



The Tavistock and Portman
NHS Foundation Trust



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Annual report and
accounts 2019/20

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The Tavistock and Portman NHS Foundation Trust

Annual Report and Accounts 2019/20

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4)
(a) of the National Health Service Act 2006

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1 Trust chair's statement

2020 marks the centenary year of the Tavistock Clinic. One hundred years of innovation and leadership for distinctive ways of thinking about mental distress and illness that places the social and relational context of people's lives at the heart of our practice. We have much to celebrate from our past, but it is the ambition we have for the future that counts.

The annual report is an opportunity to look back, take stock and account to our stakeholders for the work of the Trust. Certainly 2019/20 has proved to be another busy and eventful year for the Trust, ending with the pandemic, the lock down and all the change to life that has brought about.

At the time of writing it feels like we are at the end of the first response phase of the pandemic, the NHS and its staff were rightly applauded every Thursday evening for their dedication to duty.

On behalf of the board of directors I want to place on record my deep appreciation to all of the staff who work for the Tavistock and Portman NHS Foundation Trust for the way they responded to COVID-19. By rapidly changing working practices and shifting to remote working we were able to ensure that those who use our services were supported and our students able to continue their courses.

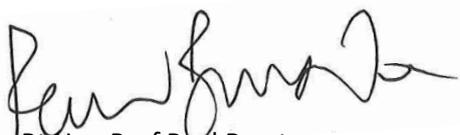
Our work to mobilise a rapid response to the health and wellbeing needs of NHS and social care staff led to the creation of the Together In Mind website which has been offered across north central and north east London.

Now we are learning to live with the virus and navigating the complexity of restarting everyday life. Each of us has and will have a different experience of the pandemic and the cascade of compounding risks it has triggered. We may all be in the same COVID-19 storm but we are not all in the same boat.

It is clear that the pandemic has exposed the deep fault lines in our society, of social disadvantage and structural discrimination. Black lives matter but as a Trust we still have so much more to do to ensure equity for our black, asian and ethnic minority staff, service users and students.

I have pleasure in commending this annual report, it sets out clearly the highs and lows of 2019/20. It tells you what the Trust was like before the pandemic, it gives a glimpse of how we pivoted the organisation to respond to the emergency.

The Tavistock Clinic was born, in part, out of the first world war and its understanding of and psychological treatments for shell-shock. A century on we are confronted by an altogether different set of challenges – the physical response to COVID-19 is just the first wave. While predicting the scale and duration of psychosocial impacts is difficult it seems likely they will be profound. I believe that the Tavistock and Portman has a unique contribution to make to the whole society response that will be needed.



Rt Hon Prof Paul Burstow
Trust Chair

23 June 2020

2 Performance report

Annual performance statement from the chief executive

The Trust has, yet again, seen a busy year in an operating environment that has been challenged by wider system pressures. As the financial year closed we have had to respond to the COVID-19 pandemic and put in place plans to ensure the continuity of our clinical and educational services as well as play our part in the wider health and care system.

Clinical services

We continue to provide high quality services and those remain to be recognised by the Care Quality Commission, who rate our services as good overall and outstanding for the effectiveness of our care and treatment.

For another year we have seen growth in demand for our clinical services, in the year we received over 8,500 referrals and we conducted over 23,000 clinical appointments.

Our growth has been achieved through continued work to develop our services and seek new opportunities through carefully planned and executed business development activities. Our notable achievements include:

- In the year we were successful in our bid to secure the long term provision of the Charing Cross gender identity clinic which we have hosted as the interim provider since April 2017.
- Following a re-procurement process, we have secured a further extension to the returning families service commissioned by the Home Office.
- We successfully bid for and achieved funding from NHSX to support digital innovations within our Camden child and adolescent mental health services.
- Lastly, we were successful in acquiring income with the youth endowment fund to help reduce youth violence by working schools.

Sadly, we were decommissioned from providing two of our services. The Kent and Medway family drugs and alcohol court service left us at the end of December 2019, which transferred to Kent County Council. We also said goodbye to the family nurse partnership national unit, a successful national programme that we have hosted for many years, which transferred back to its sponsoring organisation, Public Health England, in March 2020.

During the course of the year an important focus for the organisation has been the implementation the gender identity development service action plan. The plan has addressed the recommendations from a comprehensive review led by the medical and quality director which was published in March 2019. Good progress has been made to implement the plan and has seen the introduction of standard operating procedures for safeguarding and obtaining consent.

The COVID-19 pandemic which has had a national impact has also resulted in us having to make a number of changes to the way in which we deliver our clinical services. In March the organisation took the decision to facilitate a large proportion of its workforce to move to remote working

ensuring our service users receive continuity of care. In making the shift the organisation risk assessed all of those receiving care and treatment and those in greatest need who continue to be seen face to face. The commitment of our workforce was exemplary during the early period and has set us in a good position to be able to continue to deliver our high quality services in to the next financial year.

Education and training

Regulated by the Quality Assurance Agency for Higher Education we continue to meet their expectations and also in the reporting period the Trust's commenced the registration process to be an independent provider with the Office Students.

From a student recruitment perspective, having seen a small decline in first year students last year we have returned back in to a position of growth having seen 601 new learners joining our programmes. This has been the result of hard work by both our faculty and academic support services.

Akin to our clinical services, we have also seen growth in our directorate of education and training. Over the last year we have:

- Expanded our educational psychology training through a collaboration with the Department for Education and the South East and East London Consortium led by University College London.
- Secured funding to deliver bespoke training for Children and Family Court Advisory and Support Service practitioners around the impact of substance misuse and parenting capacity for children during the developmental phases.
- Further developed our perinatal training offering and we now offer post graduate non-medical education in this field.
- Increased the number of continuing professional development courses delivered within our systemic portfolio which has been funded through Hertfordshire County Council.

The pandemic also had an impact on our education services resulting in our second term of the academic year being cut short. In response to the national crisis robust plans were developed throughout March to ensure that our distinctive offerings could continue to be delivered on fully online basis.

Financial performance

For another year running the organisation has performed well in terms of financial outturn.

We achieved our control total and as a result have delivered a surplus of £218k which will be invested back in to our services.

Other notable events

The Trust has experienced a significant level of adverse media attention in the last year about the gender identity development service. In January 2020 a request for a judicial review in relation to the legality of recommending the prescribing of hormone blocking and cross sex hormone

treatments was accepted by the High Court. The Trust will be fully defending the case in the coming financial year.

Paul Jenkins
Chief Executive



23 June 2020

Overview

This section of the annual report provides a short summary about our organisation, its history, our purpose and how we have performed against our strategic objectives and the risks to achieving these.

Our history

As we close this financial year, we are midst in the preparing for and delivering a range of events to celebrate our centenary year.

Our organisation was formed following both the Tavistock Clinic, founded in 1920, and the Portman Clinic, founded in 1933, being merged in to an NHS trust in 1994. We achieved authorisation as an NHS Foundation Trust in November 2006.

Our purpose

We are a specialist mental health trust with a focus on training and education alongside a full range of mental health services and psychological therapies for children and their families, young people and adults.

We are committed to improving mental health and emotional wellbeing, believing that high quality mental health services should be available for all who need them. We bring a distinctive contribution based on the importance we attach to social experience at all stages of people's lives, and our focus on psychological and developmental approaches to the promotion of health and the prevention and treatment of mental ill health.

We contribute to the pool of ideas through our own research and development, but are also committed to bringing together the best ideas of the time, old and new, from inside and out, together with the most gifted and able professionals in our fields of endeavour. We aim to share our ideas and practice through as many routes as possible.

As a Trust we aim constantly to be evolving in nature and form in relation to the environment in which we work, to ensure that our contribution remains relevant.

How we operate

As an NHS foundation trust, we are accountable to Parliament and regulated by Monitor, operating under the name NHS England and Improvement. We are part of the NHS and must meet national standards and targets, but we have more financial freedom to retain surpluses and choose how we reinvest this money. Our governors and members ensure that we are accountable and listen to the needs and views of our service users, and students.

As a small specialist provider trust we have a number of roles in the health and care systems, these include:

- Providing health services to our local population in Camden;
- Delivering a number of specialist services which can be accessed by any individual across England;

- Providing education and training in a range of health and care subject areas, some commissioned by Health Education England; and
- Leading on research and innovation in both formally commissioned studies and locally driven innovation path finding.

To deliver all of the above we are structured in to three clinical divisionals and a directorate of education and training which are all supported by a number of corporate support directorates.

Each year we develop and implement strategic objectives which set the direction for us to achieve our long term ambitions. In 2019/20 we set 14 objectives aligned to four thematic areas, these were:

- People;
- Services;
- Growth and development; and,
- Finance and governance.

Our future success and sustainability

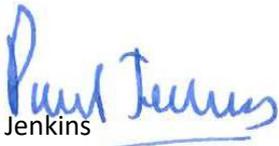
As one of the smallest NHS provider organisations in England and one that delivers outpatient services, our ability to deliver cost improvement efficiency requirements set by our local and national commissioners requires careful planning and implementation to ensure we continue to deliver high quality services. We have developed a robust approach to seeking out new opportunities for growth and contribution to mitigate our cost improvement requirements and we have continued to be successful in this regard.

COVID-19 has had a significant impact on all NHS organisations across the country and we are no exception. With the rapid development of North London Partners in Health Care as an emerging integrated care system, we will need to ensure that we continue to play our part to be both sustainable and a key player in our footprint.

The Trust has a robust approach for managing both its strategic and operational risks. The risks to achieving the organisation's strategic objectives are captured on our board assurance framework and reported to the board of directors four times a year. We provide further information on our approach to risk management in the annual governance statement.

Going concern disclosure

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


 Paul Jenkins
Chief executive and accounting officer

23 June 2020

3 Accountability report

The accountability report is made up of the following sections.

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Within the accountability report the following sections or tables have been subject to external audit.

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Directors' report

The Tavistock and Portman has performed well both operationally and financially during 2019/20 which was another busy and demanding year. Our staff continue to provide high levels of care and education and that is demonstrated through our performance in what has been a challenging financial context.

Delivering high quality care

We are a specialist mental health provider organisation with a wide range of services, our commitment to delivering high quality and safe care is described in our mission and values and demonstrated through strong operational performance and staff experience.

The Trust has been taking an ongoing approach to ensuring the delivery of high quality care and treatment. In response to the 2018 Care Quality Commission inspection we have put in place a comprehensive action plan which is overseen by the executive management team and progress is assured through our integrated governance committee. Further to this we have restructured the organisation in to three clinical divisions and concluded a comprehensive internal governance review. We describe further in the annual governance statement our approach to maintaining the well-led standard requirements.

The results from the 2019 NHS staff survey were overall positive but there remain a number of areas where we can do more. On a backdrop of positive staff experience, our service user experience is equally positive.

Our local and national role

Whilst being one of the smallest provider organisations in the NHS we have extremely diverse contracting arrangements for the services we deliver. What makes us very different is that we are also a major provider of education and training providing courses and programmes ranging from short continuing professional development through to professional doctorates.

We provide a range of services to our local population in Camden, we are the largest children and young people services provider in the borough and we also are contracted to provide a range of adult specialist and primary care services locally.

Building on our rich history we are also fortunate to deliver a number of nationally commissioned specialist services which include our adult and children gender services and the Portman Clinic.

Commercial partnerships and ventures

The Trust continues to provide external consultancy services through our commercial trading division, Tavistock Consulting. The service was created in 1994 and sits within our directorate of education and training.

As a small organisation we have a range of partnership arrangements in place to support the delivery of clinical and education services. The Trust has an agreed protocol for establishing partnerships and retaining oversight of these through operational management.

North London Partners in Health and Care

There have been a number of significant developments in the reporting year with the appointment of Frances O'Callaghan as the new accountable officer who will take the leadership role for the five north central London clinical commissioning groups in the coming year. The system also welcomed Rob Hurd who takes up the role of senior responsible officer for the sustainability and transformation partnership and will take the brief for taking the system forward to becoming an integrated care system.

Whilst being a specialist provider with a national role, we play an active part in our sustainability and transformation partnership footprint. Throughout the year we have actively contributed to footprint's work and our chief executive remains to be the senior responsible officer for the mental health workstream.

As COVID-19 emerged in March, we took a key leadership role in developing a health and wellbeing offering across the footprint and also the development of the crisis pathway for children and young people to move their care out of acute hospital settings to allow our partners to focus on responding to the pandemic.

Our plans for our estate

During the year we have continued with developing our plans for relocation. With oversight from the board of directors and the strategic future of the Tavistock Centre programme board, we have commenced the process of undertaking competitive dialogue to secure a partner to assist us to progress further our plans for relocation.

We have signed the heads of terms for a site in the London Borough of Camden.

Having been appraised regularly throughout the year the board of directors remain of the view that the relocation is probable and work will continue in the coming year.

Board of directors

In 2019/20 members of the board of directors comprised of the following executive directors: chief executive, Paul Jenkins; deputy chief executive and finance director, Terry Noys; director of adult and forensic services, Julian Stern (until July 2019); clinical chief operating officer, Sally Hodges; director of education and training / dean of postgraduate studies, Brian Rock; director of quality and patient experience, Louise Lyon (until July 2019); medical and quality director, Dinesh Sinha; and, director of nursing and system workforce development, Chris Caldwell.

And the following non-executive directors: Trust chair, Paul Burstow; deputy chair Dinesh Bhugra; senior independent director, David Holt; and, non-executive directors, Deborah Colson, David Levenson (from 01 September 2019) and Helen Farrow.

Biographies for the board members can be found on page 44.

All of the members of our board of directors meet the standards set out in the fit and proper person requirement.

The Trust maintains a register of all interests that directors and governors hold and published this on the organisation's [public website](#).

There have been no declarations of donations to political parties.

Performance evaluation is an integral component of our governance structures and is aligned to the NHS Improvement well-led framework. Each year the board assesses its effectiveness during formal meetings and through developmental seminars. Each of the board's standing committees conduct annual effectiveness reviews and the terms of reference are revisited, the outcomes of these reviews are reported to the board of directors when they have been concluded. Further details on our processes for performance evaluation, internal control and governance are detailed in the annual governance statement.

The board of directors is not aware of any relevant audit information that has been withheld from the Trust's auditor, and members of the board take all the necessary steps to make themselves aware of relevant information and to ensure that this is passed on to the external auditors where appropriate.

Payment practice

Better payment practice code				
Measure of compliance	Year ended 31 March 2019		Year ended 31 March 2020	
	Number	£000	Number	£000
Total bills paid in the year	6,255	22,600	8,353	26,180
- Of which were NHS invoices	232	1,400	244	1,580
- Of which were non-NHS invoices	6,023	21,200	8,129	24,600
Total bills paid within target	5,000	20,100	7,672	24,670
- Of which were NHS invoices	152	900	161	1,160
- Of which were non-NHS invoices	4,848	19,200	7,511	23,500
Percentage of bills paid within target	80%	89%	92%	94%
Percentage of NHS invoices paid within 30 days	66%	64%	72%	74%
Percentage of non-NHS invoices paid within 30 days	80%	91%	92%	96%

The Trust seeks to comply with the requirement of the better payment practice code to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Performance against the code is set out in the table above.

Statutory disclosures

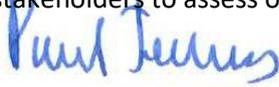
The Trust meets the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) which requires that the income from the provision of goods and services for the purposes of the health service in

England must be greater than its income from the provision of goods and services for other purposes. For full details see Note 3.1 to the annual accounts.

Surpluses from other income that the Trust has received have been used to support the provision of goods and services for the purposes of the health service in England.

The directors confirm that the Trust complies with the cost allocation and charging guidance issued by HM Treasury.

The directors are responsible for the preparation of the annual report and accounts. The directors also consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for service users, regulators and stakeholders to assess our performance, business model and strategy.



Paul Jenkins

Chief executive and accounting officer

23 June 2020

Remuneration report

Trust chair's annual statement on remuneration

As the chair of the executive appointments and remuneration committee (the committee), I am pleased to present our remuneration report for 2019/20.

There were no changes to the executive director remuneration policy during the financial year. However, the Trust's council of governors ratified a motion to adopt the non-executive and chair pay framework moving all office holders on to a structured fee scale which became effective in October 2019.

Following the retirement of two executive director colleagues, the Trust reconfigured the design of its clinical services and also took the opportunity to redistribute a number of portfolios. As a result of these changes, a number of the executive directors' remuneration was reviewed and increased to reflect the increased level of responsibility.

Taking in to account the national pay settlement made to the NHS through the national terms and conditions of service and those that apply to the medical workforce, the committee approved that all senior managers within its remit should receive a cost of living increase consistent to those employed on the top of the band 9 scale.

Having undertaken appropriate benchmarking using comprehensive data from NHS Providers, the committee agreed that there should be no further changes to executive director salaries or remuneration arrangements.

There were no changes to the executive team in the reporting period.



Rt Hon Prof Paul Burstow

**Trust Chair and Chair of the
Executive Appointments and Remuneration Committee**

23 June 2020

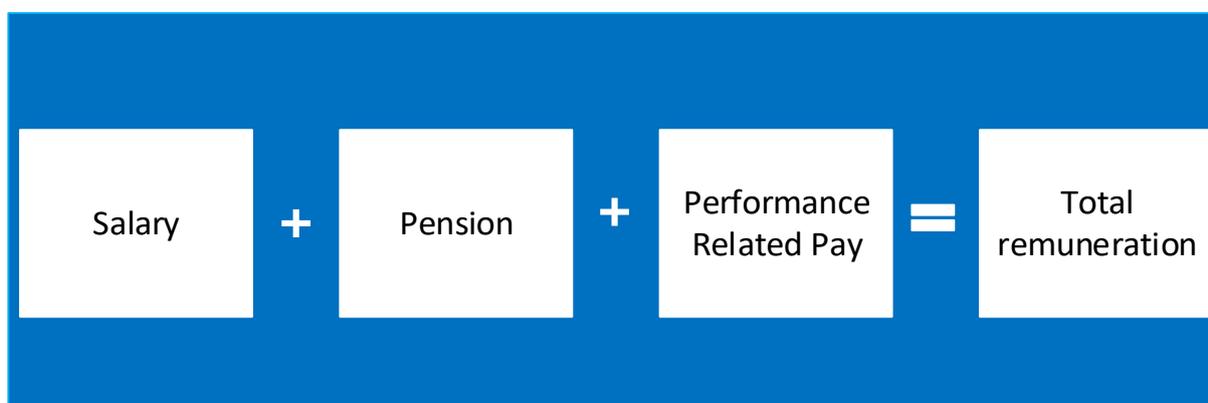
Remuneration policy report – 2019/20

Senior managers' remuneration policy

Remuneration for the Trust's most senior managers (executive directors who are members and regular attendees of the board of directors) is determined by the executive appointments and remuneration committee, which consists of the trust chair and all non-executive directors. Senior managers who do not attend the board of directors have their remuneration determined by the chief executive and deputy chief executive.

The executive appointments and remuneration committee is also responsible for ratifying any performance related pay scheme for all senior managers.

The total remuneration of each of the executive directors comprises of the following elements:



The Trust's remuneration policy for each of the elements above are outlined in the following table.

	Salary	Pension	Performance related pay
Purpose and link to strategy	To provide core reward for the role. Salary is set at a level appropriate to secure and retain the high calibre individuals needed to deliver the Trust's strategic priorities, without paying more than is necessary.	-	Objectives are set for directors aligned to the Trust's strategic priorities. Payment against this scheme is dependent on achievement of objectives to a satisfactory standard.
Operation	When determining salary levels, an individual's role, experience and performance, and independently sourced data for relevant comparator groups are considered. Executive director salaries are inclusive of a High Cost Area Supplement. Salary increases typically take effect from 1 April each year.	Executive directors are eligible to receive pension and benefits which are applicable to all other staff. Pension arrangements are in accordance with the NHS Pension Scheme. There are no cash alternatives. The NHS Pension Scheme is made up of three parts. These are the 1995, 2008 and 2015 schemes. Newly appointed directors are enrolled in to the 2015 scheme, unless protection arrangements apply to them.	The scheme is operated for senior managers whose remuneration is set towards the lower end of benchmark ranges. Each senior manager is set a number of objectives through the annual appraisal process. Achievement of those objectives may result in a performance pay award being recommended.

	Salary	Pension	Performance related pay
Opportunity	<p>There is no formal maximum limit, however salary increases will ordinarily be in line with increases for the wider NHS workforce (not including incremental progression increases) as recommended by the NHS Pay Review Body.</p> <p>Increases may be higher to reflect a change in the scope of an individual's role, responsibilities or experience.</p> <p>Where a new executive director has been appointed to the Board on a salary lower than the typical Trust level for such a role, the salary may be reviewed as the executive director becomes established in the role. Salary adjustments may also reflect wider external market conditions.</p> <p>Salary levels for 2019/20 are set out in the single total figure table in the annual report on remuneration.</p>	<p>Existing executive directors are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.</p> <p>Details of the 2019/20 pension benefits of individual executive directors are available in the single total figure table in the annual report on remuneration.</p> <p>Total pension entitlement for each executive director is available in the total pension entitlement table.</p>	<p>For director's who are eligible for this scheme, the maximum earnable performance related pay is £10,000.</p> <p>The level of award is dependent on achievement of objectives.</p> <p>Payments awarded through this scheme are non-consolidated, non-pensionable and non-contractual.</p>
Performance measures	<p>The overall performance of the individual is considered when review salaries are undertaken. This is managed through the annual appraisal process.</p>	<p>There are no performance measures.</p>	<p>The overall performance of the individual is considered when review salaries are undertaken. This is managed through the annual appraisal process.</p> <p>Examples of measurable objectives include factors such as achieved income growth, service developments or other measurable outputs.</p> <p>Performance pay awards are made on the basis of achievement of objectives (prorated if some but not all objectives are achieved).</p>

Salaries for senior managers are established and maintained taking the following factors in to account:

- The role;
- The individual's experience;
- Performance in post; and
- Benchmarking data from the NHS Providers annual salary survey.

Senior managers are employed on substantive, open ended contracts of employment and they are employees of the Trust. Their open ended contracts may be terminated by either party giving three months' notice.

The Trust's normal employment procedures apply to directors, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with the NHS redundancy terms for all staff.

There have been no circumstances in the financial year where senior manager remuneration has been withdrawn or withheld.

Differences between remuneration for senior managers and other staff

The key difference between the remuneration of executive directors and other staff is that salaries for senior staff are a fixed personal salary determined by conducting cross market and skills benchmarking. All other staff are employed on terms and conditions determined nationally and have a salary scale assigned to it.

Another difference is that senior managers' fixed salaries are inclusive of a high cost area supplement, ordinarily payable to staff based in inner London. All other staff receive this as a separate pay element.

The executive appointments and remuneration committee references national cost of living awards when considering its annual pay awards to directors.

The Trust does not consult with its wider workforce on senior manager remuneration.

Annual report on non-executive remuneration – 2019/20

The remuneration and expenses of the Trust chair and non-executive directors are determined by the council of governors' nominations committee. The committee takes account of guidance issued by NHS Providers and NHS England and Improvement when determining non-executive remuneration and expenses.

Remuneration of the non-executive directors comprises of the following fee elements.



The policy for determining the level of fee is described in the table below.

	Fee	Responsibility fees
Purpose and link to strategy	To provide core reward for the role.	The fee is applied to office holders who: <ul style="list-style-type: none"> - Chair the audit committee; and, - Act as the senior independent director.
Operation	The fee levels are a set rate for all of the non-executive directors. There are two types of fee in operation, one	The Trust chair nominates office holders to fulfil the two roles where fees are applicable.

	Fee	Responsibility fees
	for the Trust chair and another for the non-executive directors. Non-executive director fees are aligned to the NHS Improvement framework fees structure.	The council of governors is responsible for ratifying the appointments.
Opportunity	The fees are reviewed annually by the nominations committee. These are set against the role requirements and not the office holder fulfilling the appointment.	The fees are reviewed annually by the nominations committee. These are set against the role requirements and not the office holder fulfilling the appointment.
Performance measures	There are no performance measures set against the fees.	There are no performance measures set against the fees.

Executive appointments and remuneration committee

The executive appointments and remuneration committee is responsible for determining the remuneration, terms and conditions of all board attending directors. The committee is chaired by the Trust chair and all non-executive directors are members.

Executive appointments and remuneration committee membership and attendance	
Member	Actual / possible
Paul Burstow	2/2
Dinesh Bhugra	2/2
David Holt	2/2
Deborah Colson	2/2
David Levenson	0/0
Helen Farrow	2/2

Both Paul Jenkins, chief executive and Craig de Sousa, director of human resources and corporate governance regularly attend committee meetings to provide advice or services that materially assist the committee in the operation of its functions.

Other individuals may also be invited to attend executive appointment and remuneration committee meetings during the year. Executive directors and other committee attendees are not involved in any decisions, and are not present at any discussions regarding their own remuneration.

Median remuneration and fair 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 remuneration of the highest paid director compared to the median remuneration of the workforce was as follows:

Median remuneration and fair pay multiple	31 March 2019	31 March 2020
Highest paid director's total remuneration	£156,258	£157,750
Median total remuneration	£26,398	£28,350
Remuneration ratio	5.92	5.98

The calculation is based on full-time equivalent staff working for the Trust on 31 March 2020. Where staff are part time, their salaries have been annualised for the purposes of the median ratio calculation.

Service contracts

The following table contains details of the service contracts in place during 2019/20 for senior managers:

Service contracts – senior managers			
Senior manager	Date of service appointment	Unexpired term	Notice period
Paul Jenkins	Feb 2014	Open ended	Three months
Terry Noys	Oct 2016	Open ended	Three months
Sally Hodges	Nov 2015	Open ended	Three months
Julian Stern	Feb 2017 – Jul 2019	Open ended	Three months
Brian Rock	Jan 2015	Open ended	Three months
Louise Lyon	Mar 2008 – Jul 2019	Open ended	Three months
Dinesh Sinha	Aug 2018	Open ended	Three months
Christine Caldwell	Nov 2016	Open ended	Three months
Craig de Sousa	Feb 2016	Open ended	Three months
David Wyndham Lewis	Apr 2017	Open ended	Three months
Rachel Surtees	Mar 2018	Open ended	Three months
Laure Thomas	Feb 2015	Open ended	Three months
Udey Choudhury	Jan 2019	Open ended	Three months
Ian Garlington	Oct 2019	Open ended	Three months

Service contracts – non-executive directors			
Senior manager	Date of service appointment	Unexpired term	Notice period
Paul Burstow	Oct 2015	One year and six months	Three months
Dinesh Bhugra	Nov 2014	Seven months	Three months
David Holt	Nov 2013	Seven months	Three months
Deborah Colson	Oct 2017	Six months	Three months
David Levenson	Sep 2019	Two years and four months	Three months
Helen Farrow	Nov 2016	Seven months	Three months

Expenses

The following table outlines the details of travel and subsistence expenses claimed by our council of governor members and senior managers.

Expenses claims	2018/19		2019/20	
	Number claimed	value	Number claimed	Value
Council of governors	1	£1,650.50	1	£2,390.12
Senior managers	8	£4,186.10	14	£2,554.70

Salary and benefits of senior managers

The following tables contain details on the salary and benefits of the Trust's senior managers in 2018/19 and 2019/20.

There was one senior manager in both 2018/19 and 2019/20 who received remuneration of greater than £150,000, this was the chief executive. The levels of remuneration was deemed to be appropriate for the post holder based on external benchmarking which evidences the reward package is within the lower quartile grouping of the NHS Providers annual remuneration survey.

In line with the Data Protection Act 2018, all members have consented to their remuneration information being disclosed, this provision is set out in their contract of employment.

The NHS Business Services Authority's Pensions Division is still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Single total remuneration figure 2019/20

Name	Title	Salary and fees £000, bands of £5k	Taxable Benefits £, to the nearest £100	Annual performance-related bonuses £000, bands of £5k	Long-term performance- related bonuses £000, bands of £5k	Pension-related benefits £000, bands of £2.5k	Total Remuneration £000, bands of £5k
Jenkins, P	Chief Executive	155 – 160	-	0 - 5	0 – 5	37.5 – 40	195 – 200
Noys, T	Deputy Chief Executive and Director of Finance	125 – 130	-	0 - 5	0 - 5	27.5 – 30	155 – 160
Hodges, S	Clinical Chief Operating Officer	115 – 120	-	0 - 5	0 - 5	62.5 – 65	180 – 185
Stern, J (until Jul 19)	Adult and Forensic Services Director (AFS)	50 – 55	-	0 - 5	0 - 5	0 – 2.5	50 – 55
Lyon, L (until Jul 19)	Director of Quality and Patient Experience	25 – 30	-	0 – 5	0 – 5	0 – 2.5	25 – 30
Rock, B	Director of Education and Training and Dean of Postgraduate Studies	115 – 120	-	0 – 5	0 – 5	42.5 – 45	155 – 160
Caldwell, C	Director of Nursing and System Workforce Development	110 – 115	-	0 – 5	0 – 5	32.5 – 35	145 – 150
de Sousa, C	Director of Human Resources and Corporate Governance	85 – 90	-	0 – 5	0 – 5	20 – 22.5	105 – 110
Thomas, L	Director of Marketing and Communications	80 – 85	-	0 – 5	0 – 5	20 – 22.5	100 – 105
Wyndham Lewis, D (until Feb 20)	Director of Technology and Transformation	90 – 95	-	0 – 5	0 – 5	65 – 67.2	155 – 160
Surtees, R	Director of Strategy	90 – 95	-	5 – 10	0 – 5	22.5 – 25	115 - 135
Sinha, D	Medical Director	120 – 125	-	0 – 5	0 – 5	230 – 232.5	355 - 360
Garlington, I (from Oct 19)	Director of Estates, Facilities and Capital Projects	45 – 50	-	0 – 5	0 – 5	347.5– 350	395– 400
Choudhury, U	Director of Financial Operations	80 – 85	-	0 – 5	0 – 5	20 – 22.5	100 - 105
Burstow, P	Trust Chair	35 – 40	-	N/A	N/A	N/A	35 – 40
Farrow, H	Non-Executive Director	5 - 10	-	N/A	N/A	N/A	5 – 10

Name	Title	Salary and fees	Taxable Benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total Remuneration
		£000, bands of £5k	£s, to the nearest £100	£000, bands of £5k	£000, bands of £5k	£000, bands of £2.5k	£000, bands of £5k
Colson, D	Non-Executive Director	5 – 10	-	N/A	N/A	N/A	5 – 10
Holt, D	Non-Executive Director	10 – 15	-	N/A	N/A	N/A	10 – 15
Bhugra, D	Non-Executive Director	5 – 10	-	N/A	N/A	N/A	5 – 10
Levenson, D	Non-Executive Director	5 – 10	-	N/A	N/A	N/A	5 - 10

Single total remuneration figure 2018/19

Name	Title	Salary and fees £000, bands of £5k	Taxable Benefits £s, to the nearest £100	Annual performance-related bonuses £000, bands of £5k	Long-term performance- related bonuses £000, bands of £5k	Pension-related benefits £000, bands of £2.5k	Total Remuneration £000, bands of £5k
Jenkins, P	Chief Executive	155-160	-	0-5	0-5	222.5 - 225	375 – 380
Noys, T	Deputy Chief Executive and Director of Finance	120-125	-	0-5	0-5	27.5 – 30	150 – 155
Senior, R (until Jul 2018)	Medical Director	45 – 50	-	0-5	0-5	0-2.5	45 – 50
Sinha, D (from Aug 2018)	Medical Director	50 - 55	-	0-5	0-5	0-2.5	50 – 55
Hodges, S	Children, Young Adults and Families Director (CYAF)	105-110	-	0-5	0-5	15 – 17.5	125 -130
Stern, J	Adult and Forensic Services Director (AFS)	110 - 115	-	0-5	0-5	0-2.5	110 – 115
Lyon, L	Director of Quality and Patient Experience	65-70	-	0-5	0-5	0-2.5	65 – 70
Rock, B	Director of Education and Training and Dean of Postgraduate Studies	105-110	-	0-5	0-5	22.5 - 25	130 - 135
Caldwell, C	Director of Nursing	105-110	-	0-5	0-5	22.5 - 25	130 – 135
Surtees, R	Director of Strategy	75-80	-	0-5	0-5	0-2.5	75 - 80
de Sousa, C	Director of Human Resources and Corporate Governance	85 - 90	-	0-5	0-5	37.5 - 40	120 - 125
Thomas, L	Director of Marketing and Communications	75-80	-	0-5	0-5	17.5 – 20	95 - 100
Wyndham Lewis, D	Director of Information Management & Technology	110-115	-	0-5	0-5	25 – 27.5	135 - 140
Paul, Burstow	Chairman	35-40	-	0-5	0-5	N/A	35 – 40
Holt, D	Non-Executive Director	10-15	-	0-5	0-5	N/A	10 - 15
Farrow, H	Non-Executive Director	5-10	-	0-5	0-5	N/A	5 - 10

Name	Title	Salary and fees	Taxable Benefits	Annual performance-related bonuses	Long-term performance-related bonuses	Pension-related benefits	Total Remuneration
		£000, bands of £5k	£s, to the nearest £100	£000, bands of £5k	£000, bands of £5k	£000, bands of £2.5k	£000, bands of £5k
Gizbert, J	Non-Executive Director	5-10	-	0-5	0-5	N/A	5 – 10
Bhugra, D	Non-Executive Director	5-10	-	0-5	0-5	N/A	5 - 10
Colson, D	Non-Executive Director	5-10	-	0-5	0-5	N/A	5-10

* The medical director is employed on the consultant contract terms and conditions of service which equates to £83,000 (R Senior) and £68,000 (D Sinha) per annum.

** Current and prior year pensions data was not provided for D Sinha nor R Surtees by the NHS Business Services Authority's pensions divisions. As a result these have not been incorporate in to the calculation of their pension benefits.

*** R Senior achieved maximum scheme membership in 2017 and as a result there are no pension disclosures for this senior manager.

Salary and pension entitlement 2019/20

Name	Title	Real Increase in Pension at Pension age (bands of £2500) £000	Real Increase in pension lump sum at Pension age (bands of £2500) £000	Total accrued pension at pension age 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019(bands of £5,000) £000	Cash Equivalent Transfer Value at 01 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000
Jenkins, P	Chief Executive	2.5 – 5	0 – 2.5	55 – 60	110 – 115	1,084	48	1,155
Noys, T	Deputy Chief Executive and Director of Finance	0 – 2.5	0 – 2.5	5 – 10	0 – 5	84	20	122
Hodges, S	Children, Young Adults and Families Director (CYAF)	2.5 – 5	2.5 – 5	30 – 35	85 – 90	580	56	651
Stern, J (until Jul 19)	Adult and Forensic Services Director (AFS)	0 – 2.5	0 – 2.5	0 – 5	0 – 5	-	-	-
Lyon, L (until Jul 19)	Director of Quality and Patient Experience	0 – 2.5	0 – 2.5	0 – 5	0 – 5	-	-	-
Rock, B	Director of Education and Training and Dean of Postgraduate Studies	2.5 – 5	0 – 2.5	30 – 35	65 – 70	533	39	608
Caldwell, C	Director of Nursing	0 – 2.5	0 – 2.5	30 – 35	20 – 25	431	27	472
de Sousa, C	Director of Human Resources	0 – 2.5	0 – 2.5	15 – 20	25 – 30	184	6	202
Thomas, L	Director of Marketing & Communications	0 – 2.5	0 – 2.5	5 – 10	0 – 5	56	6	73

Name	Title	Real Increase in Pension at Pension age (bands of £2500) £000	Real Increase in pension lump sum at Pension age (bands of £2500) £000	Total accrued pension at pension age 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019(bands of £5,000) £000	Cash Equivalent Transfer Value at 01 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000
Wyndham Lewis, D (until Feb 20)	Director of Technology and Transformation	2.5 – 5	0 – 2.5	10 – 15	20 – 25	142	26	181
Surtees, R	Director of Strategy	0 – 2.5	0 – 2.5	5 – 10	0 – 5	45	5	61
Sinha, D	Medical Director	10 – 12.5	25 – 27.5	40 – 45	90 – 95	478	183	674
Garlington, I (from Oct 19)	Director of Estates, Facilities and Capital Projects	17.5– 20	0 – 2.5	15 – 20	0 – 5	0	222	228
Choudhury, U	Director of Financial Operations	0 – 2.5	0 – 2.5	0 – 5	0 – 5	35	8	54

Salary and pension entitlement 2018/19

Name	Title	Real Increase in Pension at Pension age (bands of £2500) £000	Real Increase in pension lump sum at Pension age (bands of £2500) £000	Total accrued pension at pension age 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019(bands of £5,000) £000	Cash Equivalent Transfer Value at 01 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000
Jenkins, P	Chief Executive	10-12.5	22.5-25	50-55	110-115	922	115	1059
Noys, T	Deputy Chief Executive and Director of Finance	0-2.5	0	5-10	0-5	42	21	82
Senior, R (until Jul 2018)*	Medical Director	0	0	0-5	0-5	0	0	0
Hodges, S	Children, Young Adults and Families Director (CYAF)	0-2.5	0	30-35	75-80	486	64	566
Stern, J	Adult and Forensic Services Director (AFS)	0-2.5	0-2.5	70-75	220-225	1724	0	0
Lyon, L	Director of Quality and Patient Experience	0	0	0-5	0-5	0	0	0
Rock, B	Director of Education and Training and Dean of Postgraduate Studies	0-2.5	0	25-30	60-65	459	66	540
Caldwell, C	Director of Nursing	0-2.5	0	25-30	20-25	348	57	421
de Sousa, C	Director of Human Resources	0-2.5	0-2.5	15-20	25-30	127	41	180
Thomas, L	Director of Marketing & Communications	0-2.5	0	5-10	0-5	32	13	55

Name	Title	Real Increase in Pension at Pension age (bands of £2500) £000	Real Increase in pension lump sum at Pension age (bands of £2500) £000	Total accrued pension at pension age 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019(bands of £5,000) £000	Cash Equivalent Transfer Value at 01 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000
Wyndham Lewis, D	Director of Information Management & Technology	0-2.5	0	5-10	20-25	101	22	138
Surtees, R**	Director of Strategy	0	0	0-5	15-20	0	0	44
Sinha, D (from Aug 2018)**	Medical Director	0	0	25-30	65-70	0	0	466

* Dr Senior reached maximum scheme membership in 2017 and as a result there are no CETV, accrued pension nor lump sum disclosures for the current nor prior year.

** CETV disclosures were requested of the NHS Business Service Authority's, pensions division, prior year CETVs were provided but no prior year information was returned. Accrued pension and lump sum information was not provided either.

Payments for loss of office and past senior managers

There were no payments for loss of office to any senior manager nor were there any payments to any past senior managers in this financial year nor the previous one.



Paul Jenkins
Chief executive and accounting officer

23 June 2020

Staff report

Staff numbers and costs

The following tables presents an overview of our workforce composition.

Average FTE staff numbers	Permanent 2019/20 No.	Other 2019/20 No.	Total 2019/20 No.
Medical and dental	46	2	48
Administration and estates	306	27	333
Nursing, midwifery and health visiting staff	19	0	19
Scientific, therapeutic and technical staff	246	0	0
Social care staff	28	1	0
Total average numbers	645	30	675

Headcount by sex				
Sex	Directors	Other senior managers	All other staff	Total
Female	4	1	608	613
Male	7	3	188	198

Staff costs	Permanently employed 2019/20 Total £000s	Other 2019/20 Total £000s	2019/20 Total £000s	2018/19 Total £000s
Salaries and wages	33,351	402	33,753	30,268
Social security costs	3,649	-	3,649	3,333
Apprenticeship levy	170	-	170	267
Pension cost - employer contributions to NHS pension scheme	3,774	-	3,774	3,740
Pension cost – employer contributions paid by NHSE on provider’s behalf	1,785	-	1,785	-
Pension cost - other*	12	1	13	5
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	(133)	-	(133)	357
Temporary staff - external bank	-	-	-	-
Temporary staff - agency/contract staff	-	788	-	866
TOTAL GROSS STAFF COSTS	42,608	1,191	43,799	38,836

Sickness absence data	Q1	Q2	Q3	Q4
Sickness absence – average 12 month period	2.1%	2.3%	2.2%	2.3%

Communication with staff

The Trust is committed to ensuring that all staff are informed and can contribute to key developments, performance and change across the organisation.

With a highly engaged workforce we place a lot of importance on communicating and consulting with our staff. Our methods of communicating included holding monthly open forum meetings where staff can meet with the chief executive, a regular email bulletin to all staff, a bi-monthly staff magazine and an extensive intranet where staff can find policies, procedures, guidance and online tools.

We work in partnership with our staff side representatives to ensure that employees' voices are heard. The joint staff consultative committee meets quarterly acting as an important forum for key developments affecting staff.

Staff survey

For a fifth year running we offered all staff employed by the Trust the chance to participate in the annual NHS staff survey. The national survey was conducted online and we received, yet again, our highest ever response rate with 60% of eligible staff participating, this was the same level of participation as the previous year.

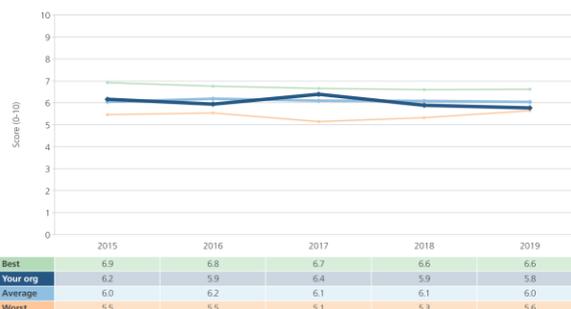
Of the ten new survey theme areas, we ranked the best performing in two of the theme areas which were bullying and harassment and safety.

The charts below detail our staff experience data across the 11 theme areas including data on the best performing, worst performing, average within our peer group and our results data.

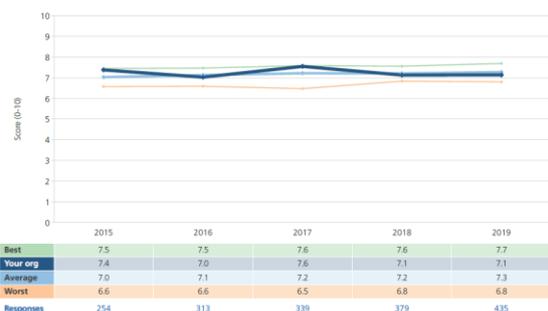
Equality, diversity and inclusion



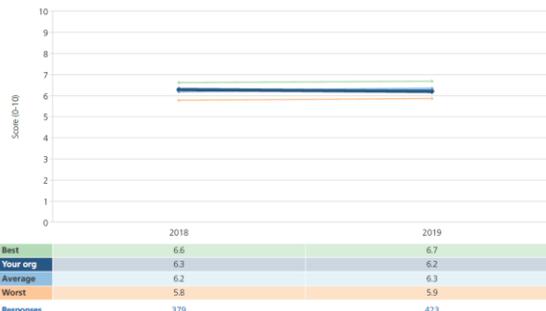
Health and wellbeing



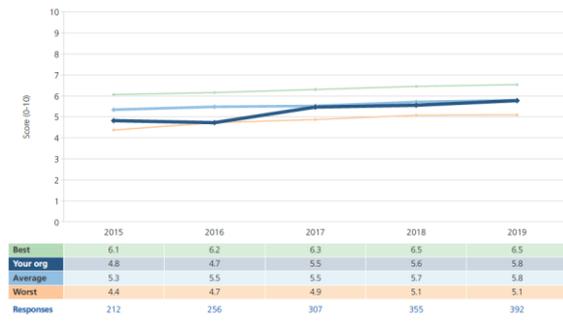
Immediate managers



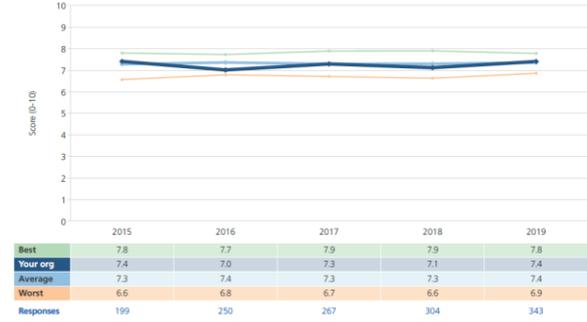
Morale



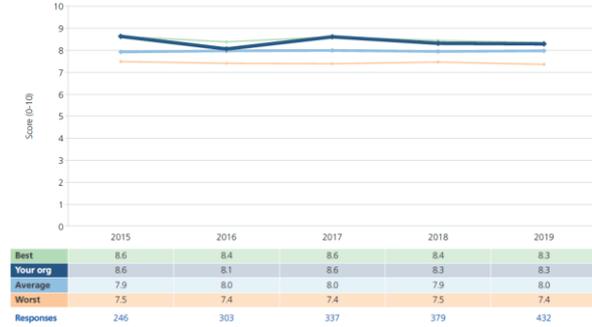
Quality of appraisals



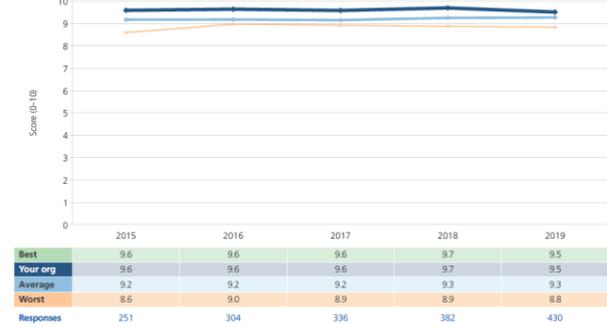
Quality of care



Bullying and harassment



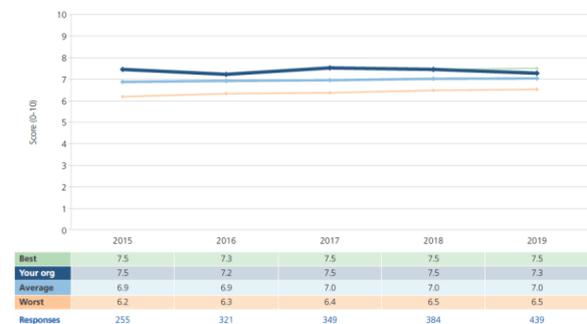
Safe environment - violence



Safety culture



Staff engagement



Team working



It is clear from the results that we have a lot to be proud of but at the same time we have areas where we need to do more. To respond to these results we have equipped each of our clinical,

education and corporate services with granular data about their staff's experience and tasked them to engage their teams in discussions about the results and to develop specific action plans which seek to achieve change in the next two years.

The longer timescales reflect the nature of improving staff experience and the lag times that occur between each survey and the results being published.

Freedom to speak up guardian

Raising concerns is taken very seriously by our organisation. The Trust was one of the first NHS organisations to establish and appoint a freedom to speak up guardian, back in 2015. Gillian Rusbridger held the position of freedom to speak up guardian until December 2019 when she chose to step down having committed four years to the role, during a her time she made a significant contribution to the organisation. Following a successful round of recruitment, the Trust appointed Daniel Sumpton as Gillian's successor and he commenced in the role in January 2020.

The current incumbent undertakes a number of activities to promote the purpose of the role which includes information from our various communications channels and giving presentations and talks at our mandatory training update days.

A number of directors also meet with the guardian to ensure that there is two way dialogue about what is presenting staff with concern and taking planned action to best address this.

Equality, diversity and inclusion

The Trust has constituted a specialist interest committee of the board of directors to oversee and seek assurance on our equality, diversity and inclusion agenda. Throughout the year the committee has overseen a number of activities and programmes of work.

The committee has changed in the reporting period, with Louise Lyon's retirement, Craig de Sousa was appointed by the board of directors to act as the organisation's executive lead for equality, diversity and inclusion.

During the year, the committee has met consistently to discuss routine business but also in developmental sessions to clarify its purpose and set the framework of a strategic direction of travel.

The committee has also overseen the organisation's statutory disclosure requirements such as the workforce disability standard, workforce race equality standard and the gender [pay gap analysis](#). Each of these disclosures can be found on the Trust's [public website](#).

Safe working environment

Health and safety of our staff is of paramount importance and we continue to invest a lot of effort in this area, not just in terms of statutory duties but much more widely focusing on the mental health and wellbeing of our staff.

We have trained and have registered a number of mental health first aiders whose role is to provide staff with a contact point when they need to discuss what support is available to them. The individuals' details are held on our Trust intranet and staff can access support from the best placed person.

Trade union facility time

We have excellent working relationships with our trade union colleagues and collaborate on many work programmes. This approach has been longstanding and we continue to develop our working arrangements so that we can respond to change quickly and ensure that staff are supported. The tables below fulfil our disclosure as per the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	5.00

Percentage of time spent on facility time	Number of employees
0%	0
1-50%	5
51%-99%	0
100%	0

Percentage of pay bill spent on facility time	Figures
Total cost of facility time	£29,588
Total pay bill	£43,799,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.07%

Paid trade union activities	
Total hours spent on trade union activities by relevant union officials during the relevant period	70
Total paid facility time hours	782
Total hours spent on paid trade union activities by relevant trade union officials (%)	9%

*Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 9%
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100*

Occupational health and wellbeing

Throughout the year we continued our focus on health and wellbeing and have taken a number of steps to implement a range of programmes that aim to support our staff to make healthy life style choices.

Following a large amount of work in the previous financial years we continue to offer:

- Onsite chair massage
- Yoga sessions during and after work
- A cycle to work scheme
- A staff walking challenge
- Healthier food options in our canteen
- Access to an NHS gym and fitness centre

- Fast track physiotherapy services

In addition to all of the above we have a number of other channels through which staff seek support, when needed, these include through our human resources team; our internal staff consultation service; the occupational health and wellbeing service which is provided by the Team Prevent UK Ltd; and, our confidential employee assistance programme provided by CareFirst.

Exit packages

During the last two financial years all exit packages paid to staff were the result of a redundancy or agreements where contractual terms have been used as the basis for leaving the organisation. These all were made in line with the individual's contractual terms and conditions of service.

2019/20 exit packages

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,001 - £50,000	1	0	2
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total	-	-	2
Total resource cost (£000)	-	-	£65

2018/19 exit packages

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	1	-	1
£10,000 - £25,000	2	-	2
£25,001 - £50,000	3	-	3
£50,001 - £100,000	1	-	1
£100,001 - £150,000	1	-	1
£150,001 - £200,000	-	-	0
>£200,000	-	-	0

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Total	8	0	8
Total resource cost (£000)	357	-	357

Countering fraud and corruption

The Trust's human resources directorate work closely with the counter fraud service both on a proactive and reactive basis. The organisation has the appropriate policies and procedures in place around handling alleged and suspected fraud.

In the last year three referrals were made to the service to investigate.

In addition to the above, the Trust ensures that all new starters receive appropriate training through induction on the organisation's approach to managing suspected fraud and this is supplemented by in year promotional work undertaken by the contracted service supplier.

Agency staff

The Trust has a temporary staffing procedure which sets controls on how and when agency staff can be engaged within our organisation. Due to the organisation's specialist nature we have very little requirement for agency clinical staff.

In 2019/20 we exceeded the expenditure ceiling set by NHS Improvement by 15%.

Off-payroll engagements

The Trust has a policy that all substantive staff are paid through the payroll. No board member or senior officials with significant financial responsibility were engaged on an off-payroll basis in 2019/20.

The Trust has needed to engage a number of contractors to support fixed-term assignments in areas such as information technology and estate management on an off-payroll basis.

The number of contractors engaged is shown in the tables below where daily rates exceed £245 per day and the engagement has lasted longer than six months.

On 6 April 2017, public bodies became responsible for collecting tax from those contractors subject to HMRC's IR35 rules; all contractors are subject to a review to determine whether they are affected by the new rules. All the existing engagements outlined have been subject to an assessment and consequently no further assurance was sought.

High paid off-payroll engagements

During the reporting period there were no board members or senior officials, with significant financial responsibility, paid via off payroll arrangements.

The following tables outline all other off-payroll paid arrangements.

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

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

For all new off-payroll new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and lasted longer than 6 months:

Of which:	
No. assessed as within the scope of IR35	-
Number assessed as not within the scope of IR35	3
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

Expenditure on consultancy

The Trust's expenditure on consultancy in 2019/20 was £401k. This was an increase from £311k in the previous year and the result of a number of one off projects and other service developments which have required short term consultative support.

Governance disclosures

Our governors play an important and active role in our work. We also benefit from a strong board of directors, whose wide-ranging experience underpins our continued success.

Council of governors

The council of governors continues to play a vital part in the work of the Trust, in 2019/20 we welcomed a small number of new members following a round of elections. We also ratified a revised version of the Trust's constitution.

The council has a number of statutory duties including canvassing the opinions of members, appointing the Trust chair, non-executive directors as well as ratifying the appointment of the chief executive. The council holds non-executive directors to account individually and collectively for the performance of the board of directors. The council also receives the Trust's annual report and accounts and the auditor's report.

We actively involve our council members in a number of ways, including giving them attending rights to a number of our standing committees of the board and a number of operational groups. We also ensure that they are consulted and can contribute to our strategic objectives and plans which is achieved through information sharing and discussions within public and private council meetings.

This year, the council have approved the re-appointment for two of our non-executive directors through the nominations committee, chaired by the Trust chair.

The Tavistock and Portman NHS Foundation Trust constitution requires us to have 15 governors in total.

During the reporting period George Wilkinson held office as the lead governor.

Council attendance records – public governors		
Name	Elected from	Actual / possible attendance
John Carrier	Sep 2017	4/4
Celestine Keise (until Jul 2019)	Sep 2017	1/1
Juliet Singer	Nov 2018	3/4
Michael Rustin	Sep 2017	4/4
Salma Omokaro	Nov 2018	1/4
Noel Hess	Nov 2018	4/4
Julia Wall	Nov 2018	1/4
George Wilkinson	Nov 2015	4/4
Kimberley Wilson	Nov 2015	1/4
Richard Murray	Nov 2019	0/2
Freda McEwen	Nov 2019	1/2

Council attendance records – staff governors		
Name	Elected from	Actual / possible attendance
Jessica Anglin d'Christian	Nov 2018	1/4
Badri Houshidar	Nov 2019	2/2

Code of governance

The Tavistock and Portman NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. It keeps its governance arrangements under regular review, including membership of board standing committees, their terms of reference

and board performance assessments. 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.

Nominations committee

The nominations committee makes recommendations to the council of governors on the appointment, remuneration and appraisal of the Trust chair and non-executive directors.

The Trust’s constitution details the organisation’s policy for non-executive director terms of office. A non-executive director may hold office for no more than seven years in total. The nominations committee’s approach to awards of terms of office are ordinarily to offer an initial three year term of office which may be extended for a further term of three years, subject to satisfactory performance measured through the annual appraisal process for non-executive directors. The committee reserves the right to award a third and final term of office for one year if needed.

During the financial year David Levenson was appointed. An executive search firm was not used as it was felt that the Trust would be able attract a suitable candidate using its internal resources.

All appointments for non-executive directors are made through a competitive recruitment process. The committee does not have a policy to appoint directly outside of open competition.

Members of the nominations committee	
Name	Role
Paul Burstow	Chair
David Holt	Senior Independent Director
George Wilkinson	Public Governor
John Carrier	Public Governor
Jessica Anglin d’Christian	Staff Governor

*The nominations committee is serviced by Craig de Sousa, director of human resources and corporate governance.

Our membership

The Tavistock and Portman NHS Foundation Trust’s membership is an essential and valuable asset. It helps guide our work, decision making and adherence to the NHS values. It also provides one of the ways in which the Trust communicates with service users, the public and staff. There are five categories of members, two were newly established in 2019/20:

Public – any resident within England or Wales are eligible to register as members in this constituency. There are three sub-classes which are for members whose residence is within any ward within the London Borough of Camden, rest of London and rest of England and Wales.

Service users and service user carers – anyone who is aged 14 or over who has been a service user within the last five years. Carers who are not eligible to for other categories are also offered membership in this class.

Staff – employees whose contract means they can work for the Trust for at least a year.

Students – any individual enrolled on to a course or programme that is set to last three years or longer.

The table below sets out our membership data.

Constituency	31 March 2018	31 March 2019	31 March 2020
Public	6,156	6,406	6,417
Service user and service user carers	-	-	-
Staff	805	803	811
Students	-	-	-
Total	6,961	7,209	7,228

Members receive mailings and are invited to our annual members meeting, public meetings of the board of directors and council of governors and events. With the appointment of new council members, a small working group has been established to review and strengthen our approach to membership engagement.

The Trust does not have a membership strategy nor targets for recruiting members as the current membership data, excluding the new constituencies, is well above the minimum membership requirements set out in our constitution.

Should a member wish to get in contact with a council or board member details are provided on our public website on how to get in touch.

Board of directors

Our board of directors is made up of the Trust chair, five non-executive directors, five voting-executive directors and other directors who regularly attend. We have also engaged with NHS Improvement's non-executive training (NExT) programme and we have hosted an associate non-executive director on the board. The board's role is to:

- Set out overall strategic direction.
- Monitor our performance against our strategic objectives.
- Provide effective financial stewardship.
- Ensure that the Trust provides high quality, effective patient and student focused services.
- Ensure high standards of corporate governance and personal conduct.
- Promote effective dialogue between the Trust and the communities we serve.

Membership is considered balanced, complete and appropriate. The Trust has appointed a senior independent director and this role is held by David Holt. The Trust considers all of its non-executive directors to be independent.

Every three to four years the board commissions an external effectiveness review; one is due in 2020/21 and will be reported on in that year's annual report.

Board of directors attendance records		
Name	Title	Actual / possible attendance
Paul Burstow	Trust chair	5/6
Dinesh Bhugra	Vice chair	6/6
David Holt	Senior independent director	6/6
David Levenson	Non-executive director	4/5
Deborah Colson	Non-executive director	6/6
Helen Farrow	Non-executive director	5/6
Celestine Keise	Associate non-executive director	3/3
Paul Jenkins	Chief executive	6/6
Terry Noys	Deputy chief executive / finance director	6/6
Julian Stern (until Jul 2019)	Director of adult and forensic services	2/2
Sally Hodges	Clinical chief operating officer	6/6
Dinesh Sinha	Medical director	6/6
Christine Caldwell	Director of nursing and system workforce development	5/6
Louise Lyon (until Jul 2019)	Director of quality and patient experience	1/1

Board member profiles



Professor Paul Burstow
Trust chair

Paul Burstow joined us as Chair of the Trust in November 2015 and is currently serving his second term, due to end in October 2021.

Paul was previously a member of parliament from 1997 to 2015, where he served on the Health, Select and Public Accounts Committees, and worked cross party to secure debates and lobby Ministers on social care and health. From 2010 to 2012 he was the minister of state for the Department of Health and led the development of the “No Health Without Mental Health” strategy.

Since leaving Parliament in 2015, Paul has developed a portfolio of non-executive leadership roles including chair of the Social Care Institute for Excellence and independent chair of Hertfordshire and West Essex Sustainability and Transformation Partnership.



Professor Dinesh Bhugra
Vice chair

Dinesh Bhugra was appointed as a non-executive director in November 2014. His term of office ends in October 2020. Professor Bhugra’s background is in healthcare management, education and business development. Professor Bhugra is currently professor emeritus of Mental Health and Cultural Diversity at the Institute of Psychiatry, King’s College London, and he took over as president of the World Psychiatric Association in September 2014. Previously he has been president-elect of the World Psychiatric Association, chair of the Mental Health Foundation from 2011 to 2014, and president of the Royal College of Psychiatrists from 2008 to 2011.

He was awarded a CBE in the 2012 New Year’s Honours for services to psychiatry.



David Holt
Senior independent director
Audit committee chair

David Holt was appointed as a non-executive director in November 2013. He has experience of working across a wide range of sectors both in the UK and abroad, including spells at both Unilever and Coats PLC. Most recently, he was finance director of the retail division of Land Securities PLC, which he left in 2014. He is currently a non-executive board member at the Department of Work and Pensions, where he chairs the Audit and Risk Committee, and is a non-executive with Ebbsfleet Development Corporation, where he is deputy chairman and chair of the audit committee.

David is a qualified accountant (Chartered Institute of Management Accountants).



David Levenson
Non-executive director

David Levenson was appointed as a non-executive director in September 2019.

David is currently the founder and managing director of Coaching Futures which specialises in organisational change and the impact for people undergoing transitions, career and lifestyle changes. David is also the co-founder of Raising Roofs which is a programme that prepares future leaders for the boardroom.

His 25 year career has been mainly as a company finance officer with 3 leading UK house providers. David is a board member for Professional Women's Network which is the largest global membership network for women in March 2019. He is also a non-executive director for a developer of affordable housing at RAF Upper Heyford. He is a recognised innovator in the financing of major housing developments. David is an active community volunteer and supporter of charitable causes.



Dr Deborah Colson
Non-executive director

Deborah Colson joined the board as a non-executive director in October 2017. Her term of office ends in September 2020. Dr Colson's background is in biomedical research and research management. Her last role was as chief scientific officer on a child health study at the Institute of Child Health, University College London. Before that she worked as a freelance science policy advisor following nine years at the Wellcome Trust and seven years at the Medical Research Council.



Helen Farrow
Non-executive director

Helen Farrow joined the Trust in November 2016. Her professional experience is in investment management, focused on business development and client service, most recently as a director of Ignis Asset Management. She has five years of experience in the NHS as non-executive director at the Royal National Orthopaedic Hospital (RNOH), where she was vice-chair of the board and chair of the finance and performance committee.



Paul Jenkins
Chief executive

Paul joined us as chief executive in February 2014. He was previously the chief executive of Rethink Mental Illness, the leading national mental health membership charity working to help those affected by severe mental illness to recover and lead a better quality of life. He has an MBA from Manchester Business School and has over 20 years of experience in management and policy-making in the Central Government and the National Health Service (NHS).

Paul has previously served as director of service development for NHS Direct. He has been involved in the implementation of a number of other major national government initiatives, including the Next Steps Programme and the 1993 Community Care Reforms. In 2002, he was awarded an Order of the British Empire (OBE) for his role in setting up NHS Direct.



Terry Noys
Deputy chief executive and director of finance

Terry Noys joined the Trust as deputy chief executive and director of finance in November 2016, having previously worked for nearly five years for St. Mary's University, Twickenham (latterly as chief operating officer). After qualifying as a chartered accountant (with PricewaterhouseCoopers), he spent six years in investment banking advising companies on strategy, mergers and acquisitions and fund raising before moving into commerce and industry, where he held finance director roles for a number of stock exchange listed and private equity-backed groups. Terry then moved into the not for profit sector, holding finance director roles for, amongst others, Hanover Housing, Viridian and The National Archives. Terry is a fellow of the Institute of Chartered Accountants of England & Wales.



Dr Sally Hodges
Clinical chief operating officer

Sally Hodges was appointed as clinical chief operating officer in July 2019. Prior to taking up this role she was the director of children, young adults and family services. Sally is a consultant clinical psychologist, and has been working with the Trust since May 1996, specialising in children and young people with learning and developmental disabilities. She also holds an MSc in healthcare leadership awarded by the University of Birmingham and Manchester University



Brian Rock
Director of education and training / dean of postgraduate studies

Brian Rock took up his role as director of education & training / dean of postgraduate studies in January 2015. After qualifying as a clinical psychologist, before moving to London, Brian worked for the Goldstone Commission that was set up to examine political violence around the transition to democratic rule in 1994. This led to him being appointed as the founding director of an NGO, The Children's Inquiry Trust. He has worked in the NHS since 1996 and was appointed as a consultant clinical psychologist in 2004. Brian has worked in different roles in the organisation and has been involved in delivering training and supervision for a number of courses for the Trust and elsewhere. Since July 2009, Brian was involved in setting up and overseeing primary care services for the Trust, most notably with our award winning City and Hackney psychotherapy consultation service. He has been involved in developing and delivering training and consultation to GPs and primary care staff.

Brian is a psychoanalyst and a member of the British Psychoanalytical Society. He also has an MBA from Henley Business School. Brian has published and presented widely on various topics related to mental health, medically unexplained symptoms, and service development and service evaluation in primary care.



Dr Dinesh Sinha
Medical and quality director

Dinesh Sinha has significant experience in the health service having held board level and senior leadership roles, including within his most recent trust and clinical commissioning organisations (CCGs).

He was previously associate medical director, head of service and consultant psychiatrist in psychotherapy at East London NHS Foundation Trust. He has held roles on several CCG governing bodies and continues to be involved in commissioning of health services.

Dinesh is a fellow of the Royal College of Psychiatrists and holds an MBA from Lancaster University Management School. He brings senior leadership experience and strategic focus in the delivery of high quality services.



Dr Christine Caldwell
Director of nursing and system workforce development

Chris Caldwell is our executive director of nursing, and also our executive lead for system workforce development, and the senior responsible officer for mental health workforce within North London Partners, North Central London's Sustainability Transformation Partnership.

Chris is concurrently the programme director for the CapitalNurse, working across London for Health Education England (HEE), NHS England and NHS Improvement on a programme of collective action to build and sustain a high quality nursing workforce across London

She is an adult and children’s registered nurse and a nurse teacher. She has a Masters in Health Psychology and gained her Doctorate from Ashridge Business School focusing on transformational organisational change.

Board sub-committees

The board of directors delegates some of its oversight responsibilities to sub-committees where matters of assurance and quality can be explored in more detail.

Committee	Membership April 2019 – March 2020
Audit	David Holt (Chair), Deborah Colson, Helen Farrow (until Oct 2019), David Levenson (from Oct 2019).
Clinical, quality, safety and governance	Dinesh Sinha (Chair), Deborah Colson, Dinesh Bhugra, Paul Jenkins, Sally Hodges
Charitable funds	Paul Burstow (Chair), Paul Jenkins, Terry Noys
Executive appointments and remunerations	Paul Burstow (Chair), all non-executive directors

Audit committee

The board delegates certain of its duties and responsibilities and powers to the audit committee, so that these can receive suitably focussed attention. Principally, the purpose of the committee is to ensure, on behalf of the board, that financial reporting, the external and internal audit processes and the systems of internal control and risk management are appropriate and effective across the activities of the Trust.

The committee fulfils its responsibilities by reviewing the work and the reports of the internal auditors, external auditors and the local counter fraud specialist. The committee also seeks assurances from senior managers and reviews other relevant reporting, such as that on debtors and the work of the integrated governance committee.

The deputy chief executive / director of finance, together with the associate director of quality and governance, present the annual report and accounts to the committee, which reviews and scrutinises these, in particular, through questioning the external auditors and senior managers.

Composition and attendance

The committee comprises (at least) three non-executive directors, one of whom shall have recent and relevant financial experience and all of whom are independent non-executive directors of the Trust.

The chair of the committee is appointed from these non-executive directors.

The Trust chair may not sit on the committee.

The committee is quorate if at least two members are in attendance.

The deputy chief executive / director of finance and representatives of the internal and external auditors and local counter fraud service usually attend each meeting.

The chief executive and other senior managers attend by invitation only.

The chair of the integrated governance committee and the Trust chair each usually attend at least once per year, again by invitation. During the year the medical and quality director provided the committee with an annual review of the work of the integrated governance committee and of other matters which fall within his areas of responsibility.

Attendance records – Audit Committee	
Member Name	Possible / Actual Attendances
David Holt (Chair)	4 / 4
Deborah Colson	4 / 4
Helen Farrow	1 / 1
David Levenson	3 / 3

Helen Farrow served on the committee for its first meeting of the year, after which her position on was taken by David Levenson.

David Holt was the committee chair throughout the year.

Subsequent to each committee meeting, a note on the key issues addressed are provided to the Board and at each meeting the chair of the committee is invited to share any concerns or issues with the board.

The audit committee's work 2019/20

Internal audit

During the period, the Trust used the services of RSM Risk Assurance Services LLP ("RSM") to provide its internal audit function, such services being designed to conform to the public sector internal audit standards. In setting the internal audit work plan for the year ahead, RSM (in conjunction with senior management and the committee) work within an overarching three year strategic plan and explicitly take into account the board assurance framework of the Trust. The Trust seeks also to use its limited, internal audit resources to focus on areas of actual or potential weakness.

During the year under review, the internal audit function covered a range of internal controls and potential risks, notably:

- Lessons learnt from incidents (RA)

- Freedom to speak up (RA)
- Risk management culture (RA)
- Safeguarding adults and children (RA).
- Student billings (PA)
- Scheduling project (PA)
- Business continuity and disaster recovery (PA).

Thus, of the seven internal audits undertaken the Trust received reasonable assurance (RA) from four of the audits and partial assurance (PA) from three.

The committee is satisfied with the management responses regarding the issues raised by internal audit and time-bound action plans for improvements are in place to address any areas of outstanding weaknesses.

The committee is also satisfied that the Trust has an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the committee, the chief executive and to the board.

Local counter fraud service (LCFS)

The Trust also uses RSM Tenon to provide its LCFS. Each year the counter-fraud plan is reviewed to ensure that the Trust continues to develop its programme of deterrence, prevention and detection.

The committee is satisfied with the processes and the conclusions of the work carried out by LCFS.

There have been three investigations in the Trust during the year (compared with one in the prior period), one of which is still ongoing. One investigation concerned a fraud by (a now) former employee concerning overtime claims. A second related to a phishing scam (on which the Trust suffered no losses). The ongoing investigation concerns a possible credit card fraud committed by a previous member of staff.

External audit

The Trust's external auditors are Mazars LLP (Mazars), who were appointed in 2019, following a competitive tender process.

As a foundation trust, the council of governors is responsible for appointing the external auditors, with the audit committee usually making a recommendation to the council. The previous auditors having been in place for four years, during 2018/19 it was decided to retender the provision of external audit services. Accordingly, a tender process was run, overseen by the audit committee, with a recommendation, endorsed by the council, that Mazars be appointed.

The audit fee for 2019/20 is £50,425 (2018/19: £44,400) plus VAT. In addition, there is a fee for reviewing the quality report. The fee for this for 2019/20 is £952 (2018/19: £6,600) plus VAT. The reduced fee on the quality report reflects the decision by NHSE/I not to require a Quality Report in the normal way and the fee paid reflects the cost of initial scoping work carried out by Mazars.

Mazars did not provide any non-audit services to the Trust during 2019/20.

External audit work during the year covered a range of potential risks, most notably: validity and accuracy of NHS contract income recognised but not yet settled by commissioners; accounting for capital expenditure; and management override of controls. Work in these areas is fundamental to providing assurance to the Trust and to outside stakeholders that financial management is robust and that sound corporate governance procedures are in place.

As part of its work, the committee reviewed and confirmed the basis of the valuation of the Trust's land and buildings.

Risk management

The committee has continued to develop its focus on risk management and corporate governance processes in accordance with guidance from NHS Improvement and others. This has included in-depth reviews and presentations by management to the committee of a number of significant risks on the board assurance framework / strategic risk register.

During the year the Trust continued to review and refine its approach and attitude towards risk management including (minor) revisions to its risk strategy, policy and procedures; an in-depth examination of the Trust's approach to risk appetite; regular reviews of the Trust's business assurance framework / strategic risk register; and, with assistance from RSM, further development of the Trust's use of assurance mapping. During the year, the board of directors have been provided with formal training on both managing risk and on local counter fraud.

The Trust is in the process of implementing risk management software, in order that operational risks can be more efficiently tracked.

As part of its annual cycle, the audit committee undertakes a 'deep dive' of operational risks by interviewing one or more service line managers. During 2019/20, the committee met with the director of technology and transformation to understand how risk is managed at an operational level and to hear how operational risk management might be improved.

Regular subjects of review throughout the year have been tender waivers, aged debtors and data quality. The committee has paid particular attention to the changes in the approach and make-up of the integrated governance committee (IGC), noting its increased emphasis on ensuring that lessons learned from incidents are cascaded effectively through the organisation.

In the latter half of the year, the committee has questioned management with regard to its preparations and activities in relation to COVID-19, although key assurances around this subject have been dealt with, primarily, at board level.

The committee gets a report at each of its meetings on any 'tender waivers', whether or not due to the use of framework agreements or for other reasons.

The Trust carries significant non-NHS related debt and the committee, therefore, receives a report on debtors at each of its meetings. It is pleasing to note that during the past year, despite the Trust increasing its income by more than 10%, total debtors receivable have actually decreased.

The committee has received positive assurance from management on the overall arrangements for corporate governance, risk management and internal control and is satisfied that there is an effective system of integrated corporate governance, risk management and internal control across all the Trust's activities.

In addition, the working relationship with other relevant board committees – notably the IGC; the training and education committee (TEC); and the strategic and commercial committee (SCC) - has been effective in ensuring that the work of the three committees is integrated and that the audit committee has appropriate oversight of the assurances provided to the board by the other committees. In this respect, the audit committee finds it helpful that two of its members sit on the SCC and one of its members sits on the IGC.

The committee has reviewed the annual governance statement, which is included in this report, and has confirmed to the board that the wording of the statement is consistent with the findings reported to the committee during the year.

NHS oversight framework

NHS Improvement's single oversight framework provides a method for overseeing NHS trusts and identifying potential support needs. The framework looks at five themes:

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

Based on information from these themes, trusts are segmented from 1 to 4, where '4' reflects those in special measures and '1' reflects those with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it is found to be in breach, or suspected breach, of its licence.

Segmentation

NHS Improvement assigned a score of 2 to the Tavistock and Portman NHS Foundation Trust for month 12, 2019/20 performance.

Finance and use of resources

The finance score is based on five measures which are scored from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score.

From autumn 2017 a new 'use of resources' (UoR) assessment has been introduced to understand how effectively trusts are using their resources to provide high quality, efficient and sustainable care for patients. Under this framework, NHS Improvement will periodically undertake UoR assessments of providers. Currently, these new assessments have begun with non-specialist acute trusts with the aim of rolling out across the sector when more information is available. Therefore the Trust has yet to have a UoR assessment. Until a provider has undergone a UoR assessment, NHS Improvement will use the finance score, alongside other evidence, of whether a provider is making optimal use of its resources, to identify potential support needs under this theme.

Given that finance and use of resources is only one of the five themes feeding into the single oversight framework, our overall rating above is not the same as the overall finance score shown in the table below.

Metric	2018/19 Month 12 Score	2019/20 Month 12 Score
Capital service capacity	1	2
Liquidity	1	1
Income and expenditure margin	1	2
Distance from financial plan	1	1
Agency spend	3	2
Overall score	1	2

Agency expenditure

At the start of the financial year, NHS Improvement suggested that it would be appropriate for the Trust to spend no more than £683k on agency staff. During 2019/20, the Trust spent £788k on agency staff.

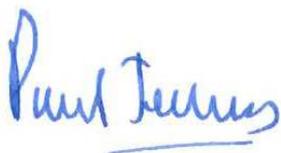
Statement of the chief executive's responsibilities as the accounting officer

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

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



23 June 2020

Paul Jenkins
Chief executive and accounting officer

Annual governance statement 2019/20

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Tavistock and Portman 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 the Tavistock and Portman 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 has in place a risk management policy and strategy which clearly sets out the accountability and reporting arrangements to the board of directors for risk management within the Trust.

Operational responsibility for the implementation of risk management has been delegated to executive and other named directors.

Risk management is a core component of the job descriptions of senior managers within the Trust. A range of risk management training is provided to staff and there are policies in place. All relevant risk policies are available to staff via the Trust intranet and public website.

The Trust learns from good practice through a range of mechanisms including clinical supervision, reflective practice, individual and peer reviews, and performance management, continuing professional development, clinical audit, learning lessons seminars and application of evidence based practice.

The risk and control framework

The risk management strategy and policy set out the key responsibilities for managing risk within the organisation, including ways in which risk is identified, evaluated and controlled. A risk management matrix is used to support a consistent approach to assessing and responding to all risks and

incidents. This framework includes the approach used to engage stakeholders on risks that impact them, this is currently undertaken in conjunction with the council of governors.

To provide oversight and assurance the integrated governance committee, a standing committee of the board of directors, is responsible for seeking assurance on the organisation's quality governance structures and systems of control. Within its remit it is an integrated governance forum that is responsible for seeking assurance on all matters of risk, safety, experience, data security and other corporate compliance requirements that impact quality. We expand further about our approach to managing data risks in the information governance section of this chapter. The committee is also responsible for seeking assurance that the Trust's plans for complying with CQC regulatory requirements are delivered and where there are deficits that mitigating actions are in place.

The board of directors and executive management team have undertaken a comprehensive process for assessing and agreeing the organisation's appetite for risk. This process was implemented following a board development session two years ago to support the development of an appropriate internal framework to discuss, challenge and agree the level of risk which the Trust will accept.

Risks assessed as significant are monitored to ensure mitigating actions are undertaken to reduce risks to an acceptable level.

The Trust has an established incident panel which is chaired by the Trust's medical and quality director. Its purpose is to monitor the quality of investigation of serious incidents and progress in embedding subsequent learning.

Serious incidents and serious risks are reported to the Board of Directors either via the Trust's incident panel or the integrated governance committee.

The board assurance framework supports the process for monitoring ongoing compliance with the requirements for registration set by the Care Quality Commission and licence conditions set by NHS England and NHS Improvement. It sets out the principal risks to delivery of our corporate objectives and identifies the assurances available to the board of directors in relation to achievement of the objectives and these are also mapped to key controls. The director with responsibility for managing and monitoring each risk is clearly identified.

During 2019/20 the board assurance framework was presented to the Board of Directors four times.

The Trust has not identified any risks to compliance with the NHS Foundation Trust condition 4 (FT governance).

The board of directors approves the quality priorities for the Trust. The priorities include a number of indicators agreed with stakeholders from our local community together with national indicators of quality.

The board of directors reviews a number of metrics and performance data through its quarterly quality dashboard report which is presented four times each year, normally after each quarter end.

The board is satisfied that the Trust has adequate plans in place to respond to service user, staff and student surveys to support efforts to increase participation.

A range of methods have been put in place to ensure that the Trust complies with the requirements set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010, which are set

out in the Care Quality Commission's five domains. Approaches include service visits, quality improvement projects, effective systems of supervision and regular team meetings.

Major risk in 2019/20

The key risks to delivering the Trust's strategic objectives are recorded in detail in the board assurance framework and monitored four times a year by the board of directors.

The Trust identified 13 risks which could impact on the delivery of the strategic objectives, these were the risk that:

- The Trust fails to deliver the commitments of its Race Equality Strategy with a negative impact on staff engagement and the quality of its services.
- There is a deterioration in staff morale and engagement with a potential impact on patient and student experience.
- Pressures on leadership within the organisation impact negatively on staff morale and engagement with consequences for the delivery of the Trust's strategic objectives and the quality of its current services.
- The Trust fails to raise its profile as an authority on workforce issues impacting on external reputation and the future viability of the National Training Contract with Health Education England.
- If the Trust fails to deliver affordable and appropriate Estates solutions there may be a negative impact on patient, staff and student experience resulting in the possible need to reduce Trust activities and resulting loss of organisational autonomy.
- Insufficient staff capacity /engagement with the quality agenda has a negative impact on service quality and performance resulting in non-compliance with CQC fundamental standards of care.
- Our data systems do not provide reliable information in a consistent way, making it difficult to track progress and outcomes resulting in poor performance, commissioner scrutiny and poor CQC ratings.
- Wider financial pressures in north central London with negative consequences for the delivery of the mental health programme in the STP and the delivery of the Trust's wider objectives.
- Inadequate staff capacity may lead to poor morale with possible failure to deliver the GIDS action plan resulting in negative impact on the reputation of the Trust.
- If the Trust is unable to establish sustainable new income streams it will be unable to achieve the level of new growth required to meet the Control Total.
- A failure to develop and modernise the Trusts Educational offering has a negative impact on the sustainability of our provision.

- If the Trust fails to meet its regulatory responsibilities to CQC and QAA there will be negative consequences for our reputation and the quality of patient and student experience.
- Failure to deliver the Trust financial plan will negatively impact on the delivery of our control total and quality of our services due to funding limitations resulting in possible external sanctions.

Against each of the strategic risks a responsible director is assigned to the risk who is tasked with identifying control measures to mitigate the risk, gaps in control measures and appropriate actions. It should be noted, however, a number of the risks relate to factors in the external environment which are outside of the Trust's control.

The executive management team review the risks identified on the board assurance framework and consider new and emerging issue which may impact on the delivery of the strategic objectives. Each year the framework is refreshed to reflect new objectives set and also provide a good opportunity to reflect on the current and emerging risks which should be captured, gaps in assurance and appropriate mitigations identified.

The Trust has regard for the CQC well-led framework and underwent a planned inspection in this domain area in 2018 achieving a good rating. The framework is applied routinely through operational management and the standard is reviewed regularly through our established systems of control and assurance.

Workforce Strategies

The Trust approved a three year organisational development and people strategy in April 2017 which covers our short, medium and long term systems for maintaining and developing a highly effective and skilled workforce.

The Board is appraised twice yearly of progress being made against the strategy and also receives metric performance data via its quality dashboard every quarter.

The strategy and reporting complies with the requirements of the 'Developing Workforce Safeguards' recommendations.

Compliance statements

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

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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

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

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

A full description of the role of our board of directors, standing committees and governance structures are set out in the directors' report. This includes details about attendance and the systems of internal control.

For 2019/20 the Trust met its financial control total, as it also did for 2018/19. The Trust's financial performance includes 15% variation to its agency ceiling. In achieving this financial result, the Trust saw an increased number of patients and enrolled an increased number of students. The Trust also dealt with a much higher level of Freedom of Information requests. Details of these outcomes are shown elsewhere within this Annual Report.

The Trust identifies cost savings to meet NHS efficiency targets as part of the annual budget process, and during the year. Savings programmes cover pay and non-pay costs, and include the benefits of improved procurement. The costs of services are compared to their income and benchmarked against other organisations where appropriate. The board of directors approves the budget and reviews the financial position six times a year. The audit committee receives reports from internal audit on the Trust's financial controls.

The effectiveness of services is monitored by the board of directors through scrutiny of the quarterly quality report, and the monthly detailed reports from individual clinical service lines, and education and training portfolios. Both internal and external audit also consider value for money as part of their work and both are required, as part of their annual audit, to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. Neither have reported that the Trust has failings in this respect.

Information governance

Due to COVID-19 pandemic, NHS Digital postponed this year's submission deadline for the NHS data security and protection toolkit until end September 2020. The Trust is currently preparing its annual submission to meet this new deadline.

All staff receive data security training on the Trust's corporate induction and are required to refresh this training annually, through e-learning.

All information incidents are investigated, with near misses used as an opportunity to improve processes and reduce risks. In 2019/20 there two incident classified as a 'level 2' serious incident requiring investigation which related to the disclosure of patient information in error on both occasions. The Information Commissioner's Office was notified promptly following each incident and the organisation awaits the national data regulator's decision on both matters.

The Trust has implemented the requirements set out in the General Data Protection Regulation (GDPR).

Data quality and governance

The Trust places great emphasis on the importance of having service user, student, staffing and financial data.

The organisation has implemented a number of policies, procedures and quality assurance mechanisms to ensure that information that is reported is validated and that where deficits exist there are appropriate action plans in place to address these.

To ensure a robust approach around data quality governance, the Trust has in place the following:

- A clinical data quality management procedure which sets out the process for data validation and verification of completeness.
- A broad range of standard operating procedures setting out the processes for data collection, validation and reporting.
- An established quality assurance team who work to lead the process of data validation and reporting of clinical datasets.
- A quality assurance group that assess and review the granularity of clinical information with representation from the various clinical governance committees and clinical administrative teams.
- Monthly data reviews at the Trust's clinical governance committees.
- An operational committee, the quality assurance board, which provides executive assurance on information and data being reported to the board of directors.

Combined together these mechanisms seek to act as a safeguard to ensure that information reported through the organisation is of a high quality and supports clinical and operational leaders to make informed decisions.

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 the content of this annual report and other performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board of directors, the audit committee and the clinical, quality, safety and governance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Independent assurance has been provided principally by our external and internal auditors.

As a specialist provider Trust we are regulated by a number of agencies and arms-length bodies, the table below details our current compliance ratings:

Body	Last inspected	Rating
Care Quality Commission	October 2018	Overall – Good Caring – Good Effective – Outstanding Responsive - Good Safe – Good Well-led - Good
Ofsted	November 2017	Overall – Good Leadership and management – Good Quality of teaching, learning and assessment – Good Personal development, behaviour and welfare – Outstanding Outcomes for pupils - Good
Quality Assurance Agency	June 2018	Meets Expectations

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the board assurance framework and on the controls reviewed as part of the internal audit work. The opinion is that the Trust has an adequate and effective framework for risk management, governance and internal control. However, their work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

During the year, Internal Audit carried out reviews across 7 functional areas of the Trust with the following outcomes:

Audit opinion	2019/20
No assurance	-
Partial assurance	3
Reasonable assurance	4
Substantial assurance	-

The audit committee has paid close attention to the issues raised by internal audit and is satisfied with the responses of management to the issues raised and that time-bound action plans for improvements are in place to address any outstanding weaknesses. The audit committee is pleased to note the improvement (over the prior year) in the head of internal audit opinion. The view of the audit committee, taking into account progress against implementing actions recommended by internal audit, Quality Assurance Agency for Higher Education and the Care Quality Commission, is that an effective system of internal control has been in place in The Tavistock and Portman NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

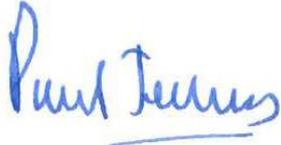
Conclusion

The board of directors is fully committed to continuous improvement of its governance arrangements to ensure that systems are in place that ensure risks are correctly identified and managed and that serious incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action so that patients, students,

service users, staff and other stakeholders of the Trust can be confident in the quality of the service we deliver and the effective, economic and efficient use of resources.

Through the scrutiny and systems of oversight noted above, the Board is able to assure itself of the validity of this statement on corporate governance.

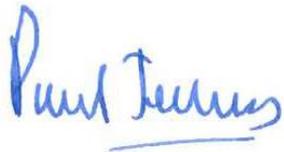
My review confirms that the Trust has sound systems of internal control and that no significant internal control issues have been identified.



23 June 2020

Paul Jenkins
Chief executive and accounting officer

I present this accountability report.



23 June 2020

Paul Jenkins
Chief executive and accounting officer

4 Annual accounts

Independent auditor's report to the Council of Governors of The Tavistock and Portman NHS Foundation Trust

Report on the financial statements

Opinion on the financial statements

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

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

Key audit matter	Our response and key observations
<p>Land and buildings valuation <i>Note 17 to the financial statements discloses information on the Trust's holding of property, plant and equipment (PPE) which includes £16.9million of land and buildings held at current value at 31 March 2020. These assets are subject to periodic revaluation in line with the</i></p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from the Trust.

requirements of the Group Accounting Manual (GAM). Note 1.9 to the financial statements describes the Trust's accounting policy with respect to the valuation of land and buildings and discloses further information on the balance, which includes disclosure of a material valuation uncertainty as a result of the Covid-19 pandemic.

Land and buildings are the Trust's highest value assets, we therefore consider valuation of land and buildings to be a significant risk.

Management engaged Gerald Eve as an expert to assist in determining the fair value of land and buildings to be included in the financial statements.

Changes in the value of land and buildings may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Group Accounting Manual.

- Obtaining an updated understanding of the basis of valuation applied by the valuer in the year. This included understanding and challenging the methodology applied to estimate value of the Trust's operational land and buildings on a equivalent use value.
- Sample testing the completeness and accuracy of underlying data provided by the Trust and used by the valuer as part of their valuations.
- Testing the accuracy of how valuation movements were presented and disclosed in the financial statements.
- Making direct enquiries with the valuer and using relevant cost and market data to assess the reasonableness of the valuation as at 31 March 2020. We used this to assess the effect of the material valuation uncertainty disclosed in the valuation report and in the Trust's financial statements.

Key observations

We obtained sufficient appropriate evidence to conclude that the valuation of land and buildings included in the financial statements is reasonable.

Revenue recognition

The Trust recognised £61.7million of revenue from activities in the Statement of Comprehensive Income. Notes 3 and 4 provide further information on the nature and source of the Trust's revenue.

Auditing Standards include a rebuttable presumption that there is a significant risk in relation to the timing of income recognition, and in relation to judgements made by management as to when income has been earned. The pressure to manage income to deliver forecast performance in a challenging financial environment increases the risk of fraudulent financial reporting leading to material misstatement and means that we are unable to rebut the presumption.

We consider specific risks in relation to revenue recognition to be:

- income and receivables around the year end;
- contract income; and
- Provider Sustainability Fund (PSF) income.

Our audit procedures included, but were not limited to:

- Evaluating the Trust's accounting policy in respect of revenue recognition to ensure that it is in line with the requirements of the GAM.
- Reconciling a sample revenue recognised through contracts with commissioners, to the underlying contractual agreement and any agreed variations in the year to appropriate evidence.
- Testing a sample of other revenue by agreeing the transactions to appropriate source documentation and obtaining assurance that each item was recorded in the correct financial year and at the correct value.
- Considering information provided by the Department of Health and Social Care in respect of year-end intra-NHS transactions. We identified any significant differences between the Trust's position and that of the counterparty and obtained assurance that the Trust's position was supported by appropriate evidence.
- Testing a sample of expenditure items for which the Trust has recognised additional funding from the Department of Health and Social Care to obtain assurance that these were correctly recorded as Covid-19-related expenditure items that were due to be reimbursed.

Key observations

We obtained sufficient appropriate evidence to conclude that revenue recognised in the financial statements is reasonable.

Our application of materiality

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

Overall materiality	£610,000
Basis for determining materiality	Approximately 1% of operating expenses of continuing operations.
Rationale for benchmark applied	Operating expenses of continuing operations was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.
Performance materiality	£427,000
Reporting threshold	£18,000

An overview of the scope of our audit

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

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

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

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

Our tests included, but were not limited to:

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

As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud.

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

Other information

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

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

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

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

The parts of the Remuneration Report and Staff Report subject to audit are:

- Median remuneration and fair multiple
- Salary and benefits of senior managers
- Payment for loss of office and past senior managers

- Average FTE staff numbers
- Staff costs
- Exit packages

Matters on which we are required to report by exception

Annual Governance Statement

We are required to report to you if, in our opinion:

- the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2019/20; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in respect of these matters.

Reports to the regulator and in the public interest

We are required to report to you if:

- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a Director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

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

Matter on which we are required to report by exception

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

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

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

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

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

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

for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

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

Use of the audit report

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

Certificate

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

Lucy Nutley (signed electronically)

Lucy Nutley
For and on behalf of Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

25 June 2020

Tavistock and Portman NHS Foundation Trust

Annual accounts for the year ended 31 March 2020

Foreword to the accounts

Tavistock and Portman NHS Foundation Trust

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

Signed	
Name	Paul Jenkins
Job title	Chief Executive and Accounting Officer
Date	23 June 2020

Statement of Comprehensive Income

		2019/20	2018/19
	Note	£000	£000
Operating income from patient care activities	3	35,275	30,127
Other operating income	4	26,407	26,195
Operating expenses	6, 7	<u>(60,872)</u>	<u>(52,993)</u>
Operating surplus/(deficit) from continuing operations		<u>810</u>	<u>3,329</u>
Finance income	12	54	37
Finance expenses	13	(38)	(34)
PDC dividends payable		<u>(608)</u>	<u>(616)</u>
Net finance costs		<u>(592)</u>	<u>(613)</u>
Surplus / (deficit) for the year from continuing operations		<u>218</u>	<u>2,716</u>
Surplus / (deficit) for the year		<u><u>218</u></u>	<u><u>2,716</u></u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Revaluations	18	<u>(450)</u>	<u>471</u>
Total comprehensive income / (expense) for the period		<u><u>(232)</u></u>	<u><u>3,187</u></u>

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	15	167	251
Property, plant and equipment	16	23,363	22,861
Total non-current assets		23,530	23,112
Current assets			
Receivables	20	9,574	9,812
Cash and cash equivalents	21	9,609	8,569
Total current assets		19,183	18,381
Current liabilities			
Trade and other payables	22	(7,870)	(7,895)
Borrowings	24	(445)	(448)
Provisions	25	(325)	(317)
Other liabilities	23	(4,128)	(2,388)
Total current liabilities		(12,768)	(11,048)
Total assets less current liabilities		29,945	30,445
Non-current liabilities			
Borrowings	24	(3,110)	(3,555)
Provisions	25	(69)	(142)
Total non-current liabilities		(3,179)	(3,697)
Total assets employed		26,766	26,748
Financed by			
Public dividend capital		3,724	3,474
Revaluation reserve		12,172	12,622
Income and expenditure reserve		10,870	10,652
Total taxpayers' equity		26,766	26,748

The notes on pages 78 to 109 form part of these accounts.

Name **Paul Jenkins**

Position Chief Executive and Accounting Officer

Date 11 June 2020

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	3,474	12,622	10,652	26,748
Surplus/(deficit) for the year	-	-	218	218
Revaluations	-	(450)	-	(450)
Public dividend capital received	250	-	-	250
Taxpayers' and others' equity at 31 March 2020	3,724	12,172	10,870	26,766

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	3,474	12,239	7,848	23,561
Surplus/(deficit) for the year	-	-	2,716	2,716
Other transfers between reserves	-	(88)	88	-
Revaluations	-	471	-	471
Taxpayers' and others' equity at 31 March 2019	3,474	12,622	10,652	26,748

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.

Income and expenditure reserve

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

Statement of Cash Flows

	2019/20	2018/19
Note	£000	£000
Cash flows from operating activities		
Operating surplus / (deficit)	810	3,329
Non-cash income and expense:		
Depreciation and amortisation	6.1 1,383	1,228
(Increase) / decrease in receivables and other assets	270	(918)
Increase / (decrease) in payables and other liabilities	1,715	778
Increase / (decrease) in provisions	(65)	129
Net cash flows from / (used in) operating activities	4,113	4,546
Cash flows from investing activities		
Interest received	54	37
Purchase of intangible assets	-	(123)
Purchase of PPE and investment property	(2,275)	(2,053)
Net cash flows from / (used in) investing activities	(2,221)	(2,139)
Cash flows from financing activities		
Public dividend capital received	250	-
Movement on loans from DHSC	(445)	3,000
Interest on loans	(41)	(16)
PDC dividend (paid) / refunded	(616)	(645)
Net cash flows from / (used in) financing activities	(852)	2,339
Increase / (decrease) in cash and cash equivalents	1,040	4,746
Cash and cash equivalents at 1 April - brought forward	8,569	3,823
Cash and cash equivalents at 1 April - restated	8,569	3,823
Cash and cash equivalents at 31 March	21.1 9,609	8,569

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

These 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.

After making enquiries, the Board of Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. They have not identified any material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Note 1.2 Critical judgements in applying accounting policies

In Note 14 Property, Plant and Equipment, the Trust has recorded an Asset Under Construction with a value as at 31 March 2020 of £2.8m in which £2.2m is for the relocation project. This asset represents the costs capitalised by the Trust in relation to its proposed relocation from its current sites in Hampstead to a new site in Camden. Due to changes in market conditions (notably the valuation of the Trust's freehold properties) there currently exists a gap between the proposed costs (to complete relocation) and the capital receipts / income which the Trust has available to it. The Trust is undertaking a number of initiatives to close this funding gap. It is the judgement of the Board of Directors that relocation of the Trust continues to be probable and, therefore, appropriate to continue to capitalise these costs. Should the expectations of the Board not be fulfilled, then the value of the said asset would need to be written off.

Other than the above, there are no judgements other than those involving estimation that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Note 1.2.1 Sources of estimation uncertainty

The preparation of financial statements under IFRS requires the Trust to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The main areas which require the exercise of judgement are in accounting for property, plant and equipment, accounting for untaken annual leave and in accounting for receivables.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors.

As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would

normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we will keep the valuation under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

- Property, plant and equipment includes the Tavistock Centre, Portman Clinic and the Day Unit, properties of high value whose accounting is subject to property market fluctuations. The total current valuation, as shown in note 14, is £23,363k (2018/2019, £22,861k).

- Operating costs disclosed within note 5 (Staff and executive directors costs) include an estimate of £655k for the annual leave earned but not taken at the year-end date, as shown in note 5 (2018/19, £423k).

Note 1.3 Interests in other entities

The trust has no interests in other entities

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). As directed by the GAM, the transition to IFRS 15 in 2019/20 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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

Revenue from NHS contracts

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

Revenue 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 recognises revenue in accordance with the agreement of balances exercise, and where contravention of this principle would invalidate the contract, the Trust has chosen to fully provide contract costs under IAS 37

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

Revenue from research contracts

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

Where there are no explicit performance obligations governing recognition of Research Grant revenue, the Trust has chosen to recognise revenue in line with expenditure in accordance with the grant period.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

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

Note 1.4.2 Revenue grants and other contributions to expenditure

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

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

Note 1.4.3 Other income

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

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.6 Expenditure on other goods and services

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

Note 1.7 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 1.8 Property, plant and equipment

Note 1.8.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Note 1.8.2 Measurement

Valuation

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

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

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

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

Land and buildings are measured subsequently at valuation. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

All land and buildings are revalued using professional valuations in accordance with IAS 16 every five years. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Asset valuations were undertaken in this financial year with the prospective valuation date of 31 March 2020. The revaluation undertaken at this date was accounted for on 31 March 2020.

For all categories of PPE, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

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

Subsequent expenditure

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

Depreciation

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

Property, plant and equipment which 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.

Note 1.8.3 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.

Note 1.8.4 Donated and grant funded assets

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

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

Note 1.8.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

The Trust has no PFI or Lift Schemes.

Note 1.8.6 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Buildings, excluding dwellings	5	50
Plant & machinery	5	5
Information technology	5	5
Furniture & fittings	5	5

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.
Depreciation is on a straight line basis.

Note 1.9 Intangible assets

Note 1.9.1 Recognition

Internally generated intangible assets

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

Expenditure on development is capitalised where it meets the requirements set out in IAS 38. Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

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

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

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

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.

Note 1.9.2 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	Max life
	Years	Years
Information technology	5	5
Software licences	5	5

Note 1.10 Inventories

The Trust has no inventories.

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets are categorised as loans and receivables.

Financial assets and financial liabilities at fair value through income and expenditure

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The trust's receivables are set out in Note 18. The trust has no loans in its assets. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Impairment of financial assets

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

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

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Derecognition

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

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

Note 1.13.1 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.

Note 1.17 Corporation tax

The Trust has no corporation tax liability to pay because its activities are within the public sector.

Note 1.18 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

Note 1.19 Third party assets

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

Note 1.20 Losses and special payments

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

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

Note 1.21 Early adoption of standards, amendments and interpretations

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

Note 1.22 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2020. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2020, 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 (1.27%). 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 2020 for existing finance leases.

For leases commencing in 2020/21, 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.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 1.23 The Tavistock and Portman Charitable Foundation Trust

The Trust Board has considered both the size and nature of the charitable funds and taken the decision not to consolidate the Charitable Fund in the Annual Accounts at the 31st March 2020 on the grounds of materiality as permitted by the foundation trust annual reporting manual.

Note 2 Operating Segments

2019/20

	Operating income	Operating expenses	Operating Surplus before Restructuring	PDC Dividends
All figures £000				
Adult Services and Forensic Services	6,204	6,414	(210)	62
Children, Young People and Families Services	33,266	33,413	(147)	327

Education & Training, Research	22,266	21,692	574	219
Total	61,736	61,519	217	608

The Operating segments align to how services are structured and managed internally.

2018/19

	Operating income	Operating expenses	Operating Surplus before Restructuring	PDC Dividends
All figures £000				
Adult Services and Forensic Services	6,400	6,046	354	69
Children, Young People and Families Services	30,567	29,047	1,520	333
Education & Training, Research	19,392	18,550	842	214
Total	56,359	53,643	2,716	616

This table does not include the Trust's restructuring cost of £357k which relate to contractual exit packages for staff.

The Operating segments align to how services are structured and managed internally.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2019/20	2018/19
	£000	£000
Block contract income	24,878	22,515
Agenda for Change pay award central funding*		510
Additional pension contribution central funding**	1,785	
Other clinical income	8,612	7,102
Total income from activities	35,275	30,127

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

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

Note 3.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	£000	£000
NHS England	17,181	13,313
Clinical commissioning groups	11,489	10,019
Department of Health and Social Care	-	510
Other NHS providers	1,002	932

Local authorities	3,429	3,506
Non NHS: other	<u>2,174</u>	<u>1,847</u>
Total income from activities	<u>35,275</u>	<u>30,127</u>

Of which:

Related to continuing operations	35,275	30,127
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Note 4 Other operating income

	2019/20		
	Contract	Non-	
	income	contract	Total
	£000	income	£000
Research and development	612	-	612
Education and training	24,088	-	24,088
Provider sustainability fund (PSF)	700	-	700
Other income	1,007	-	1,007
Total other operating income	<u>26,407</u>	-	<u>26,407</u>

Of which:

Related to continuing operations		26,407
Related to discontinued operations		-

**Education and Training*

Education and Training includes £12.9m (18/19 £11.9m) from Health Education England - funding training activity across the Trust. Tuition fees and related HEFCE grants total £5.5m (18/19 £5.5m), Family Nurse Partnership received £2.5m (18/19 £2.4m). The Conferences and Short Courses Unit received £1.8m (18/19 £1.2m), Tavistock Consulting received £0.5m (18/19 £0.5m), and the remaining £0.9m (18/19 £1.2m) was received across a range of departments across the Trust.

**Provider sustainability fund income (PSF) formerly disclosed as Sustainability and transformation fund income.(STF)

The Trust was awarded £700k (18/19 £2,225k) Provider sustainability income as a result of meeting its targets.

***Other contract income

Other income includes Mental Health top up funding of £216k and COVID19 expense reimbursements of £207k, I-thrive project income £142k (18/19 £105k), Clinical Excellence Awards £107k (18/19 £107k) and miscellaneous income totalling £335k (18/19 £328k).

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	2,388	2,443
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March	31 March
	2020	2019
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	4,128	2,388
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	<u>4,128</u>	<u>2,388</u>

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

Note 6.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	-	-
Purchase of social care	-	-
Staff and executive directors costs	43,932	38,479
Remuneration of non-executive directors	87	86
Supplies and services - clinical (excluding drugs costs)	523	688
Supplies and services - general	-	216
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	208	-
Inventories written down	-	-
Consultancy costs	401	311
Establishment	3,047	921
Premises	3,258	3,537
Transport (including patient travel)	507	220
Depreciation on property, plant and equipment	1,323	1,172
Amortisation on intangible assets	60	56
Net impairments	-	-
Movement in credit loss allowance: contract receivables / contract assets	(53)	-
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	-	1
Audit fees payable to the external auditor		
audit services- statutory audit	45	53
other auditor remuneration (external auditor only)	6	7
Internal audit costs	31	37
Clinical negligence	23	25
Legal fees	380	212
Insurance	18	37
Research and development	204	300
Education and training	3,739	1,513
Rentals under operating leases	-	-
Early retirements	-	-
Redundancy	(133)	357
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	-	-
Hospitality	22	34
Losses, ex gratia & special payments	-	-
Grossing up consortium arrangements	-	-
Other services, eg external payroll	-	2,433
Other	3,244	2,298
Total	60,872	52,993

Of which:

Related to continuing operations	60,872	52,993
Related to discontinued operations	-	-

Other expenditure includes "pass-through" costs, where external funding is distributed to partner organisations to deliver services, £0.6m (NWSDU), £0.5m (CYAF IAPT), £0.3m (Short Courses), £0.6m (various projects), and another £1.2m of other costs across the Trust. (18/19 -£2.3m)

Note 6.2 Other auditor remuneration

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

Note 6.3 Limitation on auditor's liability

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

Note 7 Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	33,753	30,268
Social security costs	3,649	3,333
Apprenticeship levy	170	267
Employer's contributions to NHS pensions	5,559	3,740
Pension cost - other	13	5
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	(133)	357
Temporary staff (including agency)	788	866
Total gross staff costs	43,799	38,836
Recoveries in respect of seconded staff	-	-
Total staff costs	43,799	38,836
Of which		
Costs capitalised as part of assets	-	-
WTE (Weighted average)	675	646

Note 7.1 Retirements due to ill-health

During 2019/20 there were no early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is 0k (0k in 2018/19).

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

Note 8 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2018, 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. The employer contribution rate for 2019/20 is 20.6%.

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 9 Pension Costs

The Trust paid NHS Pension Agency £3,649k (£3,740k in 2018/19) and the National Employment Savings Scheme (NEST) £12k in 2019/20 (£5k in 2018/19)

Note 11 Operating lease

The Trust has no operating lease commitments.

Note 12 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	54	37
Total finance income	54	37

Note 13.1 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	38	33
Total interest expense	38	33
Unwinding of discount on provisions	-	1
Total finance costs	38	34

Note 14 Discontinued operations

The Trust has no discontinued activities in current year or prior year.

Note 15.1 Intangible assets - 2019/20

	Software licences	Licences & trademarks	Patents	Internally generated information technology	Developme nt expenditure	Goodwill	Websites	Intangible assets under constructio n	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	484	-	-	172	-	-	-	101	-	757
Transfers to / from assets held for sale	-	-	-	77	-	-	-	(77)	-	-
Valuation / gross cost at 31 March 2020	484	-	-	249	-	-	-	-	-	733
Amortisation at 1 April 2019 - brought forward	443	-	-	63	-	-	-	-	-	506
Provided during the year	26	-	-	34	-	-	-	-	-	60
Amortisation at 31 March 2020	469	-	-	97	-	-	-	-	-	566
Net book value at 31 March 2020	15	-	-	152	-	-	-	-	-	167
Net book value at 1 April 2019	41	-	-	109	-	-	-	101	-	251

Note 15.2 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Developme nt expenditure £000	Goodwill £000	Websites £000	Intangible assets under constructio n £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	484	-	-	150	-	-	-	-	-	634
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2018 - restated	484	-	-	150	-	-	-	-	-	634
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	22	-	-	-	101	-	123
Valuation / gross cost at 31 March 2019	484	-	-	172	-	-	-	101	-	757
Amortisation at 1 April 2018 - as previously stated	417	-	-	33	-	-	-	-	-	450
Amortisation at 1 April 2018 - restated	417	-	-	33	-	-	-	-	-	450
Provided during the year	26	-	-	30	-	-	-	-	-	56
Amortisation at 31 March 2019	443	-	-	63	-	-	-	-	-	506
Net book value at 31 March 2019	41	-	-	109	-	-	-	101	-	251
Net book value at 1 April 2018	67	-	-	117	-	-	-	-	-	184

Note 16.1 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019 - brought forward	9,279	8,329	-	1,866	214	-	6,592	157	26,437
Additions	-	-	-	991	33	-	1,101	150	2,275
Revaluations	(700)	(51)	-	-	-	-	-	-	(751)
Valuation/gross cost at 31 March 2020	8,579	8,278	-	2,857	247	-	7,693	307	27,961
Accumulated depreciation at 1 April 2019 - brought forward	-	0	-	-	214	-	3,213	149	3,576
Provided during the year	-	301	-	-	1	-	997	24	1,323
Revaluations	-	(301)	-	-	-	-	-	-	(301)
Accumulated depreciation at 31 March 2020	-	0	-	-	215	-	4,210	173	4,598
Net book value at 31 March 2020	8,579	8,278	-	2,857	32	-	3,483	134	23,363
Net book value at 1 April 2019	9,279	8,329	-	1,866	(0)	-	3,379	8	22,861

Note 16.2 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	9,200	8,039	-	1,500	214	-	5,105	157	24,215
Additions	-	200	-	1,011	-	-	842	-	2,053
Revaluations	79	90	-	-	-	-	-	-	169
Reclassifications	-	-	-	(645)	-	-	645	-	-
Valuation/gross cost at 31 March 2019	9,279	8,329	-	1,866	214	-	6,592	157	26,437
Accumulated depreciation at 1 April 2018 - as previously stated	-	0	-	-	213	-	2,359	134	2,706
Provided during the year	-	302	-	-	1	-	854	15	1,172
Revaluations	-	(302)	-	-	-	-	-	-	(302)
Accumulated depreciation at 31 March 2019	-	0	-	-	214	-	3,213	149	3,576
Net book value at 31 March 2019	9,279	8,329	-	1,866	(0)	-	3,379	8	22,861
Net book value at 1 April 2018	9,200	8,039	-	1,500	1	-	2,746	23	21,509

Note 16.3 Property, plant and equipment financing - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2020									
Owned - purchased	8,579	8,278	-	2,857	32	-	3,483	134	23,363
NBV total at 31 March 2020	8,579	8,278	-	2,857	32	-	3,483	134	23,363

Note 16.4 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	9,279	8,329	-	1,866	(0)	-	3,379	8	22,861
NBV total at 31 March 2019	9,279	8,329	-	1,866	(0)	-	3,379	8	22,861

Note 17 Donations of property, plant and equipment

The trust had no donations in current year or prior year.

Note 18 Revaluations of property, plant and equipment

All land and buildings are revalued using professional valuations in accordance with IAS 16 every five years. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Asset valuations were undertaken in this financial year with the prospective valuation date of 31 March 2019. The revaluation undertaken at this date was accounted for on 31 March 2020. In 2019/20 a 'desktop valuation' was performed outside of this cycle of 5 year full valuations.

Land and buildings were revalued downwards by £450k.(18/19 increased by £471k)

Note 19.1 Investment Property

The Trust has no Investment property.

Note 20.1 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables *	7,185	8,163
Allowance for impaired contract receivables / assets	(196)	(249)
Prepayments (non-PFI)	849	604
PDC dividend receivable	42	34
VAT receivable	110	98
Other receivables	1,584	1,162
Total current receivables	9,574	9,812

Of which receivable from NHS and DHSC group bodies:

Current	4,426	5,034
Non-current	-	-

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

*Contract receivables: accrued income includes PSF funding of £210k for 19/20

Note 20.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	249	-	-	309
Allowances as at 1 April - restated	249	-	-	309
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			309	(309)
Reversals of allowances	(53)	-	-	-
Utilisation of allowances (write offs)	-	-	(60)	-
Allowances as at 31 Mar 2020	196	-	249	-

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

	2019/20 £000	2018/19 £000
At 1 April	8,569	3,823
At 1 April (restated)	8,569	3,823
Net change in year	1,040	4,746
At 31 March	9,609	8,569
Broken down into:		
Cash at commercial banks and in hand	1,548	1,317
Cash with the Government Banking Service	8,061	7,252
Total cash and cash equivalents as in SoFP	9,609	8,569
Total cash and cash equivalents as in SoCF	9,609	8,569

Note 21.2 Third party assets held by the trust

Tavistock and Portman NHS Foundation Trust held no cash and cash equivalents in the current year or prior year which relate to monies held by the Foundation Trust on behalf of patients or other parties.

Note 22.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	1,070	1,197
Accruals	5,110	4,199
Social security costs	1,022	925
Other payables	668	1,574
Total current trade and other payables	<u>7,870</u>	<u>7,895</u>
Of which payables from NHS and DHSC group bodies:		
Current	500	1,440
Non-current	-	-

Note 22.2 Early retirements in NHS payables above

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

	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

Note 23 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	4,128	2,388
Total other current liabilities	<u>4,128</u>	<u>2,388</u>

Note 24.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	445	448
Total current borrowings	<u>445</u>	<u>448</u>
Non-current		
Loans from DHSC	3,110	3,555
Total non-current borrowings	<u>3,110</u>	<u>3,555</u>

Note 24.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	3,986	-	-	-	3,986
Cash movements:					
Financing cash flows - payments and receipts of principal	(445)	-	-	-	(445)
Financing cash flows - payments of interest	(41)	-	-	-	(41)
Non-cash movements:					
Application of effective interest rate	38	-	-	-	38
Carrying value at 31 March 2020	3,538	-	-	-	3,538

Note 24.3 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	1,000	-	-	-	1,000
Cash movements:					
Financing cash flows - payments and receipts of principal	3,000	-	-	-	3,000
Financing cash flows - payments of interest	(16)	-	-	-	(16)
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	2	-	-	-	2
Carrying value at 31 March 2019	3,986	-	-	-	3,986

Note 25.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re- structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	77	-	72	310	-	-	-	459
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	-	-	-	-	-	-	-
Arising during the year	-	-	311	-	-	-	-	311
Utilised during the year	(2)	-	(40)	(92)	-	-	-	(134)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	(200)	(42)	-	-	-	(242)
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 March 2020	75	-	143	176	-	-	-	394
Expected timing of cash flows:								
- not later than one year;	6	-	143	176	-	-	-	325
- later than one year and not later than five years;	24	-	-	-	-	-	-	24
- later than five years.	45	-	-	-	-	-	-	45
Total	75	-	143	176	-	-	-	394

Note 25.2 Clinical negligence liabilities

At 31 March 2020, £217k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Tavistock and Portman NHS Foundation Trust (31 March 2019: £108k).

Note 26 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	4	-
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	<u>4</u>	<u>-</u>
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	<u>4</u>	<u>-</u>
Net value of contingent assets	-	-

At 31 March 2020, there were **no** cases of employer's liability litigation outstanding against the Trust.

It is possible that clinical litigation claims could arise in the future due to incidents that have already occurred.

There is no reliable statistical analysis available to estimate the potential liability for individual trusts in relation to incidents been reported which have occurred but have not yet been reported.

A national estimate for such potential liabilities in all NHS bodies, calculated on an actuarial basis, is included in the accounts of the NHS Resolution.

Note 27 Financial instruments

Note 27.1 Financial risk management

The Trust has no related financial risks associated within its financial instruments.

Financial risk

Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Interest rate risk

The majority of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest. Tavistock and Portman NHS Foundation Trust is not therefore exposed to significant interest-rate risk.

Currency risk

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

Credit risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations as disclosed in note 3 to note 4. Bad debt provisions are calculated based on the Trust's bad debt provision policy which considers the type of debtor, age of the outstanding debt and knowledge of specific balances.

The Trust follows procedures for receivables management, so as to ensure that payments are received promptly and risk is managed. A provision for impairment (see Note 18.1) is made, and is reviewed regularly.

Liquidity risk

The Trust's net operating costs are incurred under annual service level agreements with local Clinical Commissioning Groups which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from retained surpluses and funds made available from Government under agreed borrowing limits. Tavistock and Portman NHS Foundation Trust is not therefore exposed to significant liquidity risk.

Cash is held as far as possible with the Government Banking Service (see Note 19) at all times.

The Trust also has in place a £4m working capital revolving loan which has been drawn down in full.

The fair value of a financial instrument is the price at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction. All the financial instruments of the Trust are initially measured at fair value on recognition and subsequently at amortised cost.

There are no other financial instruments held, other than the ones already disclosed in notes 24.2 and 24.3.

Note 27.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	7,475	-	-	7,475
Cash and cash equivalents	9,609	-	-	9,609
Total at 31 March 2020	17,084	-	-	17,084

Carrying values of financial assets as at 31 March 2019	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	8,163	-	-	8,163
Cash and cash equivalents	8,569	-	-	8,569
Total at 31 March 2019	16,732	-	-	16,732

There are no differences in the classification basis as a result of IFRS 9

Note 27.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at	Held at	Total
	amortised cost	fair value through I&E	
	£000	£000	£000
Loans from the Department of Health and Social Care	3,555	-	3,555
Trade and other payables excluding non financial liabilities	6,332	-	6,332
Total at 31 March 2020	9,887	-	9,887

Carrying values of financial liabilities as at 31 March 2019	Held at	Held at	Total
	amortised cost	fair value through I&E	
	£000	£000	£000
Loans from the Department of Health and Social Care	4,003	-	4,003
Trade and other payables excluding non financial liabilities	5,396	-	5,396
Total at 31 March 2019	9,399	-	9,399

Note 27.4 Maturity of financial liabilities

	31 March	31 March
	2020	2019
	£000	£000
In one year or less	6,777	5,844
In more than one year but not more than two years	445	445
In more than two years but not more than five years	886	1,331
In more than five years	1,779	1,779
Total	9,887	9,399

Note 28 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	-	-	2	4
Total losses	-	-	2	4

Note 29 Related parties

The Tavistock and Portman NHS Foundation Trust is a body corporate authorised by Monitor, the regulator of NHS Foundation Trusts.

The Trust has no positive disclosure of interests of senior manager related party transactions.

The Department of Health and Social Care is regarded as a related party. During the year the Tavistock and Portman NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department (controlling party). The significant entities are listed below:

2019/20

	Total income for the year ended 31 March 2019	Total charge for the year ended 31 March 2019	Debtor/ (creditor) as at 31 March 2020
	£000	£000	£000
Public Health England	2,050	-	-
Health Education England	12,799	-	(41)
NHS England	16,243	-	294
Camden CCG	7,755	-	196
City & Hackney CCG	1,099	-	127
Haringey CCG	1,180	-	208

	Total income for the year ended 31 March 2020	Total charge for the year ended 31 March 2020	Debtor/ (creditor) as at 31 March 2020
	£000	£000	£000
HM Revenue and Customs for Pay As You Earn income tax and National Insurance (included in staff costs)	-	3,819	(1,022)
NHS Pension Agency	-	5,559	(660)

2018/19

	Total income for the year ended 31 March 2019	Total charge for the year ended 31 March 2019	Debtor/ (creditor) as at 31 March 2019
	£000	£000	£000
Public Health England	2,278	-	-
Health Education England	11,902	-	270
NHS England	2,347	-	2,020
Camden CCG	6,468	-	(111)
City & Hackney CCG	1,087	-	111
Haringey CCG	1,102	-	207

	Total income for the year ended 31 March 2019	Total charge for the year ended 31 March 2019	Debtor/ (creditor) as at 31 March 2019
	£000	£000	£000
HM Revenue and Customs for Pay As You Earn income tax and National Insurance (included in staff costs)	-	3600	(925)
NHS Pension Agency	-	3740	(595)

The Trust is reimbursed by the Tavistock and Portman Charitable Fund and by the Tavistock Clinic Foundation for staff and other expenses borne on their account. For the Tavistock and Portman Charitable Fund the amount owed to the Trust is £1k and for the Tavistock Clinic Foundation the amount owed to the Trust is £91k.

During 2019/20, the Trust has an agreement with National Shared Business Services to provide certain accounting processes. The Trust paid £116,850 (2018/19 £96,968) for these services.

Note 32 Events after the reporting date

The Directors are not aware of any events that have arisen since the end of the year and to the date of this report which have affected or may significantly affect the operations and finances of the Trust.

Staff costs

	Permanent	Other	2019/20 Total	2018/19 Total
	£000	£000	£000	£000
Salaries and wages	33,351	402	33,753	30,268
Social security costs	3,649	-	3,649	3,333
Apprenticeship levy	170	-	170	267
Employer's contributions to NHS pension scheme	5,559	-	5,559	3,740
Pension cost - other	12	1	13	5
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	(133)	-	(133)	357
Temporary staff	-	788	788	866
Total gross staff costs	42,608	1,191	43,799	38,836
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	42,608	1,191	43,799	38,836
Of which				
Costs capitalised as part of assets	-	-	-	-

Average number of employees (WTE basis)

	Permanent	Other	2019/20 Total	2018/19 Total
	Number	Number	Number	Number
Medical and dental	46	2	48	53
Ambulance staff	-	-	-	-
Administration and estates	306	27	333	262
Healthcare assistants and other support staff	-	-	-	-
Nursing, midwifery and health visiting staff	19	-	19	21

Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	246	-	246	239
Healthcare science staff	-	-	-	-
Social care staff	28	1	29	29
Other	-	-	-	42
Total average numbers	645	30	675	646

Of which:

Number of employees (WTE) engaged on capital projects	-	5	5	5
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Reporting of compensation schemes - exit packages 2019/20

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,001 - 50,000	2	-	2
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	2	-	2
Total cost (£)	£65,000	£0	£65,000

Reporting of compensation schemes - exit packages 2018/19

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	1	-	1
£10,000 - £25,000	2	-	2
£25,001 - 50,000	3	-	3
£50,001 - £100,000	1	-	1
£100,001 - £150,000	1	-	1
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	8	-	8
Total resource cost (£)	£357,000	£0	£357,000

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The Tavistock and Portman



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