' and we are currently working with a further four. These Exemplar Services have proved that they function well above baseline expectations and involve people well and deliver good outcomes. Other services can arrange visits to these services to see and share good practice.

Data Security (Information Governance)
Our Caldicott Guardian is our Chief Nursing Officer and the Chief Digital and Information Officer is the Senior Information Risk Owner (SIRO), both on the Trust Board. The Information Governance Steering Group (IGSG), which meets monthly, oversees and ensures performance in all components of Data Security. With the onset of Coronavirus IGSG is meeting more regularly in response to the high volume of change required to support frontline services, working with national guidance to streamline processes and enable rapid deployment of digital solutions.

Information governance risks are managed by staff through the use of information governance policies and procedures, supported by a process of in-depth training, training on induction courses and support materials available on our intranet. The information Governance function continues to engage with regional and national bodies to ensure best practice is adhered to and that the Trust is at the forefront of understanding and assessing itself against developing standards for cyber security and information governance.

Surrey and Borders Partnership NHS Foundation Trust has complied with the Data Security and Protection Toolkit for 2019/20 with an expected status of 'Standards Met'. However, in response to Coronavirus the deadline for submission has been extended until 30th September 2020 we therefore have not yet submitted the 2019/20 toolkit. There were 2 reportable serious information governance incidents during 2019/20 filed with the Information Commissioner's Office.

- One of these incidents related to the accidental destruction of a person's documents. In this case we assisted that person to recover copies of their documents and reviewed our internal procedures. The ICO did not take any actions against us in relation to this incident.

- In the second incident emails sent to the Trust HQ eFax mailbox were not opened and monitored for long periods. We checked and followed up on any unchecked emails and have amended our internal arrangements so that all standalone fax machines have been discontinued, eFax software has been removed from the build of our laptops and desktops, and is being phased out with the Windows 10 deployment and staff have been alerted that they should not be using eFax or stand-alone fax machines to send confidential information. We are awaiting a final response from the ICO regarding this incident.

Care Quality Commission
The Care Quality Commission (CQC) undertook its annual inspection of our five core services during 2019/20. These focused on the care pathway for Adults of Working Age. We have held an overall Trust rating of 'Good' for the quality of our mental health and learning disability services since July 2017.

The Trust was rated as 'Good' for all five domains: Safe, Effective, Caring, Responsive and Well-led during 2019/20. The retention of our Good overall rating has been confirmed in the report published in May 2020 following the annual inspection January / February 2020.

From our 2020 inspection we have been issued with three requirements notices as listed below:

- Regulation 12: safe care and treatment in the mental health crisis services and health-based places of safety. We were told we must make improvements to the medicine's management in our home treatment teams.

- Regulation 17: good governance in acute wards for adults of working age and psychiatric intensive care units (PICUs). We were told we must make improvements to the environment of the Abraham Cowley Unit to improve patient experience.

- Regulation 10: in mental health crisis services and health-based places of safety. We were told that our staff working in the service must understand how to provide care to people with a learning disability and autism.

In our 2019 inspection we were issued 19 'should do's', judged as minor regulatory breaches that don't justify regulatory actions, to prevent breaching a legal requirement, or to improve service quality. In 2020 we improved on this position, as we were issued 13 'should do's' from our core service inspections. Please note that these do not result in the issuing of requirement notices but help us to focus on quality improvements within our core services.

We will submit our action plan to CQC in response to the three Requirement Notices by 1 June 2020. We took immediate action based on the verbal feedback at the time of inspection in many of the areas for improvement.

Surrey and Borders Partnership NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

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 Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of Economy, Efficiency and Effectiveness of the Use of Resources
The Board ensures economy, efficiency and effectiveness through a variety of means, including:

- A robust pay and non-pay budgetary control system, including monthly meetings with budget managers across the divisions to review spend and monthly reporting to the Executive Board on finances and value for money
- A range of effective and consistently applied financial controls
- Effective tendering and waiver procedures
- Robust workforce and establishment control processes
- Continuous review of service activity and improvements, service delivery and modernisation
- A robust cost improvement programme ensuring that corporate and operational units are effectively delivering the savings required and the best allocation of resources

The Board ensures services are efficient and effective through its CARE Excellence Accreditation process and by ensuring our services maintain our registration. We have also improved the frequency of direct feedback from people using our services, to further improve care provision, through our patient experience trackers, Your Views Matter.

The Trust Board uses a walk-around programme for Directors and Governors to regularly visit our services by invitation to support the development of our Qi culture.

Our capital disposal programme prioritises sites that can be sold to fund future service needs. We prioritise for health and safety, ligature minimisation and environmental improvement, before strategic developments are undertaken. A proportion of our income in 2019/20 was conditional upon achieving quality improvement and innovation goals.

We agreed 7 CQUIN (Commissioning for Quality and Innovation) indicators with the main NHS Commissioners – 5 national and 2 local. Performance against these indicators is monitored at our contract meetings, with reference to our ICS governance and assurance forums, and internally at the Executive Board.

The Trust Scrutiny Panel analyses any serious incidents to ensure lessons can be learnt and appropriate remedial action plans are implemented.

Internal Audit ensures constant review of effective control processes are in place to deliver best value for money. An annual work plan is agreed with the Audit Committee to ensure areas of concern are addressed.

Data quality and governance

In 2019/20 the Board and Council of Governors received regular exception reports highlighting performance against the indicators set for the year. In addition, our Quality

Assurance Committee received a mid-year review of performance against key clinical quality indicators and considered work on priority improvement areas during the year.

Learning from incidents is one of the many ways of ensuring continued improvement in the quality of what the Trust does. Others include:

- Walk-arounds by members of the Trust Board and Governors to services, to provide opportunities for staff, people who use our services and carers to tell Directors and Governors how things are from their perspective
- Adaptation of 'Your Views Matters' surveys, providing people with an opportunity to feed back about their experiences in alternative accessible versions
- Implementation of our in-house quality assessment tool, CARE Excellence Accreditation, to increase the standards expected from all clinical teams

Throughout 2019/20, we continued to develop our processes for scrutiny, investigation and reporting of people's deaths led by our Chief Nursing Officer and Chief Medical Officer.

This includes:

- Continued development of our mortality case note review approach
- Reviewing deaths of individuals who have been discharged from our care but who had engaged with our services within 12 months to ensure continuous learning
- Maintaining our learning disability mortality case note review approach which includes a wide range of stakeholders involved in the life and care of the person
- Our Mortality Assurance Coordinator's complete focus on our mortality surveillance approach
- Reports to the Trust Board identifying learning and themes to inform our practice development and, in some cases, those of system partners

Our approach, together with our focus on near misses, high level incidents and serious incidents, is helping to ensure we are taking every opportunity to learn what further steps we can take to prevent harm or death amongst people who use our services.

During 2019/20 our Digital Health team was formed, bringing together our data quality and digital intelligence and analytics approaches under the leadership of our Chief Clinical Information Officer to further our digitally enabled practice. This is improving our use and the quality of our decision-making and performance monitoring data. For example, the introduction of our PatNav system to support improved management and tracking of person's experience from referral to assessment and treatment, and clinical caseloads, in our Working Age Adult Community Mental Health Recovery services (CMHRS).

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 and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.
My review is also informed by detailed reports from both internal and external audit and feedback from NHS Improvement, the Care Quality Commission and NHS Resolution.

The Trust has maintained the registration of all its health and social care services. This is closely monitored by the Executive Board. The essential standards are monitored through our Care Excellence Accreditation process.

Maintenance and review of the effectiveness of the system of internal control has been provided by the comprehensive mechanisms already referred to in this Statement. These include:

- Regular reports to the Trust Board including our risk theme report
- Annual Quality Accounts
- Receipt of reports from key Trust forums and processes, including the Trust's Audit Committee and Quality / Quality Assurance Committee
- Monitoring of compliance against the essential standards of quality and safety
- Our internal, external and clinical audit programmes
- The ongoing development of the Assurance Framework and associated action plans including the provision of exception reports to the Trust Board

As a result, the following outcomes have been achieved:

- Regular review of the Board Assurance Framework and the High Level Risk Register to ensure appropriate action plans are identified and implemented to minimise the impact of risk across the Trust
- Embedded importance of the roles and relationships of the Quality Assurance and Audit Committees in providing assurance to the Board, to reflect the organisation's development and enhance our ability to review trends and target the internal and clinical audit plans, to review the processes and procedures to manage key risks within the Trust

Internal audit completed twelve reviews in 2019/20 compared to twelve in 2018/19. As with the previous two years the opinions assigned to each report reflect the outcome of the testing of both the design of the controls and the operational effectiveness of the controls. From the final assurance reports issued as at end March 2020, reasonable or substantial levels of assurance were achieved for all reviews completed.

An assurance level was not provided for three of the reviews, as they were operational reviews. None of the reviews were assessed with a 'No Assurance' or Limited assurance opinion.

Conclusion
No significant internal control issues have been identified in the Annual Governance Statement.

Fiona Edwards
Chief Executive
22 June 2020

Annual Accounts for the year ended 31 March 2020

Independent auditor's report

to the Council of Governors of Surrey and Borders Partnership NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

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

In our opinion:

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

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

Basis for opinion

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

Overview		
Materiality: Group financial statements as a whole	£6.0m (2018/19: £3.8m) 2.6% (2018/19: 1.7%) of operating income	
Coverage	95% (2018/19: 87%) of group income	
Risks of material misstatement		**vs 2018/19**
Recurring risks	Revenue recognition	◀▶
	Valuation of land and buildings	◀▶
	Expenditure recognition	◀▶

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matters (unchanged from 2018/19), in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion . These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon , and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
Revenue recognition (£228.6 million; 2018/19: £217.5 million) *Refer to page 50 (Audit Committee Report), page 93-94 (accounting policy) and page 106-107 (financial disclosures)*	**Accounting treatment:** The Group largely receives income on a block contract basis so there is certainty in the future forecasts at the start of the financial year but variation can occur. For the Trust income from NHS England and CCGs is captured through the Agreement of Balances (AOB) exercises performed at months 6, 9 and 12 to confirm amounts received. Mismatches in income and receivables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes. Income from local authorities presents a greater risk to the Trust as this income can take longer to collect, meaning there is more judgement regarding the level of income to recognise at the year end. The Trust is eligible to receive Provider Sustainability Funding (PSF) based on meeting the control total set by NHS Improvement. The final income from PSF may be notified late in the financial year. The Trust is eligible for additional revenue (matched to additional expenditure incurred as a result of Covid-19) in 2019/20.	Our procedures included: **Control operation:** We undertook the following testing to understand whether controls had operated effectively during the period: — For the Trust's six largest commissioners we inspected documentation to confirm that contracts had been agreed for the delivery of services; — For the Trust's six largest commissioners we considered whether contract activity had been agreed with the commissioners and there were no significant contract variations; — We considered the extent to which the Trust has agreed the income it was entitled to for 2019/20 through its participation in the Agreement of Balances exercise. **Tests of detail:** We undertook the following tests of detail: — We inspected supporting documentation for variances over £250,000 arising from the Agreement of Balances exercise to critically assess the Group and Trust's accounting for disputed income; — For income not included within the agreement of balances exercise we inspected supporting evidence (including invoices and receipt of cash) for a sample of transactions recorded during the year; — We inspected a sample of income receipts made at the end of the financial year to assess whether they have been recorded within the correct period (including specifically considering Covid-19 related spend); and — We inspected the Group's bank statements and the year-end confirmation received from NHS Improvement of the Group and Trust's entitlement to Provider Sustainability Funding for 2019/20. **Our results** — We found the revenue recognition related to revenue from patient care activities to be acceptable (2018/19 result: acceptable).

	The risk	Our response
Valuation of land and buildings (£68.7 million; 2018/19: £80.1 million) *Refer to page 50 (Audit Committee Report), page 95-97 (accounting policy) and page 117 (financial disclosures)*	**Subjective valuation** Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are valued on the basis of the cost to replace them with an equivalent asset. When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. The Group and Trust engaged a professional valuer to provide indices to support its valuation of its land and buildings as at 31 March 2020. The valuation figures included in the Group accounts are estimates. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The valuer indicated that whilst the valuation indices could be relied upon at the 31 March 2020 there existed a materiality uncertainty, as a result of the outbreak of the COVID-19 pandemic, which resulted in the need for the Group and Trust to more frequently consider impairment of assets in the future.	Our procedures included: **Substantive analytical procedure:** We carried out a substantive analytical procedure in order to review the depreciation charge at an individual asset category level. **Benchmarking assumptions:** We critically assessed the assumptions used in preparing the valuation of the Group and Trust's land and buildings to understand whether these were appropriate and challenged the effect of the material uncertainty recorded by the valuer on the indices used by management. **Tests of detail:** We undertook the following tests of detail: — We assessed how management and the valuer assessed the need for an impairment across the asset base either due to loss of value or reduction in future benefits; — We agreed for a sample of assets added to the portfolio during 2019/20 that an appropriate valuation basis was adopted when assets became operational and confirmed that it was reasonable to expect that the Group and Trust would receive future benefits; — We agreed for assets sold during the year that an appropriate valuation basis was adopted. We recalculated the gain on sale and assessed whether this had been accounted for appropriately. **Our results** — We found the valuation of land and buildings to be acceptable (2018/19 result: acceptable).

	The risk	Our response
Expenditure recognition (£224.8 million; 2018/19: £204 million) *Refer to page 50-51 (Audit Committee Report), page 95 (accounting policy) and page 125 (financial disclosures)*	**Accounting treatment** In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As the Foundation Trust fulfils some of the characteristics of a governmental body there is as much focus on the expenditure being incurred as the generation of revenue. The risk of material misstatement due to fraud related to expenditure recognition may therefore be as significant as the risk of material misstatements due to fraud related to revenue recognition and so we have had regard to this when planning and performing audit procedures. We consider this risk to relate to the completeness of the expenditure recorded as there may be an incentive to seek to defer expenditure in order to achieve financial targets. For the Trust expenditure with other NHS bodies this is captured through the AOB exercises performed at months 6, 9 and 12 to confirm amounts owed. Mismatches in ~~e~~xpenditure and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes. The Group and Trust agreed a target for its financial performance with NHS Improvement for 2019/20, achievement of which entitled it to Provider Sustainability Funding and Financial Recovery Funding. There may therefore be an incentive to defer expenditure or recognise commitments at a reduced value in order to achieve the control total agreed with NHS Improvement. The Trust incurred additional expenditure as a result of Covid-19 in 2019/20 largely related to staff costs. The Trust is required to submit returns to NHSI / E detailing additional expenditure related to Covid-19.	Our procedures included: **Historical comparison:** We considered the trend in accruals compared to the prior period to assess the accuracy of the accruals made in previous years. Where accruals were included in the prior year but not in 2019/20 we critically assessed the reason for an accrual not being made at 31 March 2020. **Assessing transparency:** We reviewed the minutes of the Remuneration Committee (a sub-committee of the Board) and confirmed that senior staff are not remunerated based upon financial or operational results. **Control operation:** We tested the design and operation of process level controls over expenditure cut off. **Tests of detail:** We undertook the following tests of detail: — Inspected a sample of transactions incurred around the end of the financial year to critically assess whether they had been included in the correct accounting period. This covered a sample of Covid-19 related expenditure as well as non Covid-19 related expenditure. — Inspected a sample of accruals made at 31 March 2020 for expenditure not yet invoiced to understand whether the valuation of the accrual was consistent with the value billed after year end; — Tested a sample of expenditure transactions through to supporting documentation and cash payments; and — Assessed the outcome of the AOB exercise with CCGs and other bodies within the DHSC Group and compared the values reported with the value of the expenditure captured in the financial statements. **Our results** — We found the expenditure recognition to be acceptable (2018/19 result: acceptable).

3. Our application of materiality and an overview of the scope of our audit

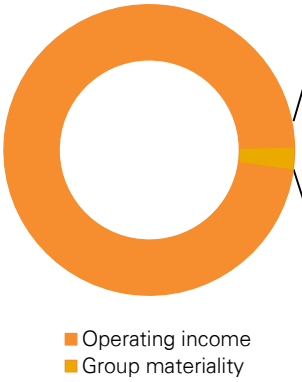
Materiality for the Group financial statements as a whole was set at £6 million (2019: £3.8 million), determined with reference to a benchmark of operating income (of which it represents approximately 2.6%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £5 million (2019: £3.3 million), determined with reference to a benchmark of operating income (of which it represents approximately 2.1%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.25 million (2019: (£0.17 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's two (2019: two) reporting components, we subjected one (2019: one) to a full scope audit for group purposes and one (2019: one) to specified risk-focused audit procedures. The components within the scope of our work accounted for the percentages illustrated opposite.

Operating income
£228.6m (2018/19: £217.5m)



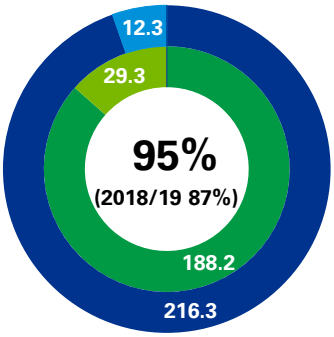
Group Materiality
£6m (2018/19: £3.8m)

£4.5m
Whole financial statements materiality (2018/19: £2.8m)

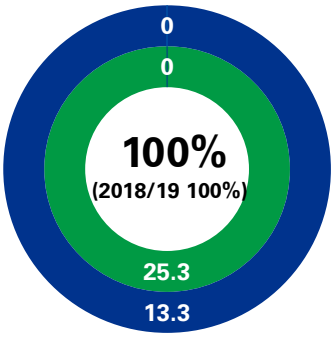
£3.75m
Range of materiality at two components (£3.75m-£0.675m) (2018/19: £2.4m to £0.48m)

£0.25m
Misstatements reported to the audit committee (2018/19: £0.17m)

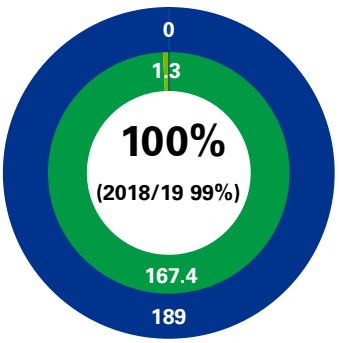
Group income



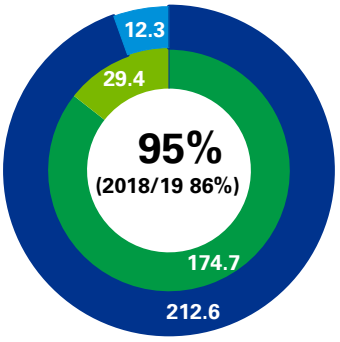
Group surplus/deficit



Group total assets



Group operating expenditure



Full scope for group audit purposes 2019/20
Specified risk-focused audit procedures 2019/20
Full scope for group audit purposes 2018/19
Specified risk-focused audit procedures 2018/19
Residual components

4. We have nothing to report on going concern

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

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

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

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

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

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

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

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

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

Remuneration report

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

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 61-62**,** the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

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

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

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

We have nothing to report in these respects.

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

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

We have nothing to report in this respect.

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

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

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

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

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

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

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

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

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

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

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

Neil Thomas
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL

24 June 2020

KPMG

Foreword to the accounts

Surrey and Borders Partnership NHS Foundation Trust

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

Signed …….

Name **Fiona Edwards**
Job title **Chief Executive**
Date **22 June 2020**

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	208,014	183,320	195,888	153,869
Other operating income	4	20,493	34,184	20,493	34,287
Operating expenses	7, 9	(224,714)	(204,017)	(212,588)	(174,669)
Operating surplus/(deficit) from continuing operations		**3,793**	**13,487**	**3,793**	**13,487**
Finance income	12	221	125	221	125
Finance expenses	13	(26)	(9)	(26)	(9)
PDC dividends payable		(3,309)	(2,964)	(3,309)	(2,964)
Net finance costs		**(3,114)**	**(2,848)**	**(3,114)**	**(2,848)**
Other gains / (losses)	14	12,434	14,597	12,434	14,597
Share of profit / (losses) of associates / joint arrangements	24	214	70	214	70
Surplus / (deficit) for the year from continuing operations		**13,327**	**25,306**	**13,327**	**25,306**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	16	**-**	**-**	**-**	**-**
Surplus / (deficit) for the year		**13,327**	**25,306**	**13,327**	**25,306**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	8	-	-	-	-
Revaluations	22	351	384	351	384
Share of comprehensive income from associates and joint ventures	24	-	-	-	-
Total comprehensive income / (expense) for the period		**13,678**	**25,690**	**13,678**	**25,690**
Surplus/ (deficit) for the period attributable to:					
Non-controlling interest, and		-	-	-	-
Surrey and Borders Partnership NHS Foundation Trust		13,327	25,306	13,327	25,306
TOTAL		**13,327**	**25,306**	**13,327**	**25,306**
Total comprehensive income/ (expense) for the period attributable to:					
Non-controlling interest, and		-	-	-	-
Surrey and Borders Partnership NHS Foundation Trust		13,678	25,690	13,678	25,690
TOTAL		**13,678**	**25,690**	**13,678**	**25,690**

Statements of Financial Position

	Note	Group 31 March 2020 £000	Group 31 March 2019 £000	Trust 31 March 2020 £000	Trust 31 March 2019 £000
Non-current assets					
Intangible assets	17	9,135	7,782	9,135	7,782
Property, plant and equipment	19	80,246	87,883	80,246	87,883
Receivables	29	6,947	13,183	6,947	13,183
Total non-current assets		**96,328**	**108,848**	**96,328**	**108,848**
Current assets					
Inventories	28	72	71	72	71
Receivables	29	50,417	35,126	50,417	33,852
Non-current assets held for sale	31	308	308	308	308
Cash and cash equivalents	32	41,893	24,359	41,893	24,359
Total current assets		**92,690**	**59,864**	**92,690**	**58,590**
Current liabilities					
Trade and other payables	33	(29,242)	(26,001)	(29,242)	(24,727)
Provisions	38	(4,142)	(3,169)	(4,142)	(3,169)
Other liabilities	34	(3,167)	(1,919)	(3,167)	(1,919)
Total current liabilities		**(36,551)**	**(31,089)**	**(36,551)**	**(29,815)**
Total assets less current liabilities		**152,467**	**137,623**	**152,467**	**137,623**
Non-current liabilities					
Provisions	38	(8,829)	(8,363)	(8,829)	(8,363)
Total non-current liabilities		**(8,829)**	**(8,363)**	**(8,829)**	**(8,363)**
Total assets employed		**143,638**	**129,260**	**143,638**	**129,260**
Financed by					
Public dividend capital		192,346	191,646	192,346	191,646
Revaluation reserve		13,202	19,081	13,202	19,081
Other reserves		(13,391)	(13,391)	(13,391)	(13,391)
Income and expenditure reserve		(48,519)	(68,076)	(48,519)	(68,076)
Total taxpayers' equity		**143,638**	**129,260**	**143,638**	**129,260**

The notes on pages 91 to 133 form part of these accounts.

Name **Fiona Edwards**
Job Title **Chief Executive**
Date 22 June 2020

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**191,646**	**19,081**	**(13,391)**	**(68,076)**	**-**	**129,260**
Surplus/(deficit) for the year	-	-	-	13,327	-	**13,327**
Other transfers between reserves	-	(639)	-	639	-	**-**
Impairments	-	-	-	-	-	**-**
Revaluations	-	351	-	-	-	**351**
Transfer to retained earnings on disposal of assets	-	(5,591)	-	5,591	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Public dividend capital received	700	-	-	-	-	**700**
Taxpayers' and others' equity at 31 March 2020	**192,346**	**13,202**	**(13,391)**	**(48,519)**	**-**	**143,638**

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**191,494**	**25,222**	**(13,391)**	**(99,907)**	**-**	**103,418**
Impact of implementing IFRS 15 on 1 April 2018	**-**	**-**	**-**	**-**	**-**	**-**
Impact of implementing IFRS 9 on 1 April 2018	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	**-**	**-**	**-**	**25,306**	**-**	**25,306**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(3)	-	3	-	**-**
Other transfers between reserves	-	(685)	-	685	-	**-**
Impairments	-	-	-	-	-	**-**
Revaluations	-	384	-	-	-	**384**
Transfer to retained earnings on disposal of assets	-	(5,837)	-	5,837	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Public dividend capital received	152	-	-	-	-	**152**
Taxpayers' and others' equity at 31 March 2019	**191,646**	**19,081**	**(13,391)**	**(68,076)**	**-**	**129,260**

Information on reserves

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

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

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Other reserves
A negative other reserve was created in 2007/08, which related to the 2004/05 revaluation of property, plant and equipment.

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

Non-controlling interest reserve
The Childrens and Family Health Surrey reserve for the year ended 31 March 2020 is nil.

Statements of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		3,793	13,487	3,793	13,487
Non-cash income and expense:					
Depreciation and amortisation	7.1	7,649	6,676	7,649	6,676
Net impairments	8	(413)	1,042	(413)	1,042
(Increase) / decrease in receivables and other assets		14,979	(9,174)	13,705	(7,900)
(Increase) / decrease in inventories		(1)	6	(1)	6
Increase / (decrease) in payables and other liabilities		4,386	3,049	5,660	1,775
Increase / (decrease) in provisions		663	536	663	536
Net cash flows from / (used in) operating activities		**31,056**	**15,622**	**31,056**	**15,622**
Cash flows from investing activities					
Interest received		189	125	189	125
Purchase of intangible assets		(2,196)	(2,663)	(2,196)	(2,663)
Sales of intangible assets		-	-	-	-
Purchase of PPE and investment property		(9,052)	(8,286)	(9,052)	(8,286)
Sales of PPE and investment property		184	3,885	184	3,885
Net cash flows from / (used in) investing activities		**(10,875)**	**(6,939)**	**(10,875)**	**(6,939)**
Cash flows from financing activities					
Public dividend capital received		700	152	700	152
Public dividend capital repaid		-	-	-	-
PDC dividend (paid) / refunded		(3,561)	(2,677)	(3,561)	(2,677)
Cash flows from (used in) other financing activities		214	70	214	70
Net cash flows from / (used in) financing activities		**(2,647)**	**(2,455)**	**(2,647)**	**(2,455)**
Increase / (decrease) in cash and cash equivalents		**17,534**	**6,228**	**17,534**	**6,228**
Cash and cash equivalents at 1 April - brought forward		**24,359**	**18,131**	**24,359**	**18,131**
Cash and cash equivalents at 31 March	32	**41,893**	**24,359**	**41,893**	**24,359**

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

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

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non- trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Note 1.2.1 Critical Judgements in Applying Accounting Policies

There are no material judgements, apart from those involving estimations (which are disclosed below). Management has made two judgements in the process of applying the Trust's accounting policies (as required by IAS 1.122), which are not material to the financial statements:

• Provision for expected credit losses: For all financial assets measured at amortised cost, the Trust recognises an allowance (provision) for expected credit losses, measuring expected losses as at an amount equal to lifetime expected losses. Refer to Note 29.2.

• Annual leave accrual: The Trust does not allow staff to carry over any unused leave, so no accrual for the estimated cost has been made.

Note 1.2.2 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, as required by IAS 1.125:The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Valuation of land and buildings: The Trust considers the value of its non-current assets each year. Asset valuations are provided by independent, qualified valuers. Valuations are subject to general price changes in property values across the UK. Asset values might vary from their real market value when assets are disposed of. The Trust's non-current assets were revalued at 31 December 2017; as appropriate, therefore, as an interim exercise, the value of the Trust's land and property portfolio was determined through an indexation based assessment as at 31 March 2020. Refer to Note 22. Estimated useful lives for the Trust's assets are based on common, widely used assumptions for each asset type, except where specialist information is available from professional bodies. The Trust reviews these lives on a regular basis as part of the process to assess whether assets have been impaired, which would impact on the value of the assets. Refer to Note 1.9 .

Other Considerations which do not have a Material Effect on the Financial Statements

The Trust has also considered economic certainty in making provisions but it has been deemed that there is no material effect on the financial statements. Provisions for pension and legal liabilities are based on the information provided from NHS Pension Agency, NHS Resolution and the Trust's own sources. The Trust's early retirement provision is based on the life expectancy of the individual pensioner, as stated in the ONS (Office of National Statistics) life expectancy tables, which change annually. All provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any differences between expectations and the actual future liability will be accounted for in the period when such determination is made. Refer to Note 38.

Note 1.3 Consolidation

Subsidiaries
Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year [except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the Trust's financial year are obtained from the subsidiary and consolidated.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

The Trust entered into a Limited Liability Partnership (LLP) called Surrey Healthy Children and Families, incorporated on 19 December 2016 (partnership number OC415159), in which Surrey and Borders Partnership NHS Foundation Trust and Central Surrey Health CIC are partners, each holding a 50% interest. Under clause 17.1 of the Partnership Agreement that governs the LLP, the Trust will provide a guarantee on demand to commissioners that the Trust will guarantee the provision of services to be provided by the LLP under the service contract. The Trust has assessed its relationship with the LLP in the light of this guarantee and judged that the materiality of losses incurred by LLP partners means that, whilst the Trust has not triggered its additional rights, it would be justified in doing so and, on that basis, the Trust is accounting for its relationship with the LLP as a subsidiary consolidated into Group accounts with a 50% non-controlling interest. The accounts of the LLP are coterminous with those of the Trust. The LLP's period end is 31 March 2020. Childrens and Families Health Surrey LLP ceased trading on 30th August 2019, at which time all activities were continued by the Trust.The Trust also owns SABP Care Ltd, incorporated on 9 May 2014, a dormant company.Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

NHS Charitable Fund
The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

The NHS Foundation Trust is the corporate Trustee to Surrey and Borders Partnership NHS Foundation Trust General Purposes Charity and Related Charities (Charity number 1126477). The Trust had previously assessed its relationship to the charitable fund and, determining it to be a subsidiary, had consolidated the charitable fund's statutory accounts into a Group position with the Trust. However, in 2016/17, the Trust considered the definition in IAS 1, which requires materiality to be judged 'in the surrounding circumstances', and determined that, from the viewpoint of both the Trust and the charitable fund, consolidation no longer aids the users of the accounts. The value of the funds at 31 March 2020 was £0.889m.
DH Group bodies are required to disclose as a related party all linked charities (unless formally consolidated), including the nature of the relationship and details of material transactions between the Trust and the linked charity. Refer to Note 48.

Associates
Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the Trust from the associate.

Surrey and Borders Partnership NHS Foundation Trust is a 25% partner in the Collaborative Procurement Partnership LLP (CPP LLP), with three other NHS foundation Trusts. The partnership was registered at Companies House on 18 January 2017 and began implementation on 8 November 2017, following a successful tender process to deliver services to the Department of Health from 8 May 2018. For the year ended 31 March 2020, the Trust has received a £214k dividend.

The Trust is accounting for its relationship with CPP as an investment in an associate. Movement in the value of the investment is recognised in the Statement of Comprehensive Income.

Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell".

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.

In respect of the Trust's Non-NHS commissioner block contracts, invoices are paid in advance or in arrears, as specified within each contract, and recognised each month as an equal twelfth. Non-contracted income is invoiced and recognised on a cost and volume basis in arrears on satisfaction of the performance. Payment from Local Authorities is received in arrears on a 4-weekly basis and the revenue recognised in the month of the performance.

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, this accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

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

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are considered distinct performance obligations in their own right.

Revenue from research contracts

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

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.

Revenue from Health Education England (HEE)

The Trust receives funding for the salaries of trainee junior doctors, student nurses, occupational therapists, clinical psychologists and clinical placements. This revenue is recognised monthly in line with salary payments to the individuals concerned. Other funding for medical and non-medical education is recognised only to the extent that a performance obligation is satisfied. HEE has specified that such income may not be deferred.

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Other Income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the 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 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

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

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

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

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

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

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

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.

A full revaluation was carried out as at 31 December 2017. The valuation was carried out by Montagu Evans, professionally qualified valuers, in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. For 2019/20, Montagu Evans carried out an interim indexation based exercise, with indexation adjustments provided as at 31 March 2020. Their approach considered three key elements to the portfolio: specialised buildings, land and key worker accommodation. For the specialised assets they considered movements in build costs, using the BCIS All In Tender Price Index, which is an industry accepted index in assessing changes in construction costs over the year; for land, they undertook a review of land price indices but placed more reliance on a review of comparable land transactions, to determine any movement in the geographical location of the Trust's assets; and for key worker accommodation, they assessed overall rental movements in the affordable housing sector over the period. The resulting movements in value have been applied separately to each class of asset in the financial statements.

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.

Surrey and Borders NHS Foundation Trust has no PFI or LIFT arrangements.

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	15	80
Dwellings	3	38
Plant & machinery	5	15
Transport equipment	2	7
Information technology	2	8
Furniture & fittings	2	25

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

Note 1.10 Intangible assets

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

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

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

Amortisation

Intangible assets are amortised 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**
Information technology	2	5
Development expenditure	2	5
Websites	2	5
Software licences	2	8
Licences & trademarks	2	5
Patents	2	5
Other (purchased)	2	5
Goodwill	2	10

Note 1.11 Inventories

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

Note 1.12 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

Note 1.13 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 1.14 Financial assets and financial liabilities

Recognition

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

Classification and measurement

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in Note 1.15 Leases

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

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, 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).

Financial assets held in the Trust books are to collect contractual cashflows and are, therefore, measured at amortised cost. The Trust does not have any financial assets for the purpose of selling these assets. A detailed review of financial assets is carried out by the Trust on an annual basis for expected credit losses. Local knowledge and intelligence from the Contracts team is used to establish the probability of the non-recovery of any of the balances included in financial assets. This probability then forms the basis for calculating credit losses allowance or provisions, in relation to the risk of non-collection.

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.

Note 1.15 Leases

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

The Trust as 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.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

Leases of land and buildings

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

The Trust as a lessor

Finance leases

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

Operating leases

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

Note 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

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

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

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

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 38.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 39 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 39 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.18 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 1.19 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 1.20 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988, to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.
In determining whether or not an activity is likely to be taxable, a three-stage test may be employed:

• The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is, therefore, tax exempt
• Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax
• Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity

The majority of the Group's activities are related to core healthcare and are not subject to tax.

Note 1.21 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 1.22 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 1.23 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 1.24 Gifts

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

Note 1.25 Transfers of functions to / from other NHS bodies or local government bodies

For functions that have been transferred to the Trust from another NHS or local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets and liabilities transferred is recognised within income and expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

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

Note 1.26 Early adoption of standards, amendments and interpretations

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

Note 1.27 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 re-consider 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 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 2 Operating Segments

IFRS 8 'Operating Segments' requires disclosure of the results of the significant operating segments. A business or operating segment is a group of assets and operations engaged in providing core or non-core services that are subject to risks and returns that are different from those of other business or operating segments. In line with the standard, based on the internally reported activities, the Trust identifies that all activity is healthcare related and a large majority of the Trust's revenue is received from within UK government departments.

The Trust operates as a single operating segment. The Board of Directors, led by the Chief Executive is the Chief Operating Decision Maker within the Trust. It is only at this level that revenues are fully reported and the overall financial and operational performance of the Trust is assessed. As all decisions affecting the foundation Trust's future direction and viability are made based on the overall total presented to the board, the Trust is satisfied that the single segment of healthcare is appropriate and consistent with the principles of IFRS 8.

Note 3 Operating income from patient care activities (Group)
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)	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Cost and volume contract income	2,973	2,569	2,973	2,569
Block contract income	153,498	118,126	154,929	121,631
Clinical partnerships providing mandatory services (including Section 75 agreements)	18,358	16,559	18,358	16,559
Other clinical income from mandatory services	22,616	42,510	9,059	9,554
Private patient income	-	-	-	-
Agenda for Change pay award central funding	-	1,656	-	1,656
Additional pension contribution central funding	5,081	-	5,081	-
Other clinical income	5,488	1,900	5,488	1,900
Total income from activities	**208,014**	**183,320**	**195,888**	**153,869**

2018/19 Costs under Agenda for Change pay award central funding relate to Agenda for Change pay reform in 2018/19. From 2019/20 this funding is incorporated into tariff for individual services.
Additional pension contribution central funding for 2019/20 relates to the employer contribution rate for NHS pensions which 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.
The variance between Group and Trust income is wholly related to the activities of Childrens and Family Health Surrey.

Note 3.2 Income from patient care activities (by source)	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
Income from patient care activities received from:	£000	£000	£000	£000
NHS England	8,803	4,438	7,985	1,940
Clinical commissioning groups	171,469	140,717	164,699	124,681
Department of Health and Social Care	-	1,656	-	1,656
Other NHS providers	1,482	1,284	1,482	1,284
NHS other	10	26	10	26
Local authorities	24,112	32,649	18,143	18,226
Non-NHS: private patients	-	-	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-	-	-
Non-NHS: other	2,138	2,550	3,569	6,056
Total income from activities	**208,014**	**183,320**	**195,888**	**153,869**

All income relates to continuing operations. The variance between Group and Trust income is wholly related to the activities of Children and Family Health Surrey.

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

The Group has not received income from overseas visitors (where the patient is charged directly by the Trust) in excess of £100,000 during 2019/20.

Note 4 Other operating income (Group)	**Group**		**Trust**	
	2019/20	**2018/19**	**2019/20**	**2018/19**
	£000	**£000**	**£000**	**£000**
Research and development	1,064	804	1,064	804
Education and training	3,252	3,345	3,252	3,345
Non-patient care services to other bodies	394	363	394	363
Provider sustainability fund (PSF)	1,433	17,090	1,433	17,090
Financial recovery fund (FRF)	1,501	-	1,501	-
Income in respect of employee benefits accounted on a gross basis	7,965	7,164	7,965	7,164
Rental revenue from operating leases	20	65	20	65
Other income	4,864	5,353	4,864	5,456
Total other operating income	**20,493**	**34,184**	**20,493**	**34,287**

Other operating income relates to Trust business. Other contract income includes £2.247m of income relating to NHS Commercial Solutions; £0.626m of income from Appletree Nursery; £0.204m of income relating to staff recharges to Surrey County Council; £0.262m relates to staff and procurement recharges to Sussex Partnership NHS FT; £0.179 relates to Soft FM recharges to Epsom & St Helier University NHS Trust; and £0.209 relates to recharges to NHS North West Surrey CCG, largely for operating the CoiN (Community of Interest Network).

Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF), includes £35k of incentive funding.

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	1,919	1,302
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

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:

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Income from services designated as commissioner requested services	177,567	145,243	169,980	126,709
Income from services not designated as commissioner requested services	50,940	55,240	46,280	44,426
Total	**228,507**	**200,483**	**216,260**	**171,135**

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

In 2019/20 The Trust completed the sale of multiple properties at West Park, Epsom. These properties had a net book value of £10.8m and was sold for £23.8m. This property was sold to Surrey Count Council, with an agreement to lease back to SABP, therefore services provided from these locations are unaffected.

Note 6.1 Fees and charges (Group)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

The Group had no fees and charges in this category

Note 7.1 Operating expenses (Group)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,187	2,213	3,187	2,213
Purchase of healthcare from non-NHS and non-DHSC bodies	36,704	34,948	24,676	5,612
Staff and executive directors' costs	138,795	119,554	138,795	119,554
Remuneration of non-executive directors	140	123	140	123
Supplies and services - clinical (excluding drugs costs)	3,753	2,763	3,753	2,763
Supplies and services - general	3,357	3,372	3,357	3,372
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	4,652	4,467	4,652	4,467
Consultancy costs	949	753	949	753
Establishment	2,141	2,117	2,043	2,117
Premises	13,046	13,002	13,046	13,002
Transport (including patient travel)	2,745	2,441	2,745	2,441
Depreciation on property, plant and equipment	5,986	5,545	5,986	5,545
Amortisation on intangible assets	1,663	1,131	1,663	1,131
Net impairments	(413)	1,042	(413)	1,042
Movement in credit loss allowance: contract receivables / contract assets	(1,002)	494	(1,002)	494
Increase/(decrease) in other provisions	311	598	311	598
Change in provisions discount rate(s)	462	(117)	462	(117)
audit services- statutory audit	79	80	67	68
other auditor remuneration (external auditor only)	4	14	4	14
Internal audit costs	143	162	143	162
Clinical negligence	782	924	782	924
Legal fees	266	162	266	162
Insurance	-	51	-	51
Research and development	76	64	76	64
Education and training	1,296	1,553	1,296	1,553
Rentals under operating leases	4,691	4,772	4,691	4,772
Redundancy	26	108	26	108
Losses, ex gratia & special payments	-	10	-	10
Other services, e.g. external payroll	107	114	107	114
Other	768	1,557	780	1,557
Total	**224,714**	**204,017**	**212,588**	**174,669**

Note 7.2 Other auditor remuneration (Group)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Audit Services - Statutory Audit				
Audit of the financial statements	56	57	56	57
Auditing of accounts of associates	10	10		
Total	**66**	**67**	**56**	**57**

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Other auditor remuneration paid to the external auditor:				
Audit-related assurance services	3	11	3	11
Total	**3**	**11**	**3**	**11**

Amounts shown in Note 7.2 are exclusive of VAT.

Note 7.3 Limitation on auditor's liability (Group)
The limitation on auditor's liability for external audit work is £0.5m (2018/19: £0.5m).

Note 8 Impairment of assets (Group)

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	200
Abandonment of assets in course of construction	-	29
Changes in market price	(413)	813
Total net impairments charged to operating surplus / deficit	**(413)**	**1,042**
Impairments charged to the revaluation reserve	-	-
Total net impairments	**(413)**	**1,042**

The in-year impairment relates to the year-end indexation of the Trust's assets, creating an impairment reversal.

All of the Impairments relate to assets used in the provision of healthcare that belong to the Trust and have been recognised in operating expenses.

Note 9 Employee benefits (Group)

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	91,669	84,289
Social security costs	9,350	8,552
Apprenticeship levy	438	401
Employer's contributions to NHS pensions	16,751	10,769
Pension cost - other	24	14
Temporary staff (including agency)	21,965	17,067
Total gross staff costs	**140,197**	**121,092**
Recoveries in respect of seconded staff	-	-
Total staff costs	**140,197**	**121,092**
Of which		
Costs capitalised as part of assets	1,376	1,430

Employee benefits all related to the Trust. Children and Family Health Surrey does not employ any staff

Note 9.1 Retirements due to ill-health (Group)

During 2019/20 there were 4 early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £285k (£30k in 2018/19).

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

Note 10 Pension costs

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

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

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

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 11 Operating leases (Group)

Note 11.1 Surrey and Borders Partnership NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Surrey and Borders Partnership NHS Foundation Trust is the lessor.

The Trust leases premises at the Wingfield Day centre to the Richmond Fellowship

	2019/20	2018/19
	£000	£000
Operating lease revenue		
Minimum lease receipts	20	65
Contingent rent	-	-
Other	-	-
Total	**20**	**65**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	20	20
- later than one year and not later than five years;	41	61
- later than five years.	-	-
Total	**61**	**81**

Note 11.2 Surrey and Borders Partnership NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Surrey and Borders Partnership NHS Foundation Trust is the lessee.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	4,691	4,772
Contingent rents	-	-
Less sublease payments received	-	-
Total	**4,691**	**4,772**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	5,229	3,805
- later than one year and not later than five years;	16,055	11,203
- later than five years.	44,072	21,993
Total	**65,356**	**37,001**
Future minimum sublease payments to be received	-	-

All leases relate to Trust business. Of the total operating lease payments, £4.334m (2018/19: £4.350m) relates to leases on property, from which the Trust provides its healthcare and corporate services. Property leases are for differing lease terms, the latest expiry date is March 2045

Equipment leases are for 3 years from date of agreement. Vehicle leases are for between 3 and 5 years from date of agreement

Note 12 Finance income (Group)

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	221	125
Total finance income	**221**	**125**

All finance income relates to Trust business

Note 13 Finance expenditure

Note 13.1 Finance expenditure (Group)

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	-
Overdrafts	-	-
Total interest expense	**-**	**-**
Unwinding of discount on provisions	26	9
Other finance costs	-	-
Total finance costs	**26**	**9**

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

Neither the Trust nor Children and Family Health Surrey had any interest or costs payable under this legislation

Note 14 Other gains / (losses) (Group)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	12,434	14,597
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	**12,434**	**14,597**

The gain on disposal of assets relates to the sale of various properties at West Park totalling 12.2m, and the reversal of a £0.2m provision for a prior period sale.

Note 15 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. However, it has elected to do so and has provided full disclosure in its primary income statement.

Note 16 Discontinued operations (Group)

Childrens and Families Health Surrey LLP ceased trading on 30th August 2019, at which time all activities were continued by the Trust, The Group has no discontinued operations in 2019/20

Note 17.1 Intangible assets - 2019/20

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**105**	**11,192**	**87**	**11,384**
Additions	-	2,914	102	**3,016**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Reclassifications	(54)	(415)	(189)	**(658)**
Valuation / gross cost at 31 March 2020	**51**	**13,691**	**-**	**13,742**
Amortisation at 1 April 2019 - brought forward	**94**	**3,508**	**-**	**3,602**
Provided during the year	6	1,657	-	**1,663**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Reclassifications	(54)	(604)	-	**(658)**
Amortisation at 31 March 2020	**46**	**4,561**	**-**	**4,607**
Net book value at 31 March 2020	**5**	**9,130**	**-**	**9,135**
Net book value at 1 April 2019	**11**	**7,684**	**87**	**7,782**

Note 17.2 Intangible assets - 2018/19

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**65**	**8,492**	**29**	**8,586**
Prior period adjustments	**-**	**-**	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**65**	**8,492**	**29**	**8,586**
Valuation / gross cost at start of period for new FTs	**-**	**-**	**-**	**-**
Transfers by absorption	-	-	-	**-**
Additions	11	2,700	87	**2,798**
Impairments	29	-	(29)	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Valuation / gross cost at 31 March 2019	**105**	**11,192**	**87**	**11,384**
Amortisation at 1 April 2018 - as previously stated	**65**	**2,377**	**-**	**2,442**
Prior period adjustments	**-**	**-**	-	**-**
Amortisation at 1 April 2018 - restated	**65**	**2,377**	**-**	**2,442**
Amortisation at start of period for new FTs	**-**	**-**	**-**	**-**
Provided during the year	-	1,131	-	**1,131**
Impairments	29	-	-	**29**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Amortisation at 31 March 2019	**94**	**3,508**	**-**	**3,602**
Net book value at 31 March 2019	**11**	**7,684**	**87**	**7,782**
Net book value at 1 April 2018	**-**	**6,115**	**29**	**6,144**

Note 18.1 Intangible assets - 2019/20

The Trust has no intangible assets distinct from the Group.

Note 18.2 Intangible assets - 2018/19

The Trust has no intangible assets distinct from the Group.

Note 19.1 Property, plant and equipment - 2019/20

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at - 1 April 2019 - brought forward	**31,346**	**57,360**	**974**	**538**	**27**	**9,325**	**2,136**	**101,706**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	1,758	3,817	60	-	2,700	-	**8,335**
Impairments	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	929	5	-	-	-	-	**934**
Reclassifications	-	1,300	(1,300)	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	(7,308)	(4,594)	-	(7)	-	-	-	**(11,909)**
Valuation/gross cost at - 31 March 2020	**24,038**	**56,753**	**3,496**	**591**	**27**	**12,025**	**2,136**	**99,066**
Accumulated depreciation at - 1 April 2019 - brought forward	**-**	**8,572**	**-**	**115**	**27**	**4,230**	**879**	**13,823**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,520	-	66	-	1,182	218	**5,986**
Impairments	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	(413)	-	-	-	-	-	**(413)**
Revaluations	-	583	-	-	-	-	-	**583**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(1,157)	-	(2)	-	-	-	**(1,159)**
Accumulated depreciation at - 31 March 2020	**-**	**12,105**	**-**	**179**	**27**	**5,412**	**1,097**	**18,820**
Net book value at 31 March 2020	**24,038**	**44,648**	**3,496**	**412**	**-**	**6,613**	**1,039**	**80,246**
Net book value at 1 April 2019	**31,346**	**48,788**	**974**	**423**	**-**	**5,095**	**1,257**	**87,883**

Note 19.2 Property, plant and equipment - 2018/19

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at - 1 April 2018 - as previously stated	**36,911**	**57,627**	**1,042**	**436**	**27**	**6,188**	**2,136**	**104,367**
Additions	-	2,000	6,249	113	-	729	-	**9,091**
Impairments	-	(200)	(1,342)	-	-	-	-	**(1,542)**
Reversals of impairments	-	529	-	-	-	-	-	**529**
Revaluations	-	(438)	-	-	-	-	-	**(438)**
Reclassifications	-	2,375	(4,783)	-	-	2,408	-	**-**
Transfers to / from assets held for sale	(350)	(325)	-	-	-	-	-	**(675)**
Disposals / derecognition	(5,215)	(4,208)	(192)	(11)	-	-	-	**(9,626)**
Valuation/gross cost at - 31 March 2019	**31,346**	**57,360**	**974**	**538**	**27**	**9,325**	**2,136**	**101,706**
Accumulated depreciation at - 1 April 2018 - as previously stated	**-**	**6,965**	**-**	**70**	**27**	**3,257**	**662**	**10,981**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,309	-	46	-	973	217	**5,545**
Impairments	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	(822)	-	-	-	-	-	**(822)**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	(11)	-	-	-	-	-	**(11)**
Disposals / derecognition	-	(1,869)	-	(1)	-	-	-	**(1,870)**
Accumulated depreciation at - 31 March 2019	**-**	**8,572**	**-**	**115**	**27**	**4,230**	**879**	**13,823**
Net book value at 31 March 2019	**31,346**	**48,788**	**974**	**423**	**-**	**5,095**	**1,257**	**87,883**
Net book value at 1 April 2018	**36,911**	**50,662**	**1,042**	**366**	**-**	**2,931**	**1,474**	**93,386**

Note 20 Property, plant and equipment

The Trust has no property, plant and equipment distinct from the Group in the reporting year, 2019/20 or the prior year 2018/19.

Note 21 Donations of property, plant and equipment

Neither the Trust nor Childrens Family Health Surrey had any donated assets as at 31 March 2020

Note 22 Revaluations of property, plant and equipment

The Trust instructed Montagu Evans, independent valuers, to revalue its land and buildings as at 31 December 2017. This valuation was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Red Book - the RICS Valuation, Global Standards 2017, which came into effect on 1 July 2017 - and in compliance with the following Standards:

• International Financial Reporting Standards published by the International Accounting Standards Board;
• International Valuation Standards 2017 published by the International Valuation Standards Committee;
• RICS Valuation – Professional Standards UK January 2014 (revised April 2015);
• HM Treasury Financial Reporting Manual; and,
• Department of Health Group Accounting Manual.

The standard requires the statement of assets at Fair Value. Assets have been valued at Market Value (MV), Existing Use Value (EUV) or, if no market exists for a property, which may be rarely sold or it is a specialised asset, an income or depreciated replacement cost (DRC) approach has been adopted.

The operational buildings owned by the Trust are specialised assets which were valued on a DRC approach assuming modern equivalent assets, with replacement buildings extending to the same operational floor area as those existing and offering the same service potential. Land was valued on an Existing Use Value (comparative) basis, with the Trust's residential staff accommodation assessed in line with the principles of Existing Use Value for Social Housing (EUV-SH). Assets which were declared as surplus to the Trust's requirements or had a third party agreement were valued using the Market Value basis.

For 2019/20, Montagu Evans carried out an interim indexation based exercise, with indexation adjustments provided as at 31 March 2020. Their approach considered three key elements to the portfolio: specialised buildings, land and key worker accommodation. For the specialised assets they considered movements in build costs, using the BCIS All In Tender Price Index, which is an industry accepted index in assessing changes in construction costs over the year; for land, they undertook a review of land price indices but placed more reliance on a review of comparable land transactions to determine any movement in the geographical location of the Trust's assets; and for key worker accommodation, they assessed overall rental movements in the affordable housing sector over the period. They have weighted each element, based on the proportion of the overall portfolio values in determining an overall average indexation figure to apply across the entire portfolio.

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

The resulting movements in value have been applied separately to each class of asset in the financial statements.

Note 23.1 Investment Property

Neither the Group nor the Trust has any investment property.

Note 23.2 Investment property income and expenses (Group)

Neither the Group nor the Trust has any Investment property income and expenses

Note 24 Investments in associates and joint ventures

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	-	-	-	
Share of profit / (loss)	214	70		
Disbursements / dividends received	(214)	(70)		
Carrying value at 31 March	-	-	-	-

The Trust has a 25% interest in the Collaborative Procurement Partnership (CPP) LLP (see Note 1.3). The CCP LLP is a Joint Venture. There was no initial equity investment. In addition to the Trust, the other partners are Guys and St Thomas' NHS Foundation Trust, Leeds and York Partnership NHS Foundation Trust and West Suffolk NHS Foundation Trust. The LLP commenced buying goods on behalf of the NHS in May 2018. The Trust received a disbursement of £214k in respect of its interest in the CCP LLP for the year.

Note 25 Other investments / financial assets (non-current)

Neither the Group nor the Trust has any other investments or financial assets.

Note 26 Disclosure of interests in other entities

The Trust's principal subsidiary undertaking included in the consolidation at 31 March 2018 is the Surrey Healthy Children and Families Limited Liability Partnership (LLP) - trading as Children and Family Health Surrey (CFHS), which the Trust is consolidating as a subsidiary with 50% non-controlling interest (see Note 1.3). The CFHS LLP's turnover for the period ended 31 March 2020 was £13.678m, inclusive of sales to the Trust.

In addition to its interest in Children and Family Health Surrey and its 25% interest in the Collaborative Procurement Partnership (CCP) LLP (see Note 24), the Trust also owns SABP Care Ltd, incorporated on 9 May 2014, a dormant company.

Childrens and Families Health Surrey LLP ceased trading on 30th August 2019, at which time all activities were continued by the Trust

The Trust no longer consolidates its Charitable Fund into its Group position. Refer to Notes 1.3 and 27.

Note 27 Analysis of charitable fund reserves

The Trust has an interest in its unconsolidated Charitable Fund for which the Trust is the corporate Trustee. The Trust had, prior to 2016/17, previously assessed its relationship to the charitable fund and determined it to be a subsidiary because of the Trust's exposure or rights to variable returns and other benefits for itself, its staff or the people who use its services, from its involvement with the charitable fund, and its ability to affect those returns and other benefits through its power over the fund. It had, therefore, previously (prior to 2016/17) consolidated the charitable fund's statutory accounts into a Group position with the Trust. However, the Trust considered the definition in IAS 1, which requires materiality to be judged 'in the surrounding circumstances', and determined that, from the viewpoint of both the Trust and the charitable fund, consolidation no longer aids the users of the accounts. Refer to Note 47 Related Parties.

	31 March 2020	31 March 2019
	£000	£000
Unrestricted funds:		
Unrestricted income funds	484	506
Revaluation reserve	-	-
Other reserves	-	-
Restricted funds:		
Endowment funds	2	2
Other restricted income funds	403	448
	889	**956**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the Trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 28 Inventories

	Group	
	31 March 2020	31 March 2019
	£000	£000
Drugs	71	70
Other	1	1
Total inventories	**72**	**71**

Inventories recognised in expenses for the year were £71k (2018/19: £77k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 29.1 Receivables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Contract receivables	11,029	28,345	11,029	27,071
Contract assets	-	-	-	-
Capital receivables	36,933	6,592	36,933	6,592
Allowance for impaired contract receivables / assets	(498)	(1,583)	(498)	(1,583)
Prepayments (non-PFI)	2,005	1,171	2,005	1,171
Interest receivable	32	-	32	-
PDC dividend receivable	324	72	324	72
VAT receivable	565	450	565	450
Other receivables	27	79	27	79
Total current receivables	**50,417**	**35,126**	**50,417**	**33,852**
Non-current				
Contract receivables	-	-	-	-
Contract assets	-	-	-	-
Capital receivables	6,592	13,183	6,592	13,183
Allowance for impaired contract receivables / assets	-	-	-	-
Allowance for other impaired receivables	-	-	-	-
Other receivables	355	-	355	-
Total non-current receivables	**6,947**	**13,183**	**6,947**	**13,183**
Of which receivable from NHS and DHSC group bodies:				
Current	8,658	23,819	8,658	22,270
Non-current	355	-	355	-

The Group has a non-current receivable (£6.6m) and a current receivable (£13.2m) related to the Chertsey land sale agreement. The current receivable includes a payment of £6.6m which was deferred from 2019/20 as part of an ongoing mutually beneficial negotiation.

The Group's current receivables also include a payment related to the sale of various properties at West Park (£23.8m).

Note 29.2 Allowances for credit losses - 2019/20

	Group		
	Contract receivables and contract assets	**All other receivables**	**Total**
	£000	**£000**	**£000**
Allowances as at 1 Apr 2019 - brought forward	**1,583**	**-**	1,583
Transfers by absorption	**-**	**-**	-
New allowances arising	504	-	504
Changes in existing allowances	-	-	-
Reversals of allowances	(1,506)	-	(1,506)
Utilisation of allowances (write offs)	(83)	-	(83)
Allowances as at 31 Mar 2020	**498**	**-**	**498**

All allowances for credit losses relate to Trust receivables

Note 29.3 Allowances for credit losses - 2018/19

	Group		
	Contract receivables and contract assets	**All other receivables**	**Total**
	£000	**£000**	**£000**
Allowances as at 1 Apr 2018 - as previously stated	**-**	**1,090**	1,090
Prior period adjustments	**-**	**-**	-
Allowances as at 1 Apr 2018 - restated	**-**	**1,090**	**1,090**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,090	(1,090)	-
Transfers by absorption	-	-	-
New allowances arising	1,380	-	1,380
Changes in existing allowances	-	-	-
Reversals of allowances	(886)	-	(886)
Utilisation of allowances (write offs)	(1)	-	(1)
Changes arising following modification of contractual cash flows	-	-	-
Foreign exchange and other changes	-	-	-
Allowances as at 31 Mar 2019	**1,583**	**-**	**1,583**

Note 29.4 Exposure to credit risk

A detailed review of financial assets is carried out by the Trust on an annual basis for expected credit losses. Local knowledge and intelligence from the Contracts team is used to establish the probability of the non-recovery of any of the balances included in Financial Assets. This probability then forms the basis for calculating credit losses according to the risk of non collection.

Note 30 Other assets

The Group has no other assets.

Note 31 Non-current assets held for sale and assets in disposal groups

	Group	
	2019/20	**2018/19**

	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**308**	**951**
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	664
Assets sold in year	-	(1,307)
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**308**	**308**

Assets held for sale belong solely to the Trust, which had one property held for sale at 31 March 2020 - the former Dene Street Clinic, Dorking, with a net book value of £307,600. The asset held for sale at 31 March 2019 was also Dene Street Clinic, Dorking. This property is being actively marketed.

Note 31.1 Liabilities in disposal groups

Neither the Group nor the Trust has any liabilities in disposal groups

Note 32.1 Cash and cash equivalents movements

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

	Group	
	2019/20	**2018/19**
	£000	**£000**
At 1 April	**24,359**	**18,131**
Net change in year	17,534	6,228
At 31 March	**41,893**	**24,359**
Broken down into:		
Cash at commercial banks and in hand	191	1,643
Cash with the Government Banking Service	31,702	22,716
Deposits with the National Loan Fund	10,000	-
Total cash and cash equivalents as in SoFP	**41,893**	**24,359**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**41,893**	**24,359**

Note 32.2 Third party assets held by the Trust

Surrey and Borders Partnership NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2020	31 March 2019
	£000	£000
Bank balances	353	353
Monies on deposit	634	687
Total third party assets	**987**	**1,040**

Note 33.1 Trade and other payables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Trade payables	9,847	8,483	9,847	7,647
Capital payables	1,944	1,841	1,944	1,841
Accruals	12,678	9,988	12,678	9,237
Receipts in advance and payments on account	-	-	-	-
Social security costs	1,400	1,251	1,400	1,251
VAT payables	-	1,342	-	1,342
Other taxes payable	1,121	1,023	1,121	1,023
PDC dividend payable	-	-	-	-
Other payables	2,252	2,073	2,252	2,386
Total current trade and other payables	**29,242**	**26,001**	**29,242**	**24,727**
Of which payables from NHS and DHSC group bodies:				
Current	7,520	4,921	7,520	4,921
Non-current	-	-	-	-

Neither the Group nor the Trust have any non-current trade and other payables.

Note 33.2 Early retirements in NHS payables above

Neither the Group nor the Trust has bought out any early retirements.

Note 34 Other liabilities

	Group	
	31 March 2020	31 March 2019
	£000	£000
Current		
Deferred income: contract liabilities	3,167	1,919
Total other current liabilities	**3,167**	**1,919**

All deferred income relates to Trust business. The group has no non-current liabilities

Note 35 Borrowings

The Group has no current or non-current borrowings.

Note 35.1 Reconciliation of liabilities arising from financing activities (Group)

The Group has no liabilities arising from financing activities.

Note 36 Finance leases

The Group has no receipts due or obligations under finance lease arrangements either as a lessor, or a lessee

Note 37.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2019	**8,802**	**314**	**194**	**-**	**2,222**	**11,532**
Change in the discount rate	**462**	**-**	**-**	**-**	**-**	**462**
Arising during the year	**429**	**-**	**88**	**-**	**1,505**	**2,022**
Utilised during the year	(698)	(66)	(56)	-	(91)	**(911)**
Reversed unused	**(34)**	**-**	**(117)**	**-**	**(9)**	**(160)**
Unwinding of discount	**25**	**1**	**-**	**-**	**-**	**26**
At 31 March 2020	**8,986**	**249**	**109**	**-**	**3,627**	**12,971**
Expected timing of cash flows:						
- not later than one year;	696	65	109	-	**3,272**	**4,142**
- later than one year and not later than five years;	2,786	184	-	-	**-**	**2,970**
- later than five years.	5,504	-	-	-	**355**	**5,859**
Total	**8,986**	**249**	**109**	**-**	**3,627**	**12,971**

All provisions relate to the business of the Trust.

Early departure costs include the Trust's historic liability to former staff in respect of early retirement. This liability ceases on demise of the beneficiary.

Further detail on material provisions arising or released during the period are provided in the below tables

The following material provisions were released during 2019/20:

	Utilised	Reversed Unused
	£000	£000
Claim for damages	3	56
NHS Resolution LTPS and PES	53	61
Dilapidations	91	9
Post-employment benefits - Pensions	698	34
Post-employment benefits - Injury Benefits	66	-
	911	**160**

The following provisions arose during 2019/20:

	£000
Dilapidations	320
West Site Chertsey land sale agreement	80
West Park Sale provision - Planning for residential use, Potential Appeal & Environmental impact	750
NHS Resolution LTPS and PES	88
Clinician pension tax reimbursement	355
Post-employment benefits - Pensions	429
Post-employment benefits - Pensions Change in Discount rate	
	2,022

In 2019/20 the discount rate for Post-Employment Benefits recommended by HM Treasury was changed from 0.29% to -0.5% (minus).

Note 37.2 Clinical negligence liabilities

At 31 March 2020, £5,835k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Surrey and Borders Partnership NHS Foundation Trust (31 March 2019: £6,202k).

Note 38 Contingent assets and liabilities

The Group has no contingent assets and liabilities for the year

Note 39 Contractual capital commitments

	Group	
	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	1,423	1,373
Intangible assets	8	500
Total	**1,431**	**1,873**

Contractual capital commitments relate to Trust business

Note 40 Other financial commitments

The Group is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made, where these are in place.

For the year ended 31 March 2020, there were no other financial commitments.

Note 41 Defined benefit pension schemes

Past and present employees are covered by the provisions of the NHS Pension Scheme. The Group does not operate a defined benefit pension scheme.

Note 42 On-SoFP PFI, LIFT or other service concession arrangements

The Group and Trust has no on-SOFP PFI, LIFT or other service concession arrangements.

Note 43 Off-SoFP PFI, LIFT and other service concession arrangements

The Group and Trust has no off-SOFP PFI, LIFT and other service concession arrangements.

Note 44 Financial instruments

Note 44.1 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 Group has with commissioners and the way those commissioners are financed, the Group 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 Group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities, rather than being held to change the risks facing the Group in undertaking its activities.

The Group's treasury management operations are carried out by the finance department, within parameters defined formally within Surrey and Borders NHS Foundation 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.

Credit Risk
Because the majority of the Group's income comes from contracts with other public sector bodies, the Group has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the receivables Note 29.

Liquidity Risk
The Group's operating costs are incurred under contracts with commissioners, which are financed from resources voted annually by Parliament. The Group funds its capital expenditure from funds obtained from government. The Group is not, therefore, exposed to significant liquidity risks and tracks its cashflow daily.

Foreign Currency Risk
The Group is a wholly domestic organisation with all its transactions, assets and liabilities being in the UK and sterling based. The Group has no overseas operations and, therefore, has low exposure to currency rate fluctuations.

Note 44.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	54,115	-	-	**54,115**
Cash and cash equivalents	41,893	-	-	**41,893**
Total at 31 March 2020	**96,008**	**-**	**-**	**96,008**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non-financial assets	46,616	-	-	**46,616**
Cash and cash equivalents	24,359	-	-	**24,359**
Total at 31 March 2019	**70,975**	**-**	**-**	**70,975**

The carrying values of all financial assets in the Group at 31 March 2020, relate to the Trust

Note 44.3 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other payables excluding non-financial liabilities	26,721	-	**26,721**
Provisions under contract	3,381	-	**3,381**
Total at 31 March 2020	**30,102**	**-**	**30,102**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other payables excluding non-financial liabilities	22,385	-	**22,385**
Provisions under contract	2,416	-	**2,416**
Total at 31 March 2019	**24,801**	**-**	**24,801**

The carrying values of all financial liabilities in the Group at 31 March 2020, relate to the Trust

Note 44.4 Fair values of financial assets and liabilities

The book value (carrying value) stated for Financial Assets and Liabilities above is a reasonable approximation of fair value. The Trust holds these Financial Assets in order to collect contractual cash flows and not for the purpose of selling these assets. All these Financial Assets are, therefore, measured at amortised costs. Financial Liabilities are also measured at amortised cost.

Note 44.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
In one year or less	30,102	24,801	30,102	23,527
In more than one year but not more than two years	-	-	-	-
In more than two years but not more than five years	-	-	-	-
In more than five years	-	-	-	-
Total	**30,102**	**24,801**	**30,102**	**23,527**

Note 45 Losses and special payments

	2019/20		2018/19	
Group and Trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	19	3	9	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	7	81	3	1
Stores losses and damage to property	-	-	-	-
Total losses	**26**	**84**	**12**	**1**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	7	1	12	13
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**7**	**1**	**12**	**13**
Total losses and special payments	**33**	**85**	**24**	**14**
Compensation payments received		1		2

Note 46 Gifts

Disclosure of gifts is only required if the total value of gifts made exceeds £300,000. There were no gifts recorded of significant value.

Note 47 Related parties

This related parties note has been prepared in accordance with IAS 24 and paragraphs 7.28 - 7.32 of the GAM.

During the year 2019/20, with the exception of the instances listed below, there have been no material transactions or outstanding balances, including commitments, with any other parties related to Surrey and Borders Partnership NHS Foundation Trust.

Payments of £0.434m (2018/19: £0.541m) have been made and income of £21.518m (2018/19: £29.844m) have been received from Surrey County Council (SCC), a party related to a number of our senior staff. In addition, the accounts include a debtor of £0.212m and a creditor of £25.148m relating to SCC.

Payments of £0.133m (2018/19 £0.115m) have been made and income of £0 (2018/19 £0.035m) to the Care Quality Commission (CQC), a body for whom two of our senior staff are National Professional Advisors. In addition, the accounts include a debtor of £0.002m relating to CQC.

Payments of £0.164m (2018/19 £0.126m) have been made and income £0.568m (2018/19 £0.385m) to Frimley Health NHS Foundation Trust, a party related to the Chief Executive. In addition, the accounts include a debtor of £0.087m and creditor of £0.080m

Payments of £0.121m (2018/19 £0.068m) have been made and income of £0 (2018/18 £0.009m) to the Royal College of Psychiatrists, a party related to a Non-Executive Director a voting member of the Trust Board.

Payments of £0.023m (2018/19 £0.042m) have been made and income of £0.057m (2018/19 £0.098m) to Surrey University, a body for whom two of our senior staff are Visiting Professors for.

Payments of £0.001m (2018/19 £0) have been made to the Chartered Association of Management Accountants, a party related to the Deputy Chief Executive & Chief Finance Officer.

Payments of £0.001m (2018/19 £0) have been made to the National Mental Health Nurse Directors Forum, a party related to the Chief Nursing Officer.

Payments of £0.020 (2018/19 £0) have been made and income of £27.948m (2018/19: £28.542m) have been received from Surrey Downs CCG, a party related to two of our senior staff. In addition, the accounts include creditor of £0.422m relating to Surrey Downs CCG.

Payments of £0.049m (2018/19 £0.000m) have been made to Pearson Education Ltd, a party related to a Non-Executive Director a voting member of the Trust Board.

Payments of £0.051m have been made and income of £7.572m (2018/19 £21.573m) have been received from NHS England, a party related to a Non-Executive Director a voting member of the Trust Board. In addition, the accounts include a debtor of £0.082m creditor of £2.107m relating to NHS England.

	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£	£	£	£
Chief Executive, Fiona Edwards Care Quality Commission	133,000	-	2,000	-
Chief Executive, Fiona Edwards Frimley Health NHS Foundation Trust	164,000	568,000	87,000	80,000
Chief Finance Officer and Deputy Chief Executive, Graham Wareham Chartered Association of Management Accounts	779	-	-	-
Chief Innovation Officer & Director of Therapies, Helen Rostill University of Surrey	23,421	56,891	-	-
Chief Innovation Officer & Director of Therapies, Helen Rostill Surrey County Council	434,000	21,518,000	212,000	25,148,000
Chief Innovation Officer & Director of Therapies, Helen Rostill Surrey Downs CCG	20,000	27,948,000	-	422,000
Chief Nursing Officer, Heather Caudle National Mental Health Nurse Directors Forum	1,240	-	-	-
Non-Executive Director, Stephen Firn NHS England	51,000	7,572,000	82,000	2,107,000
Non-Executive Director, Stephen Firn Royal College of Psychiatrists	120,968	-	-	-
Non-Executive Director, Susan Scholefield University of Surrey	23,421	56,891	-	-
Non-Executive Director, Vivek Govil, Pearson Education Ltd	48,692	-	-	-
Director of CYPS, Care Quality Commission	133,000	-	2,000	-
Deputy Medical Director, Surrey County Council	434,000	21,518,000	212,000	25,148,000
ICS Director for Children's and LD, Surrey County Council	434,000	21,518,000	212,000	25,148,000
ICS Director for Children's and LD, Surrey Downs CCG	20,000	27,948,000	-	422,000

The Department of Health and Social Care is regarded as the Trust's parent department but the Trust is an independent body not controlled by the Secretary of State. It is, therefore, considered that Government departments and agencies are not related parties. However, the main entities within the public sector that the Trust has had dealings with are listed below:

- NHS England
- NHS Barnet CCG
- NHS Croydon CCG
- NHS East Surrey CCG
- NHS Guildford and Waverley CCG
- NHS Horsham and Mid Sussex CCG
- NHS North East Hampshire and Farnham CCG
- NHS North West Surrey CCG
- NHS Pension Scheme
- NHS Professionals
- NHS Property Services
- NHS Surrey Downs CCG
- NHS Surrey Heath CCG
- Ashford and St Peter's Hospitals NHS Foundation Trust
- Royal Surrey County Hospital NHS Foundation Trust
- Frimley Park Hospital NHS Foundation Trust
- Sussex Partnership NHS Foundation Trust
- Epsom and St Helier University Hospitals NHS Trust
- South West London and St George's Mental Health NHS Trust
- South London and Maudsley NHS Foundation Trust
- Surrey And Sussex Healthcare NHS Trust
- Health Education England
- NHS Business Services Authority
- NHS Litigation Authority
- Croydon London Borough Council
- Surrey County Council

None of the Trust Board members or members of the key management staff received any form of short-term employee benefits; post-employment benefits; other long-term benefits; termination benefits or share-based payments.The Trust is the corporate Trustee to Surrey and Borders Partnership NHS Foundation Trust General Purposes Charity and Related Charities (Charity number 1126477). The Charitable Fund has not been consolidated, on the basis of materiality, as described in Accounting Policies Note 1.3. During the period, the funds produced a deficit of £68,000 (2018/19: surplus of £165,000) and the value of the funds as at 31 March 2020 was £0.889m (2018/19: £0.957m).The Trust holds a 50% interest in the Surrey Healthy Children and Families Limited Liability Partnership (LLP). The Trust is accounting for its relationship with the LLP as a subsidiary consolidated into Group accounts with a 50% non-controlling interest. Refer to Note 1.3 and to the financial statements. The Trust is a 25% partner in the Collaborative Procurement Partnership LLP (CPP LLP), with three other NHS foundation Trusts. For the year ended 31 March 2020, the Trust received a £214k dividend. Refer to Note 1.3.

Note 48 Transfers by absorption

There have been no transfers by absorption in the year where the Trust has been either the receiving or divesting party.

Note 49 Prior period adjustments

There have been no prior period adjustments.

Note 50 Events after the reporting date

There have been no adjusting events after the reporting date

[i] Our Constitution changed with effect from 1 January 2020 to create a new nominated governor constituency for social work and other county council employees when they became ineligible to be considered as a Staff constituency following the withdrawal of our Section 75 arrangements. This change was approved by our Trust Board and Council of Governors at their meetings in December 2019.

Surrey and Borders Partnership NHS Foundation Trust
18 Mole Business Park
Leatherhead
Surrey KT22 7AD
Tel: 0300 55 55 222
Textphone: 020 8964 6326
Email: communications@sabp.nhs.uk
www.sabp.nhs.uk

If you require this document in another format please contact the Communications Department on:
Tel: 01372 216285 Email: communications@sabp.nhs.uk

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