NHS
Lincolnshire Partnership
NHS Foundation Trust

# Annual Report and Accounts for the year 2020/21

*Supporting people to live well in their communities*

**Lincolnshire Partnership NHS Foundation Trust**

# Annual Report and Accounts 2020/21

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

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# Introduction

Welcome to Lincolnshire Partnership NHS Foundation Trust's Annual Report and Accounts for 2020/21. This report contains a summary of the Trust's performance and key achievements and sets out its priorities for the year ahead.

Whilst we are required by law to include technical and financial detail, we have tried to make this overview of the information about our Trust, the services we provide and what we do as easy as possible to read and understand.

For this purpose, we have separated the report into two parts. Part one is a summary of who we are, what we do, what we achieved in 2020/21, what your money was spent on, and other summary financial information.

Part two is set out in a slightly different manner as this section also contains a range of other technical details, statements and financial information, which we are required to produce by Parliament and our legal regulators, NHS England / Improvement.

We hope you will find this report easy to read and understand, as well as interesting and informative. If you would like a hard copy of this document, or want to make any comments about it, please contact us by telephoning 01522 309194 or send an email to LPFT.communications@nhs.net

You can also use these same contact details if you would like a copy in an alternative format.

# Part one

This part of the report is a simple summary of who we are, what we do and what happened in 2020/21.

Our Trust is a large and complex organisation serving the needs of people with mental health problems, learning disabilities and autism living in Lincolnshire.

We are also commissioned to provide children young people's mental health and wellbeing services in North East Lincolnshire.

Part two of this report contains more detail and particular requirements specified by Parliament and our regulator, NHS England / Improvement.

# Foreword from our Chair and Chief Executive

*Kevin Lockyer commenced in his role as Chair at Lincolnshire Partnership NHS Foundation Trust on 1 May 2021 and Sarah Connery has been acting Chief Executive since October 2020.*

Welcome to the annual report and accounts for Lincolnshire Partnership NHS Foundation Trust. Whilst this report is mainly a reflection on the twelve months ending on 31 March 2020, we would also like to take the opportunity to outline some of our plans for the future.

We would like to express our continued and sincere thanks to each and every person in our Trust, for their outstanding contribution to keep our services functioning during these very challenging times. We have been incredibly proud and impressed with the commitment and passion of our staff, volunteers, members and partners, as we have dealt with the COVID-19 pandemic. It has undoubtedly been the biggest challenge we have faced and we know that without this unfaltering dedication, our organisation would not be where it is today. Despite this our organisation has seen some real achievements during 2020/21 that should not go unacknowledged.

We continue to work closely with, and appreciate the support of our partners, including several charities and voluntary organisations, Lincolnshire Police, Lincolnshire County Council, district and borough councils, clinical commissioning groups and other NHS organisations.

We have worked strongly as a Lincolnshire health and care system in our response to COVID-19 particularly with the roll-out of the COVID-19 vaccination programme, which continues at pace across the county.

We have worked as a system to offer an enhanced health and wellbeing offer for staff, as well as launching two 24 hour helplines for people struggling with their mental health. This includes a helpline for adults, which is staffed in partnership with Mental Health Matters, but also an advice line for children and young people and their families. Both have played an important role in supporting people during the pandemic and offering a listening ear when someone is experiencing difficulties.

Mental health provision will be key in supporting those affected by the last year and as we work towards becoming an Integrated Care System (ICS) by 2022, we will continue to ensure that mental health, learning disabilities and autism are given parity of esteem and that we work collectively as organisations for the benefit of our patients.

This past year the Trust and the Lincolnshire health and care system have continued to secure significant investment in mental health, learning disability and autism services, which contributes to the ongoing transformation of services for the people of Lincolnshire. You will be able to read about all of this investment on page 14 of the report, but we would like to reflect on some of the changes.

In conjunction with our commissioners, NHS England and Improvement, we are consulting on the pilot of our enhanced crisis and home support in reducing hospital admissions and improving patient experience. We have seen a significant reduction in the number of young people being admitted to hospital, as well as introducing new mental health support teams, who work with local schools to support pupils with their mental wellbeing.

The transformation of community mental health support in the county has continued at pace, with Lincolnshire one of 12 early implementers allocated to develop new ways of working for people with severe mental illness in 2019. Part of this has included new services for people with personality difficulties and complex trauma, as well as additional community rehabilitation support for those leaving a hospital setting. Both services were launched during 2020 as a pilot in Lincoln and Gainsborough, and will expand further to offer a countywide service over the next year.

We now have mental health practitioners as part of integrated place-based teams, working closely with GPs and other health and social care services to offer a holistic and local approach to caring for the community.

To adapt to the need for different ways of working, many of our services have embraced digital technology for keeping in touch with service users and carers. This has enabled us to maintain contact with service users and continue to deliver services where appropriate, despite restrictions.

With investment in new services and the challenges of the pandemic, the recruitment of new staff has been a significant issue for the Trust. We are doing all we can to retain existing staff, as well as attract new people to work in Lincolnshire and make LPFT an exciting and diverse place to work.

The impact this has had on our workforce, alongside COVID-19 related absence, has meant that throughout the year, the Board of Directors have had to take difficult decisions temporarily to reconfigure services to ensure the safety of patients and staff. As part of emergency contingency plans the Trust had to close temporarily some inpatient units, which you can read more about on page 89.

The temporary reconfiguration of services meant some staff have had to be deployed in the best way to meet the needs of patients.

This allowed us to trial a new Dementia Home Treatment Team, expanding on the older adult mental health home treatment team introduced in 2019, as well as opening a new female acute treatment ward as Ash Villa, in Greylees near Sleaford.

Out of area care has been a significant challenge the Trust and we were committed to reaching the national mandate for no inappropriate out of area admissions by 31 March 2021. With the reconfiguration of services and new investments set out above, we have been able to reduce admissions outside of Lincolnshire to only a handful - a significant achievement in an unprecedented year.

We are delighted to report that during the course of the past year several of our staff colleagues and teams have continued to receive national and local recognition and accreditation and you can read more about this on page 14. We were delighted to have been recognised as a finalist in the mental health trust of the year category at the 2020 Health Service Journal (HSJ) Awards. Whilst we were not successful on this occasion, being a finalist is true testament to the work of all our staff and volunteers.

At the turn of the last financial year the Care Quality Commission (CQC) visited our services as part of their continuous inspection of core services.

We received their report on the inspection of inpatient rehabilitation services in June 2020 and were pleased to be able to retain our overall rating of ‘Good’ and ‘Outstanding’ for well-led. As with all reviews, inspectors highlighted some areas for improvement and our rehabilitation services continue to make excellent progress on actions identified. We look forward to the CQC revisiting services once COVID-19 restrictions allow.

The publication of the annual staff survey results in March 2021 also showed that despite a difficult year, our staff continue to feel positive about working in the organisation. Our staff continue to recommend LPFT as a place to work, and we are in the top ten mental health trusts nationally for this question.

Our staff and volunteers remain our most important asset, and we are grateful for the continued support we receive from our governors and members, helping us to continue to listen to and serve the people in our local communities. We also thank those who give us their support in other ways,

including our staff side representatives, commissioners, local MPs, and local government and of course the stakeholders in the local and regional health and care community.

Now, more than ever we are proud of the Trust and its staff and stakeholders as an organisation with a clear focus on providing high quality care each and every day for our patients, their families and carers and our staff and volunteers.

Kind regards

**Kevin Lockyer**
**Chair**

**Sarah Connery**
**Acting Chief Executive**

**11 June 2021**

# Who we are

*Lincolnshire Partnership NHS Foundation Trust was established on 1 October 2007 under the National Health Service Act 2006 – it was the first NHS mental health organisation to become a foundation trust in the East Midlands.*

Being a foundation trust means it does not report directly to the Department of Health; instead, it reports to the local people through its Council of Governors and is regulated by an independent body called NHS England / Improvement.

The most important part of being a foundation trust is that it brings the organisation closer to the people who matter most. It wants local people, service users and carers and those who support and represent them, to have much more influence over how it goes about planning and delivering services.

It has just under 10,000 members, drawn from the local community and its own staff. It has elected governors to act on its behalf and those governors play a crucial role in everything the Trust does, including appointing its Chair and non-executive directors.

There are also many other benefits of becoming a foundation trust, such as greater financial freedom. Foundation trusts are able to invest and borrow funds and can reinvest surpluses too. This allows the Trust to plan better for the future, and to take decisions about how services are run, knowing the level of available funding.

The Trust can also enter formal partnerships and joint ventures with other organisations outside the NHS – such as voluntary organisations or housing providers.

# What we do

The Trust provides specialist health service for people living in Lincolnshire with mental health problems, learning disabilities or autism, and a range of specialist mental health services to some areas outside the county boundary. Apart from some very specialist services that can only be provided by other organisations outside the area, the Trust provides the full spectrum of mental healthcare and wellbeing services across Lincolnshire; these include:

- Primary mental healthcare, treating common mental health problems such as anxiety or depression, in GP practices, pharmacies, health centres and other settings within the local community.
- Community mental health support for adults, children, families and older people with severe mental illness, including some social care. Including support for veterans, rough sleepers, and those in contact with criminal justice services.
- Crisis and home treatment for all ages.
- Specialist services for eating disorders, sexual assault, personality and complex trauma.
- Hospital services including low secure, psychiatric intensive care, acute and rehabilitation.
- Specialist health services for people with learning disabilities and autism
- Psychological therapies
- Mental health and learning disability liaison which provides support to those in an acute hospital setting.

The Trust also provides some services in neighbouring areas of the country, these include:

- Child and young people mental health and wellbeing services in North East Lincolnshire.

The work of the Trust is increasingly community-based. It provides a wide variety of mental health, learning disability and social care services in close partnership with colleagues in local councils, clinical commissioning groups, charitable and voluntary organisations, as well as with service users, carers and their representatives. The Trust always aims to provide people with alternatives to admission and where appropriate, to provide treatment, care and support outside a formal hospital setting.

Summarised below is a snapshot of who we are and what we do captured into a few key facts.

For the 12 months leading to 31 March 2021, we:

- Supported some 50,000 people who have accessed our services over the last year by:
    - Attending outpatient clinics or appointments.
    - Receiving contact from one of our community teams, crisis and home treatment teams or specialist services.
    - Being admitted to one of our 14 inpatient wards

- Operated from some 45 sites providing services in:
    - Lincolnshire to a population of just over 755,000* across an area of 2,646 square miles.
    - North East Lincolnshire to a population of just under 160,000** across an area of 74 square miles.
- Supported people in around 200 inpatient beds, the majority of which are on our main sites in Lincoln, Grantham and Boston.
- Employed 2,700 staff (up from 2547 in 2019/20), of which 2,176 were female (up from 2034 in 2019/20) and 537 were male (up from 513 in 2019/21).
- Had a membership of circa 9,700 (down from 9800 in 2019/20).
- Worked with an annual expenditure budget of circa £120 million (up from £110 in 2019/20).

*Source: ONS 2018 Mid-Year Population Estimates/ GP Registrations April 2019 (NHS-HSCIC)

** Source: North East Lincolnshire Data Observatory ONS 2018

# Highlights of the year

*A snapshot of a busy year.*

From innovative service transformations to national awards and recognition, the past year has seen many highlights for the Trust:

### Achievements

- In April 2020, the Trust launched the Lincolnshire Criminal Justice Liaison and Diversion service with Lincolnshire Action Trust to support people who are identified as having potential vulnerabilities when they first encounter the criminal justice system.
- Children and adolescent mental health services (CAMHS) launched the Here4You Lincolnshire support line. Professionals, young people and parents/carers can call Lincolnshire Here4You line on 01522 309120 for advice and/or self-referral to our children and young people mental health/emotional wellbeing services.
- The Holistic Health for the Homeless (HHH) service launched, providing physical and mental health support to people living in temporary accommodation or who are homeless in Lincoln.
- Spring Lodge, Lincolnshire's Sexual Assault Referral Centre celebrated its 10-year anniversary. Since opening its doors in March 2010, the centre has helped 2,275 men and women through its independent sexual violence advisor and forensic medical examination services.
- In October 2020, the Trust was appointed as the lead provider of the Veterans' Mental Health High Intensity Service (HIS) Midlands, which delivers an intensive package of support to veterans in crisis and their families. LPFT is working in partnership with Coventry and Warwickshire Partnership NHS Trust and Birmingham and Solihull Mental Health NHS Foundation Trust, as well as specialist charities Mental Health Matters and Tom Harrison House, to offer a bespoke package of care.
- The Trust launched accessibility guides for its services in December 2020. The guides include information about the Trust's 50+ sites, to help patients, visitors and staff to plan their journey to and around our buildings.
- The CQC 2020 inspection report published in June 2020 following an inspection in March 2020 confirmed that the Trust maintained an overall rating of 'Good' and 'Outstanding' for well-led.
- Working alongside the NHS Lincolnshire Clinical Commissioning Group, the Trust successfully completed a bid for Lincolnshire to be awarded over £220,000 to support winter pressures across mental health services – in particular for services including a community mental health hub in Gainsborough, the Night Light Crisis Café in Lincoln, and enhanced rough sleeping services.
- In December 2020, the Trust was successful in its bid for funding from NHS England to eradicate dormitory ward accommodation in its adult acute inpatient services. It was confirmed that the Trust would receive £37 million to re-provide its three acute wards, two in Lincoln and

one in Boston, enabling the Trust to provide individual en-suite bedrooms for acute patients and a much improved patient environment.

- Ash Villa in Greylees, Sleaford was repurposed as a 15-bedded female acute treatment ward, which opened on 1 March 2021. This will help to prevent patients with acute mental ill health needing to travel out of Lincolnshire for their care. Plans are also being developed to bring back into use the land owned at Norton Lee in Boston.
- Continued pilot of intensive home treatment and new models of care for children and young people in Lincolnshire. Significantly reducing the number of young people admitted to hospital.
- Launch of mental health support teams for children and young people in Lincoln, Gainsborough and now extending to Boston and Skegness.
- Expansion of peer support worker roles in children and young people's services, including the recruitment of a parent/carer peer support worker.
- Engagement at a national level sharing good practice from our 'Outstanding' Young Minds Matter children and young people's service in North East Lincolnshire.
- Successful roll out of ePMA (Electronic Prescribing and Medications Administration) to many wards across the Trust, including; Francis Willis Unit, Maple Lodge, The Vales, and The Fens. ePMA is an electronic system that replaces paper medication charts and provides background decision support for medics and nurses when prescribing or administering medications.
- Experts by experience from learning disability services have worked with the Trust to develop a suite of support information for people with a learning disability and/or autism during the COVID-19 pandemic, including information to support social isolation.
- Continued cross-division work to implement the Transforming Care agenda, supporting people with a learning disability and/or autism to avoid inappropriate hospital admission, make adjustments to support access to other health and care services
- Work on the first phase of Lincolnshire's community mental health transformation programme has continued, to improve community support for those with serious mental health problems. The Trust is one of 12 early implementers and received £7 million to support the transformation. The work includes a focus on integrated place based teams, social prescribing, additional support for personality difficulties and complex trauma and community rehabilitation.
- The Trust's pilot of community rehabilitation launched in Lincoln and Gainsborough during the summer 2020 and has been supporting the discharge of patients with long term mental health problems to live well in their communities.
- A dedicated personality and complex trauma team launched in September 2020 to support patients. The new service will ensure that patients receive appropriate evidence based therapy, including an intensive dialectical behavioural therapy programme. Initially this team are supporting those in the Lincoln and Gainsborough area with the ambition to expand to a countywide service.

- As part of work to reduce patients travelling out of Lincolnshire inappropriately for hospital care and enable people to live well in their communities, the Trust has reviewed inpatient and crisis services offered and made changes to the Wolds ward in Lincoln, which now offers reablement for those who have had an acute mental health admission to support reintegration into their community. Patients generally stay on the ward for up to 28 days.
- The new Dementia Home Treatment Service launched as a pilot in May 2020 and. The service helps to prevent unnecessary admissions to hospital and better supports our patients with dementia and their carers closer to home.
- The Trust made further improvement in its national NHS staff survey results. The organisation also benchmarks amongst the best mental health and learning disability trusts across a number of themes. The survey staff response rate was maintained amongst the best response rates nationally at 61 per cent.
- As part of this year's flu vaccination campaign, approximately 77% of all staff and 92% of our frontline health care workers were vaccinated against flu. This is the highest uptake in Trust history and will help to protect staff and patients.
- The roll out of Microsoft Office 365 across the Trust supports increased digital ways of working. This includes the use of video conferencing to better support our patients and carers during the pandemic.
- Successful roll out of Microsoft Teams to all staff in the Trust, ranking LPFT as one of the top 10 NHS trusts users. Using the new digital platform has been of huge benefit to teams, especially with the increased remote working.
- A refreshed Carer Strategy for 2021/2022 was co-produced with Carers and sets out the strategic ambition for all services to meet and sustain the best standards of care and support for Carers. A new Carers Council was established, to hear and act on the views of Carers, and we continued to support our Carers through lockdown with various ways of staying in touch, education and support groups and one to one support. For our people who identify as Carers, we established a staff network group and we successfully achieved the Carer Confident Benchmarking accreditation scheme for employers.

## Awards

- Susannah Lancaster, a Practitioner in Healthy Minds Lincolnshire working in Lincoln, shortlisted as a finalist for the Association for Psychological Therapies (APT) Awards for Excellence in September 2020. This shortlist was for the Reinforce Appropriate, Implode Disruptive (RAID) Award for Excellence in working with challenging behaviour.
- Lyndsay Khan, Team Manager for Veterans' Mental Health Transition, Intervention and Liaison Service (TILS) won Mental Health Nurse of the Year at the national British Journal of Nursing Awards in August 2020.

- In November 2020, the Trust was recognised as a finalist in the Nursing Times Workforce Awards 2020, in the category ‘Best Workplace for Learning and Development’. This was in recognition of efforts made to streamline and improve vital Prevention and Management of Violence and Aggression (PMVA) training, which enables the safety of both staff and patients on wards.
- The Lincolnshire NHS system won Active Lincolnshire’s Lincolnshire Sport and Physical Activity Awards 2020. The Trust’s staff emotional wellbeing helpline, run by LPFT staff wellbeing team, was part of this nomination and the support the team provide in the wider health and care system.
- The Trust maintained its Silver TIDE (Talent Inclusion and Diversity Evaluation) Award.
- The Trust was shortlisted for Mental Health Trust of the Year in the Health Service Journal Awards 2020. This national recognition commends the ongoing work of our Trust to transform mental health and learning disability services for vulnerable communities across Lincolnshire, enabling them to access excellent care as close to home as possible, in the least restrictive environment.

## Accreditations

- Community mental health teams based in Lincoln, Stamford, Spalding and Skegness, achieved the Accreditation for Community Mental Health Teams (ACOMHS) from the Royal College of Psychiatrists. The Trust now has seven of its nine community teams accredited, with the final two teams working towards the national accreditation.
- In June 2020, the Trust was formally accredited as a Veteran Aware NHS Trust from the Veterans Covenant Healthcare Alliance (VCHA).
- The Trust was reaccredited with its two-star status for the Carers Trust ‘Triangle of Care’ programme in January 2021, recognising the support provided for carers.
- The Prevention and Management of Violence and Aggression Team achieved the British Institute for Learning Disabilities (BILD) Association of Certified training mark by meeting all restraint reduction network standards.
- The Trust achieved Level 1 of the Carer Confident benchmark from Carers UK, recognising the support offered to staff with caring responsibilities.
- In January 2021, the Trust achieved the Level 1 accreditation through the Future-Focused Finance Towards Excellence programme, ensuring our finance practices support the delivery of quality services for patients.
- The steps2change service was re-accredited with the Royal College of Psychiatrists Accreditation programme for psychological therapies (APPT).
- The Boston Crisis and Home Treatment Service achieved the Home Treatment Accreditation Scheme (HTAS) through the Royal College of Psychiatrists.

# Performance

This brief overview provides a short summary of the Trust's purpose, explains where information on the key risks can be found and comments on the Trust's achievements and performance in the year.

In addition to the Chief Executive's comments in the foreword to this report, the Chief Executive is pleased to summarise the following key performance areas.

In 2020-21 the Trust produced a financial outturn of £441,000 operating deficit (see Annual Accounts) and, maintained its NHS Oversight Framework segmentation of 1, further detail on the Segmentation is included in part two of this report. NHS England / Improvement place trusts in the appropriate NHS Oversight Framework segment across five themes of quality of care, finance and use of resources, operational performance, strategic change and leadership and improvement capability. Segment 1 is given to trusts that have maximum autonomy, with no support needs and the lowest level of oversight required.

The Trust has, over the past five years, seen a marked improvement in its national NHS staff survey results, placing the Trust in the top performing mental health and learning disability trusts for staff satisfaction. Full details of the results are available in the Staffing section of this report

The key risks for the organisation are reported in a risk register at every Board of Directors' meeting and as part of the Annual Governance Statement later in this report. The Board monitors its key performance indicators (KPIs) via an integrated performance report received at every meeting of the Board of Directors and published on the Trust's website.

These metrics are chosen as "Pulse Measures" which sample a range of variables across services. These include for example, staff vacancies, training compliance, clinical caseloads and waiting lists, which build up a picture of how individual teams, services and divisions are performing. Each metric has tolerance levels which allow for natural variation within defined risk levels. If these are breached, investigations commence to check on all aspects of the services performance and to understand what changes have occurred and if action plans are required to restore performance.

The integrated performance report also includes national measures which form part of the Single Oversight Framework (SOF). One area monitored as part of the SOF that the Trust was not able to meet during 2020-21 was the need for inpatients to be offered regular healthcare checks whilst on our wards. The Trust's physical health care nurses were redeployed across the system to support with the COVID-19 response during the last year and this has hindered physical health checks

taking place regularly for some of our inpatient wards. These have been reviewed and action plans are in place to support the recovery and restoration of these services.

In 2020/21 the access standard for improving access to psychological therapies (IAPT) was also not met for the first quarter of the year. This is a national standard the Trust is monitored against but does not form part of the SOF compliance.

This reduction in performance corresponded with the first COVID-19 lockdown and urgent changes in services. The team were quickly able to implement online services and virtual clinics, with some risk assessed face to face contacts so only saw a temporary dip in performance. This dip in access has been mirrored across the country for all services.

In addition, the referral to treatment waiting-time standard of 92% of patients seen within 18 weeks has deteriorated over the 2020-2021. This has been impacted by several factors including repeated lockdowns, patients and staff shielding and redeployment of staff to support front line clinical needs. Actions have been identified with timeframes to restore performance over the coming year.

More detailed performance reporting is reviewed through the Sustainability and the Quality Committees. These forums enable greater levels of investigation into specific service areas that are identified as higher risk of non-compliance or poor performance. It also enables areas of excellent practice to be described and modelled throughout other areas in the trust.

During 2020/21 the Trust has made marked and significant improvements in its estate and inappropriate out of area acute admissions. The Trust has secured funding to replace its existing dormitory wards and work is underway to plan and build three new wards. In addition, a 15 bedded female acute ward with single bedrooms has been opened, and a rehabilitation ward converted to a re-enablement ward as part of transforming the patient care pathway. The Trust is now avoiding out of area inappropriate acute mental health patient admissions.

The Board has reviewed and published new Strategies and is redeveloping the methodology it applies to its Board Assurance Framework in order to provide the Board with assurance that the risks are identified, appropriately aligned to the Board's risk appetite and have appropriate controls and mitigations in place.

## Equality of service delivery

The Trust adopted a COVID-19 Rapid Equality Impact Assessment (EIA) tool in June 2020 in order to ensure any COVID-19 related service decisions had considered potential impacts of different groups. This has been adapted to become the Trust's only equality impact assessment and will be used for all policies and decisions going forward if signed off for use.

The intention is this will be adopted across the whole system so that whichever trust or organisation it is there will be consistency in the EIAs that are completed.

The Trust does collect equality monitoring information by protected characteristic areas for the Friends and Family Test and complaints data. This data is published annually in the Trust's Equality, Diversity and Inclusion annual report which can be found on our Trust website www.lpft.nhs.uk.

To promote equality of service delivery in our organisation the Trust has launched a video on demand interpretation service to support with being able to offer patients who do not speak English as a second language equality of service delivery during COVID-19 where visitors accessing sites was required to be reduced. This is in addition to already existing arrangements for face to face interpretation service, a telephone interpretation service and a document translation service.

The Trust is committed to ensuring equality of service delivery and further work to evaluate and review current approaches is underway.

# Quality priorities

The Trust initially identified six quality priorities for 2020/21 which pre-dated the onset of the COVID-19 pandemic. As highlighted in last year's report, in response to the changing health and social care context presented by the ongoing management of COVID-19 it was anticipated that the Trust's quality priorities would change to support revised ways of working and caring for our patients/service users, carers and staff.

It was recognised that priority areas for the year had changed and following a review of these quality priorities by key operational and clinical leaders the quality priorities for 2020/21 were replaced with:

**Quality Priority 1 – Patient Safety**

- 10% reduction in the use of physical restraint (compared to 2019/20) across all identified inpatient wards by 31/3/2021.

**Required outcome measure**

- 846 or less occasions when physical restraint is used.

**Quality Priority 2 – Patient Experience***

- Employees and patients have a positive experience of the new ways of working and clinical outcomes are maintained and improved.

**Required outcome measure**

- To demonstrate a qualitative and quantitative positive result from both employee and patient surveys relating to the new ways of working during the COVID-19 pandemic response.

**Quality Priority 3 – Clinical Effectiveness***

- All patients within the Trust's care will access safe and effective care which is COVID-19 compliant to infection prevention and control guidance.

**Required outcome measure**

- Demonstrate compliance with the COVID-19 IPC Board Assurance Framework.

**Due to two of these quality priorities being new, but also specifically focussed upon areas related to COVID-19 no baseline data has been available.*

For 2021/22 each of the four clinical divisions have formulated a quality priority for their area of work and the progress of achievement for these will be monitored through the Trust's operational interface sessions and reported three times a year to the Patient Safety and Experience Committee, a sub-committee of the Quality Committee.

# CQC inspections

The Care Quality Commission (CQC) inspected the Trust's long stay rehabilitation wards for people of working age between the 10 and 12 March 2020; subsequently, the CQC temporarily suspended all routine inspections on 16 March 2020 to support and reduce the pressure on health and social care services during the COVID-19 pandemic. This resulted in the well-led inspection of Trust services being suspended and the CQC was not able to update findings on well-led at the overall trust level or update the other trust-level ratings. As a result, the ratings for the well-led included within the report are from a previous inspection. The full report is available on the CQC website at: www.cqc.org.uk.

The report identified five actions which the Trust must do to bring service in line with legal requirements:

- The trust must ensure that there is an adequate staffing establishment, to meet acuity of patients and their rehabilitation needs on all wards.
- The trust must ensure there is adequate occupational therapy across the service.
- The trust must ensure that all staff receive training in recovery focussed interventions.
- The trust must ensure that they have effective and service specific outcome measures and that staff can understand and use them correctly.
- The trust must ensure that all staff receive and record supervision in line with the providers policy.

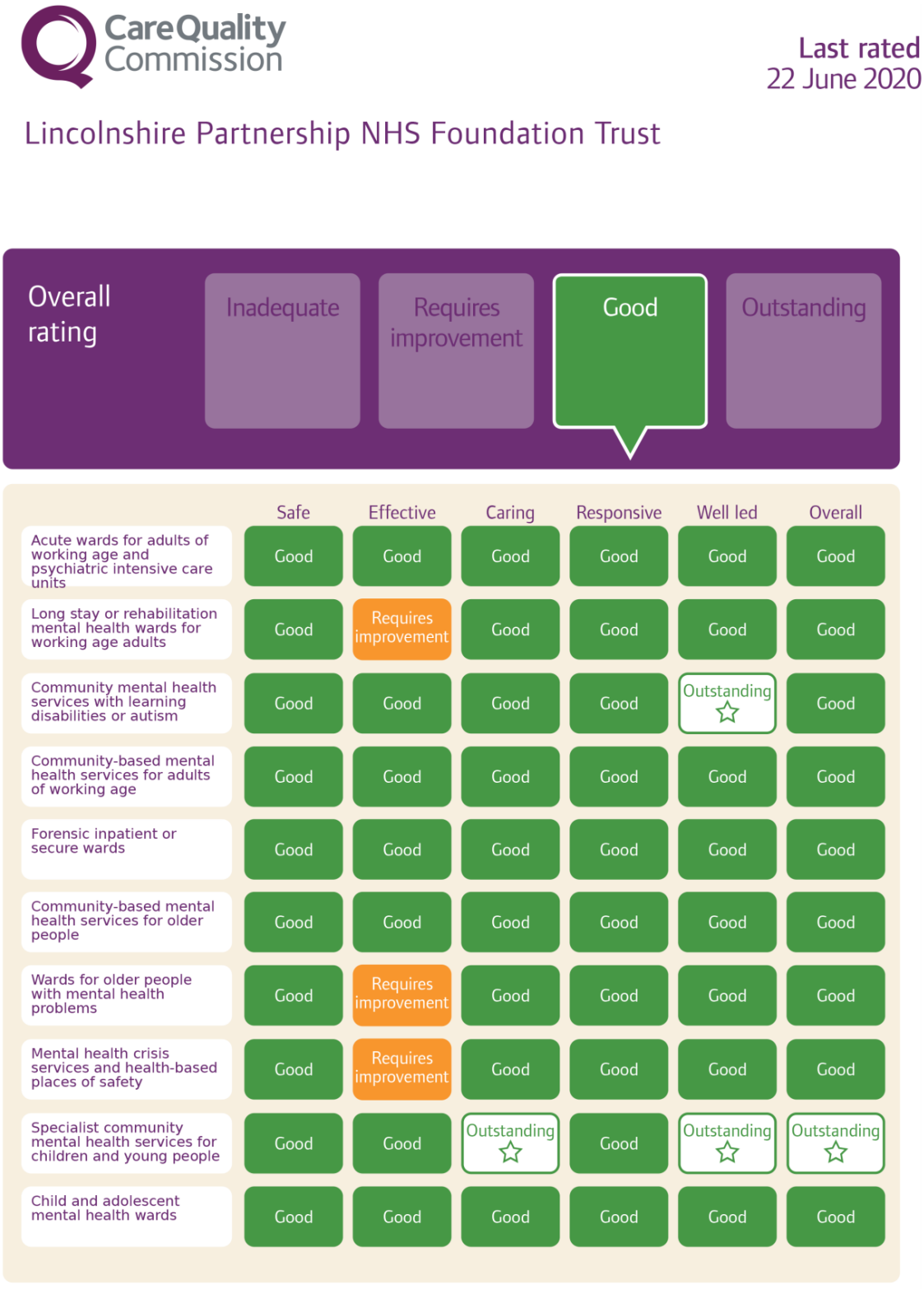
The following 'should do' actions were highlighted to prevent failing to comply with legal requirements in the future or to improve services:

- The trust should review, patient access the rear garden on Wolds ward to facilitate best use of the garden.
- The trust should ensure that physical health observations and checks for patients on high dose antipsychotics are recorded properly and accurately on all wards.
- The trust should ensure that staff follow the current model of rehabilitation to meet the patient's needs.
- The trust should ensure that all staff understand how the Mental Capacity Act impacts on their work role, how to complete Mental Capacity Act decision making paperwork in full and correctly, and where to store it on the electronic record keeping system.
- The trust must ensure that patients' privacy and dignity is always maintained at Ashley House.

All the above actions have been addressed in a comprehensive action plan as part of our continuous quality improvement. A clear process was in place to monitor the action plan and check progress, working with operational managers and clinical leads. The action plan was

presented to the Trust's Quality Committee for oversight. The actions highlighted have been addressed and work continues to improve services through the Trust's continuous quality improvement programme.

The Trust's current rating chart is below:



# Environmental sustainability performance

Throughout 2020/21 the Trust has developed and updated its key environmental and sustainable priorities as detailed in the Trusts 'Sustainability Development Management Plan'. A summary of the key actions within the plan are detailed below:

- **Healthy, sustainable and resilient communities** - The Trust's estate supports the principles of sustainability; it has a range of owned and leased properties of varying ages and conditions. The Trust has continued rationalise its estate, disposing of old inefficient properties, upgrading inefficient buildings and commissioning new, high sustainability/low carbon properties. Through operational reviews and collaborative initiatives with local NHS partners and other third parties, the Trust has been able to maximise opportunities for shared use of buildings. The Trust is working with the Greater Lincolnshire One Public Estate and the Lincolnshire Sustainability and Transformation Partnership to develop medium and long term strategic estate plans which align with National initiatives, it is also actively involved in the Greater Lincolnshire Local Enterprise Partnership's energy strategy. A formal partnership agreement between Lincolnshire Community Healthcare NHS Trust and Lincolnshire Partnership NHS Foundation Trust has been in place since April 2019; this allows one Estates and Facilities team to support both Trusts and facilitates the use of shared office estate. It demonstrates the efficient partnership working of the Trust and has expanded to deliver security and gardening support services to ULHT with additional opportunities to support the wider NHS community in future.

- **Commissioning and procurement**- The Trust's sustainability and environmental policies apply to its commissioning and procurement of properties, equipment and services. All 'offers of tender' include clauses to cover ethical procurement, carbon reduction policies, sustainable supply chain sourcing, use of local services and are in accordance with the Social Value Act 2012. 'Procure 22' is administered by the Department of Health for the development and delivery of NHS capital schemes; it meets all the governments' environmental and sustainability requirements. The Trust is utilising the 'Procure 22' contract to successfully commission a project to build two new wards adjacent to the Peter Hodgkinson Centre, Lincoln. This will help the Trust to eradicate dormitory accommodation and provide single bedroom ensuite facilities and a more suitable environment for our service users to receive care. The project will utilise MMC (modern methods of construction) which supports efficient and economical construction practices using standard repeatable design specifications and offsite modular construction where appropriate and practical. The Trust has agreed to the NHSE/I pledge to reduce plastic waste in support of the environment and NHS Long Term Plan ; by April 2020 to no longer purchase single use plastic stirrers and straws (specific

needs excepted), and by April 2021 no longer purchase single use plastic cutlery, plate or single use cups made from polystyrene or plastics.

- **Carbon hotspots** – COVID-19 has had a major impact on the amount of travel throughout 2020/21, however the Trust has always tried to minimise the impact of staff travel on the environment, mileage is monitored through a claim's approval process. The Trust has implemented mobile working and hot desk arrangements across the county, as well as efficient workload planning. The Trust has invested in technology which allows staff to join meetings virtually which often eliminates the need for them to travel and attend meetings in-person. Low carbon travel such as; cycling, walking, electric vehicles and car sharing is encouraged, and incentives have been introduced. A Travel Plan working group has recently been set up with members of staff from across the Trust both clinical and nonclinical from various geographical locations. This group will work with the Energy Environment Sustainability Manager to develop a Travel plan for the Trust, the travel plan will to set out how the Trust will look to improve upon or increase the use of ideas that have already been implemented and develop new ideas to reduce carbon emissions and air pollution in the environment.

  Due to the diverse geography of Lincolnshire the Trust endeavours to provide local services in each population centre and tries to develop a service presence in each locality. Partnership working with other providers and the local community helps to progress this initiative.

  The Trust works in partnership with a vehicle lease company to incentivise staff to select electric and low emission hybrid vehicle as opposed to larger engine diesel or petrol vehicles. The Trust has recently installed 8 Electric Vehicle (EV) charging points on the St Georges site to support the use of EV's. Following evaluation, the installation of EV chargers will be rolled out to other sites including: Ash Villa (Sleaford), Elm Lodge (Grantham) and the Francis Willis Unit (Lincoln ULHT site) .

  The Trust Estates Department has leased its first electric van used by the maintenance team, as the current stock of vans used by the team come to the end of their lease term, they will be replaced with electric vans where appropriate.

- **Energy and carbon management** - The Climate Change Act 2018 commits the UK Government by law to reducing greenhouse gas emissions by at least 80% of 1990 levels by 2050. The Governments Committee on Climate Change has recently advised that:
    - The UK must reduce its greenhouse gas emissions by at least 100% compared to 1990 levels (up from a previous commitment of 80%).

- Must review the first five ‘carbon budgets’, which set legally binding targets for emissions reductions between 2008 and 2032; these have been legislated in line with the Committee’s advice. (They require a reduction in UK emissions of 57% from 1990 to 2030 and, if delivered, will keep the UK on track to meeting the 2050 target).

As the largest public sector emitter of carbon emissions, the National Health Service has a duty to respond to meet these targets which are entrenched in Law. LPFT has agreed to this challenge and is now working towards it.

A road map to net zero carbon has been produced by the Trust to show how we aim to achieve the required net zero carbon targets set for the NHS by 2040 with an ambition to reach an 80% reduction by 2032.

The Trust has recently completed a number of energy surveys on occupied properties with a gross internal area greater than 250m², data and information gained from these surveys will be used to identify areas where energy efficiency improvements can be made, and the use of sustainable and energy efficient equipment can be utilised. Through low level surveys, sites have already been identified and funding obtained to replace old inefficient gas boilers with new high performance energy efficient gas boilers, along with the removal of large volume gas fired water heaters, and replaced with either point of use or low volume electric energy efficient water heaters.

The Peter Hodgkinson Centre two ward capital development project, will be constructed with high levels of insulation and energy efficient windows and doors to ensure heat loss is minimised, with solar panels also installed on the roof to give a sustainable supply of electricity, and contribute to the reduction in utility costs.

Currently via procure 22, the redevelopment of the Norton Lea site in Boston is in the very early stages, and discussions are currently taking place to develop a carbon reduction strategy for the project build, this will enable the project to be built sustainably and ensure the finished build is either net zero or as close to net zero carbon emissions as funding will allow without compromising the requirements of the clinical services.

Work continues to improve the recording of energy and utilities usage via increased sub metering, through use of existing or new submeters. New records have been created to work with the Estates CAFM system (Planet) to improve accuracy of records, record carbon emissions and produce reports.

The Trust is actively involved in the 'Lincoln Climate Commission' which has been implemented to examine, consider and scrutinise carbon reduction and climate resilience issues across the city of Lincoln. The Commission provides a strategic forum for setting and championing Lincoln's transition to a zero carbon and climate resilient future by driving positive action, developing communication strategies, and creating the space of collaboration and cooperation between stakeholders, interest groups and partnerships.

- **Waste and recycling** - The Trust maximises the recycling of waste and minimises the impact on the environment for the disposal of other waste streams. Wherever possible Trust waste is segregated by staff, collected and processed by competent waste contractors. Where waste cannot be segregated at source, it is processed by waste management contractors to minimise its environmental impact. Auditable processes are in place to ensure compliance through contract monitoring and spot audits. All staff members have a duty of care to assist and support this regime by carefully segregating their waste. Training is being developed as part of the Trust induction process for new employees to ensure the culture of the Trust aligns with its sustainable ambitions. Initiatives such as the re-use of surplus furniture and equipment within the NHS are in place and local arrangements such as the surplus furniture storage and reallocation facility is fully operational.

# Important events during financial year

### COVID-19 pandemic

The Trust has made additional disclosures later in this report and within the Annual Governance Statement in regard to the impact of and the actions taken in response to the COVID-19 pandemic.

**Sarah Connery** **11 June 2021**

**Acting Chief Executive and Accounting Officer**

# Accountability report

## Board of Directors

*The Trust Board consists of the Chair, executive and non-executive directors, including the Chief Executive. They are collectively responsible for the performance of the Trust.*

The role of the Trust's Board of Directors is to consider strategic, managerial and performance issues facing the Trust. Directors are accountable for meeting national standards, performance targets, and governance and financial targets. The executive directors are responsible for the day-to-day running of the organisation working with the non-executive directors to translate the Trust's strategic vision into operational practice. The non-executive directors provide an independent view on strategic issues, performance, key appointments and hold the executive directors to account. The Trust Board is made up of the Chair, five non-executive directors, the Chief Executive and five executive directors. In order to maintain stability the overall numbers can be increased slightly at time of transition. During 2020/21 a small number of changes occurred and are shown in the directors' profiles on the next page.

The Board's business is conducted through eight meetings a year of the Board of Directors, which are held in public. The minutes and other papers from these meetings are published on the Trust's website at: www.lpft.nhs.uk/board . In addition the Board has a range of Committees to provide further scrutiny and assurance. These Committees were reviewed and amended in the year, details are included in the governance section of this annual report.

The people who served on the Board of Directors for the year ending 31 March 2021 are as follows.

**Paul Devlin**

Chair

Appointed to Board May 2015

Second term expires May 2021

Paul has had a varied career with a number of senior leadership roles within the third sector for organisations such Action for Children, Age Concern and Headway, the brain injury association.  Paul is also the Chair of Nottinghamshire Healthcare NHS Foundation Trust.

Paul is a self-employed organisational development consultant and was previously Chief Executive of Healthwatch Birmingham, with non-executive director experience at NHS Derby and Derbyshire County Cluster PCT.

**Brendan Hayes**

Chief Executive

Appointed May 2019, retired November 2020.

Brendan has a successful track record in leading service and organisational improvement and developing models of care.

As a qualified nurse with a strong mental health and operational management background, Brendan brought a wealth of experience gained over a number of senior NHS roles.

**Sarah Connery**

Director of Finance and Information from September 2017

Permanent contract with three-month notice period

Acting Chief Executive October 2020 to date

Sarah joined the Trust from Nottinghamshire Healthcare NHS Trust as Deputy Director of Finance in April 2015.

She has worked in the NHS for 15 years in various senior finance roles and has wide business management experience from working in the retail and audit sectors.

## Executive directors

**Ananta Dave**

Medical Director

Appointed in May 2019

Permanent contract with three-month notice period

Her previous management experience included being Clinical Director for Quality and Safety and interim Clinical Director for Child and Adolescent Mental Health Services. Ananta is a Fellow of the Royal College of Psychiatrists, holds an MD in Psychological Medicine and a Masters in Medical Ethics and Law, and is also an experienced clinician and medical educator who has established and led new services.

**Christopher Higgins**

Director of Operations

Appointed 1 March 2019 on an interim contract

Appointed on 1 October 2019 on permanent contract

Permanent contract with three-month notice period

Chris joined the Trust in 1998. Has been qualified as a mental health nurse for 21 years with additional clinical and health leadership qualifications.

He has held a range of clinical and non-clinical roles in the Trust including nursing, business development, strategy and operations.

He has led the implementation of a number of service improvements including service redesign, advancement of integrated neighbourhood working, trialling older adult home treatment services and reducing of out of area mental health placements.

**Anita Lewin**

Director of Nursing, Allied Healthcare Professionals and Quality

Appointed on 1 December 2018 on an interim contract

Appointed on 1 October 2019 on permanent contract

Permanent contract with three-month notice period

Anita joined the Trust in 1986 and has been qualified as a nurse for 30 years.

Anita has senior management experience of leading clinical teams within the Trust and has led the implementation of numerous innovative projects.

During 2020/21 Anita has led the Trust's COVID-19response to infection control and immunisation.

She holds a Lifetime Achievement Award, presented at the Lincolnshire Health Awards for services to mental health.

**Jane Marshall**

Director of Strategy and Performance

Appointed to Board February 2012

Permanent contract with six month notice period

Jane is responsible for leading the strategic development of Trust services, developing partnerships, ensuring the Trust meets all national and local standards and for developing services.

She has held board level director posts in mental health, acute services, commissioning and service development in the NHS and has a strong commitment to improving services for patients.

**Mark Platts**

Acting Director of Finance and Information

Interim appointment from October 2020 with no notice period

Substantive role:

Deputy Director of Finance with three month notice period

Mark joined the Trust in 2008 having started working in the NHS in Lincolnshire as a graduate trainee.

Mark is a qualified accountant and is currently completing the Institute of Directors Certificate in Company Direction qualification.

With over 15 years' experience and knowledge of working within the local healthcare system Mark has supported the development of the Trust to maximise the funds available for service delivery.

As the executive lead for many key projects across the healthcare system Mark continues to use his experience to focus on enhancing patient care whilst balancing this with the financial pressures faced by the NHS

## Non-executive directors

**Philip Jackson**

Appointed June 2016

Deputy Chair since 1 June 2019

Second term expires May 2022

Senior Independent Non-Executive Director 1 August 2018 to 31 May 2019.

A Chartered Chemist and Chartered Health and Safety Practitioner with over 20 years' experience in technical and managerial roles. He is currently a freelance health and safety consultant specialising in chemical safety and the transport of dangerous goods.

Philip has previously held a non-executive director role for Northern Lincolnshire and Goole NHS Foundation Trust for ten years, four as Deputy Chair.

He has also previously held roles as Chair of Humberside Probation Trust and Non-Executive Director of West Yorkshire Community Rehabilitation Company, as well as being an elected member of North East Lincolnshire Council.

**Hugh Howe**

Appointed May 2018

First Term expired on 30 April 2021, with an extension to 31 July 2021

Senior Independent Non-Executive Director since 1 June 2019.

Hugh Howe has a long and successful career in education including previous roles as Head of School and Head of Academy chain.

He has worked with boards of governors, often having to negotiate local political issues and has dealt with financial and complex personnel issues.

Hugh was awarded a CBE for his significant contribution to education in Sheffield.

He has also undertaken the NHS England / Improvement NExT Director programme.

**Adrian Carridice-Davids**

Appointed 1 February 2019

Resigned December 2020

During Adrian's career he has held a range of senior level positions, including non-executive director, executive director and consultant.

Adrian is a social entrepreneur he has spent over 10 years running a business that was mission driven with social change at its core.

He has worked in and for the voluntary and public sectors offering strategic oversight and development, working on initiatives with communities delivering, managing and overseeing projects.

**Sharon Robson**

Appointed 1 February 2019

Term expires January 2022

Sharon Robson is a registered nurse with 37 years' experience. She has a wide variety of clinical leadership positions within NHS commissioning organisations, including board level executive nurse roles. Sharon has led a range of portfolios at board level and since retiring from the NHS in 2015, Sharon has worked independently and was appointed as an Independent Nurse for Nottingham clinical commissioning groups' (CCGs) governing body.

**Andy Spring**

Appointed 1 February 2019

Term Expires January 2022

Andy is a qualified accountant and experienced director with over 23 years' experience at board level within NHS commissioning organisations.

His experience as an executive director has also provided the opportunity to work with a wide range of colleagues and non-executive directors

Over the last few years, been working with a variety of organisations on governance and sustainable transformation.

His abilities in strategic thinking, influencing, leadership and communication skills, enables him to maximize the benefits for all stakeholders

# Changes to Board membership

2020/21 has been a more stable year for Board membership. Having made many changes in early 2019 the Board membership settled and remained stable until a retirement and a resignation late in 2020. The changes are listed below:

### Executive directors

- In November 2020 Brendan Hayes retired from the position of Trust's Chief Executive.
- Sarah Connery, Director of Finance and Information became the Acting Chief Executive in October 2020.
- Mark Platts, the Deputy Director Of Finance became the Acting Director Of Finance and Information in October 2020.

### Non-executive directors

- In December 2020 Adrian Carridice–Davids resigned from the position of Non-Executive Director. The vacancy was filled on 1 May 2021.

All the Trust's non-executive directors are considered independent. The non-executive directors constructively challenge the executive team and work together to develop proposals on strategy. The Board and its committees scrutinise the performance of the Trust's management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. The non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary, removing executive directors, and in succession planning.

The non-executive directors are the custodians of the Trust's governance process. Whilst they are not involved in the day-to-day running of the organisation, they do monitor the executive activity and contribute to the development of strategy.

The Senior Independent Non-Executive Director provides a sounding board for the Chair and serves as an intermediary for the other directors when necessary. The Senior Independent Non-Executive Director is available to governors if they have concerns that contact through the normal channels has failed to resolve, or for which such contact is inappropriate.

The Board of Directors ensures that adequate systems and processes are maintained to deliver the Trust's annual plan, measure and monitor its effectiveness, efficiency and economy, and delivery high quality healthcare. The Board Assurance Framework and performance reports enable

continuous and comprehensive review of the Trust's performance, against agreed plans and objectives.

## Board members' other commitments and interests

Company directorships and other significant commitments held by Board members are outlined above. The Chair is a Director of Because it Matters Ltd. This is not considered to be a significant commitment, and is declared in the register of directors' interests. On the 1 January 2020 the Chair of the Trust also became the Chair of Nottinghamshire Healthcare NHS Foundation Trust, robust governance processes to manage the two roles and any potential conflicts of interest have been established and approved by the Board of Directors and the Council of Governors. All Board members are required to disclose their relevant interests in the register of directors' interests which is formally received by the Board of Directors at the beginning of each of the meetings. The full register is available from the Trust Secretary and is publicly listed on the Trust's website www.lpft.nhs.uk.

## Appointment and removal of Board members

In accordance with the requirements of the NHS Act 2006, the Foundation Trust Constitution outlines the respective responsibilities of the directors and governors in appointing and removing Board members.

The Council of Governors is responsible for appointing, and if necessary, removing the Chair and non-executive directors, as well as approving the appointment of the Chief Executive. The Council of Governors' Nominations and Remuneration Committee is in place to make recommendations to the Council on the appointment and remuneration of these positions, including identifying suitably qualified candidates for appointment. These duties were effectively discharged in the selection of a new Chair, Kevin Lockyer and two new Non-Executive Directors, Di Bailey and Tim Harry who will commence at the Trust on 1 May 2021. Full detail will first appear in the 2021/22 annual report.

**The Nominations and Remuneration Committee:**

- Paul Devlin
- Debbie Abrams
- Linda Lowndes
- Ron Oxby
- Jacky Tyson
- Daniel Fleshbourne
- Pauline Mountain – until January 2021

## Well-led reviews

Foundation trusts are required to undertake a Well-led governance review every three years. The Trust commissioned a Well-led review to be undertaken between January and March 2017. The Trust received the final report in June 2017. The Board of Directors undertook a further self-assessment in June 2018 ahead of the Care Quality Commission (CQC) undertaking a Well-led-Review in December 2018. The CQC assessed the Trust as Outstanding for Well-led. In February 2020 the Care Quality Commission returned to undertake a review of one core service and were due to return to undertake a well-led review in March 2020. This was postponed due to the restrictions imposed as a result of the COVID-19 pandemic. In preparation for the planned inspection the Board had conducted a self-assessment using he CQC's current well-led criteria. The self-assessment did not identify any areas of concern. During the COVID-19 pandemic a position of proportionate governance has been adopted. The Board has continued to monitor its performance via its internal audit programme and via a review of the Trust's strategies, governance arrangements and Board Assurance Framework. The Audit Committee and Board have considered and been assured that the governance arrangements are satisfactory. A further review will take place after the impact of the pandemic subsides.

## Stakeholder relations

The Trust is a full and active participant in the Lincolnshire Sustainability and Transformation Partnership (STP), the Trust's contribution to the partnership is both financial and in terms of staff and other resources. The Trust leads on the mental health and learning disability work stream within the STP and has delivered on the objectives of those work streams. The development of the Integrated Care System against the context of the COVID-19 pandemic has enabled the system to learn many lessons and has drawn the Lincolnshire system closer together in developing shared priorities and resources.

The Trust operates a Section 75 agreement with the local authority and delivers delegated mental health social care duties on behalf of Lincolnshire County Council. The agreement is monitored on a commissioner/provider basis, but with a strong emphasis of shared working. This enables integrated and effective service provision for people with some of the most enduring mental health needs.

The Trust maintains a Managed Care Network (MCN) of third sector providers funded through the local Mental Health Promotion Fund provided by Lincolnshire County Council. This initiative is in its tenth wave of funding. Academic research has demonstrated a 9:1 ratio of return on investment (ROI). It is anticipated that the management of the network will be passed to the third sector at the end of 2021/22.

In 2020/21 the Trust was also able to provide a one-off funded Autism Support Network, granted through Lincolnshire County Council and NHS Lincolnshire Clinical Commissioning Group (CCG). This funding enabled the Trust to develop an alliance of groups and organisations similar to that of the Managed Care Network to deliver a range of projects for both adults and children, who are on the autistic spectrum and their carers.

The Trust has contributed to the Health and Wellbeing Boards' Joint Strategic Needs Analysis (JSNA) and has ensured the needs of people experiencing mental health problems have been included in the analysis.

The Health Scrutiny Committee for Lincolnshire has invited and received regular updates from the Trust.

The COVID-19 pandemic had resulted in an urgent need for robust and effective multi-agency working both within the health and social care environment and the wider Lincolnshire Resilience Forum (LRF).

The impact on patient and community need the application of restrictions to contain the pandemic and changes to services have all been managed at pace and with the full knowledge and co-operation of the Trust's stakeholder partners.

## Involvement activity

Our success over the years in improving services for patients and service users is partly due to how we have involved and engaged carers, patients, staff and the public to work alongside us to design services together.

We strongly believe that people play a vital role in contributing to and developing mental health, learning disability and autism services through their expertise of mental ill health and mental health services, personally or in a caring role. This expertise is essential and places people at the centre of our services. Without the input, help and expertise of people with personal experience, we are not as effective as we are alone. From conversations and involvement come great things – surprising things sometimes that we would never have thought of as professionals about what is important to people who come into our services and experience our care.

It is important to us, therefore, that the public, patients, carers, staff, volunteers, Governors and stakeholders are involved in some or all of the following:

- Designing services that are personal, caring and compassionate;
- Working together in co-production so that we get it right first time;

- Planning services in partnership with the people who use them and their family/carers;
- Running services by working alongside us in paid or voluntary roles;
- Training, education and recruitment of our people; and
- Quality issues such as setting, monitoring and improving standards across all teams who provide services for people we see.

This is even more important as we bring new service developments into Lincolnshire and as we challenge ourselves to make sure we are always delivering our services in the most caring, safe, responsive and effective way.

We have always worked hard to engage and involve people, listening to what people tell us is important and raising the profile of the patient, carer and professional delivering and receiving the care.

During 2020 we had to quickly learn and adapt to a new emerging way of engaging with people to ensure that, despite the restrictions of COVID-19, we were able to continue to involve people in the development and changes of services.

The Trust's Engagement Team were able to work with over 200 engagement contacts all through the pandemic. This was done in a safe, COVID-19 compliant way – but we did not stop.

Throughout the year we have supported and facilitated a wide range of engagement including:

- Older People and Frailty Services consultation events where we listened to what families, carers, partners and staff had to say about important changes to the way we deliver services to people closer to home (people and carers who may, for example, be living with dementia);
- Reaching out and partnering with women through designing service talks for the Gainsborough Women's Travellers Group – to raise awareness of what health services are available for people who identify in this group and who may not access services for their physical or mental health or both;
- A key role in staff recruitment where we facilitated more and more people with lived experience of mental health, learning disability or autism as part of our appointment panels for new people coming into our organisation;
- Developing a reference group for the new Personality & Complex Trauma service, which supports and cares for people with complex needs;
- Supporting Rehabilitation Services transformation and supporting people who may have been inpatients in our care for a long period to safely go home in order to live independently with support;

- Assisting Community Transformation through a co-production programme where we are partnering with our colleagues in GP and primary care services, the voluntary, community and social enterprise sector and colleagues in social care to introduce integrated services for people in local communities;
- Mental Health Liaison Service steering group – this is a service that actively supports and cares for those people with mental health needs who may present at accident and emergency departments who need support;
- Improving Adult Acute Ward Environments, where we have a number of people and carers helping us design some new ward environments as part of an exciting capital development to improve our wards so that they have fit for purpose facilities for our patients.

## Freedom to speak up

The Trust has in place a full-time Freedom to Speak-Up Guardian (FTSUG) who reports directly to the Chief Executive. The Board has a non-executive lead who provides further independent scrutiny and support. All staff are encouraged to speak up where they identify any concerns. The FTSUG is part of the first session on the staff induction program alongside the Chief Executive and Director of Nursing, AHPs and Quality emphasising the import the Trust places in speaking up and its commitment to cultural change. The FTSUG also contributes to leadership programs within the Trust, which have become a mandatory development for all the Trust's leaders as a direct result of a concern that was raised.

The Guardian is also an attendee at the Audit Committee where they present quarterly reports demonstrating the impact of Speaking up and are able to have direct contact with all other independent parties including internal and external auditory, counter-fraud specialist, trust secretary and non-executive directors.

Episodes of speaking up have increased since the appointment of the full time FTSUG during 2017/18. The appointment process was done in consultation with the staff and this has contributed to the profile of the role and its acceptance and accessibility. All staff who speak-up are supported by the FTSUG, their concern is investigated and acted upon. They receive a personal thank you letter from the Chief Executive with the outcome of their speaking up.

All staff are asked to complete a feedback form, which has indicated more than 95% are satisfied and would speak-up again.

An annual FTSUG report is presented to the Board of Directors in the public session of the Board of Directors meeting and is made available on the Trust's website as part of the Board papers.

# Statement of compliance with cost allocation and charging guidance

The Trust complies with the cost allocation and charging requirements set out in the Managing Public Money guidance from HM Treasury and the Office of Public Sector Information.

# Financial best practice codes and ethics

The Trust has signed up to the Better Payments Practice Code, which aims to encourage and promote best practice between the organisation and its suppliers. It aims to pay all suppliers within clearly defined terms, and also commits to ensuring there is a process for dealing with any issues that may arise. This helps the Trust to build stronger relationships with its suppliers.

**Better Payments Practice Code**

| | 2020/21 £000 | 2020/21 Number | 2019/20 £000 | 2019/20 Number |
|---|---|---|---|---|
| Total Non-NHS trade invoices paid in the year | 26,189 | 12,515 | 29,265 | 12,712 |
| Total Non-NHS trade invoices paid within target | 23,171 | 10,793 | 27,573 | 11,002 |
| Percentage of Non-NHS trade invoices paid within target | 88% | 86% | 94% | 87% |
| | | | | |
| Total NHS trade invoices paid in the year | 9,697 | 662 | 8,224 | 662 |
| Total NHS trade invoices paid within target | 8,586 | 599 | 7,434 | 594 |
| | 89% | 90% | 90% | 90% |

The Better Payments Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Trust aspires to pay at least 95% of invoices on time.

# Fees and Charges

Details of payments made in accordance with the Late Payment of Commercial Debts (Interest) Act 1998 are as per note 3.7 of the accounts.

The Trust complies with the cost allocation and charging requirements set out in the Managing Public Money guidance from HM Treasury and the Office of Public Sector Information.

# Political donations

No political donations were made in either 2020/21 or 2019/20.

## Income disclosure

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purpose. The Trust has met this requirement.

**Sarah Connery** **11 June 2021**

Acting Chief Executive and Accounting Officer

# Part two

*As mentioned earlier, part two is set out in a slightly different manner to part one.*

Part two also contains a range of other technical details, statements and financial information which we are required to produce by law and our legal regulators, NHS England / Improvement. More about what NHS England / Improvement is and why we need to report to it is explained in the first part of the report.

If you would like to have any of the detail in this part of the report explained, please contact us on 01522 309194, or send an email to: lpft.communications@nhs.net

# Remuneration report

*The Trust's definition of senior managers is its voting directors and details of these persons, who have the authority or responsibility for directing or controlling the major activities of the Trust, are set out in this report.*

## Remuneration for executive directors

These individuals are employed on contracts of service and are substantive employees of the Trust. Their contracts are permanent which have termination of notice clauses by either party of three to six months (dependent upon individual's contractual terms). There are no compensatory arrangements for senior managers in the event of their termination by the Trust other than those specified within the Agenda for Change national terms and conditions. The Trust's normal disciplinary policy applies to senior managers, including the sanction of summary dismissal for gross misconduct. The pay costs incurred on members of the Trust Board is included in the single total figure table in the Annual Accounts.

The levels of remuneration for executive directors and non-executive directors were established in line with national salary surveys obtained from the then Foundation Trust Network and Capita on first becoming a foundation trust on 1 October 2007. The Trust continues to benchmark against the NHS Providers annual benchmarking data. The Trust has not sought any consultation with employees in regard to senior manager remuneration. The ATS committee has in place an executive directors' remuneration policy which provides for inflationary uplifts in line with those awarded to staff on Agenda for Change pay scales (where differential awards are made, the Band 9 award will apply to the executive directors). In line with the Executive Directors' Remuneration Policy; in 2019/20 and 2020/21 the executive directors were awarded an inflationary uplift in line with the Agenda for Change conditions.

All executive directors (with the exception of the medical director), receive an annual salary which does not include an option for performance related pay.

All senior managers with the exception of executive directors are remunerated on national Agenda for Change terms and conditions. The Trust deems this to be economically appropriate to the prevailing employment conditions with the NHS.

The medical director had a job split between a clinical role and the medical director role, and receives nationally applied enhancements to her Trust Salary.

The names of the Chair and members of the Board committees and their regularity of attendance at meetings are disclosed in the table on page 92.

## Remuneration for non-executive directors

In 2018/19 following review of national benchmarking data for comparable trusts the Council of Governors approved no inflationary up lift award to non-executive directors and a 2.3 per cent uplift to the Chair's remuneration. No awards were made in 2019/20 or 2020/21. The Trust has received the mandatory guidance on Non-Executive Director remuneration and will move to follow this over the next three years. The current remuneration levels are very close to those set out in the new guidance.

The components for remuneration for non-executive directors are set out in the table below:

| Description | £000's |
|---|---|
| Fees payable to non-executive directors | 110* |
| Any additional fees payable for any other duties undertaken on behalf of the Trust | 0 |
| Any other items considered to be remuneration in nature | 0 |

** This figure is net of employer's national insurance contributions*

There are no obligations on the Trust which relate to senior manager service contracts.

## Future policy table: performance remuneration and contractual arrangements

The salary of executive directors and the remuneration of non-executive directors have no element of performance related pay, with the exception of the medical director's clinical excellence award (CEA). The salary or remuneration represents a single component of the package for each of the directors, with the exception of the medical director who is a psychiatrist who has clinical duties as part of their role, and the above mentioned CEA, which is classed as a performance related pay. The medical directors' clinical duties are an integral part of their salary and are not remunerated in addition to the base salary.

The Trust has not introduced any other elements of performance related pay, at any level within the organisation. There is no specific policy on duration of contracts, notice periods and compensation as these are the same as for other staff and are in line with the national terms and conditions of service for NHS staff, known as Agenda for Change.

With the exception of salary, executive directors' (non-medical) terms and conditions mirror the appropriate national terms and conditions, which is Agenda for Change. The Trust's medical director was employed on medical and dental terms and conditions of employment for consultants. All other senior managers are employed on Agenda for Change.

The Trust does not have a policy for executive directors or senior managers for loss of office. Executive directors and senior managers have a notice period in their contract which is invoked if the individual resigns or the Trust terminates the contract. In the event of a resignation, the Trust has discretion, like all employers, to vary the notice provision if requested by the employee. The only exception to this is where there is a dismissal for gross misconduct in which termination would be without notice.

## Compensation scheme and benefits in kind

There were no payments to senior managers in respect of loss of office in 2020/21 (2019/20: nil). None of the executive directors serve in a non-executive capacity for other NHS trusts and no payments have been made to third parties for the services of a senior manager. Costs for benefits in kind relate to the provision of lease cars.

# Remuneration disclosures

Accounting policies for pensions and other retirement benefits are set out in note 1.5.2 of the accounts and details of senior employees' remuneration can be found on the following page, all of which is subject to audit

| Remuneration disclosure | 2020/21 | 2019/20 |
|---|---|---|
| Band of highest paid directors' total remuneration (£000's) (See explanation below) | 185 - 190 | 180 - 185 |
| Median total remuneration | 30,615* | 27,260 |
| Ratio | 6.20 | 6.75 |

**There has been an increase in the median total remuneration during 2020/21 due to increased costs associated with the COVID-19 pandemic, including increased use of bank and agency workers.*

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

The banded remuneration of the highest paid director in the Trust in the financial year 2020/21 was £185,000 - £190,000, (2019/20, £180,000 – £185,000). This was 6.20 times (2019/20 – 6.75 times) the median remuneration of the workforce, which was £30,615 (2019/20, £27,260).

Ratios are based on full time equivalent staff at the reporting period end date to arrive at an annualised salary. Staff includes temporary and agency staff.

In 2020/21, 1 employee (2019/20, 1 employee) received remuneration in excess of the highest-paid director. Twelve employees were paid over £150,000 (2019/20: 9 employees). They consisted of 1 medical director, 1 clinical director, 1 deputy medical director and 9 consultant psychiatrists (on- payroll) (2019/20, 1 medical director, 1 clinical director, 1 deputy medical director and 6 consultant psychiatrists). Remuneration ranged from £12,517 to £211,344 (2019/20, £8,483-£177,791). These figures are based on actual payments, not annualised salary and do not include temporary or agency staff. The higher paid staff identified above are longer serving medical colleagues who are in receipt of clinical excellence awards and costs associated with additional duties.

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

## **Directors' remuneration** (excluding pension contributions) fell within the following ranges:

The information in the table below is subject to audit

| NAME | DATES | Salary (bands of £5,000) | | Taxable Benefits (rounded to £'00s) | | Performance Pay and Bonuses (bands of £5,000) | | Long-Term Performance Related Bonuses | | Pension Related Benefits* (bands of £2,500) | | Termination Benefits (rounded to £'000s) | | Single Total Remuneration (bands of £5,000) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | | £'000 | £'000 | £'00 | £'00 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Sarah Connery, Acting Chief Executive [1] | Full Year | 125-130 | 105-110 | 0 | 10 | 0 | 0 | 0 | 0 | 30-32.5 | 22.5-25 | 0 | 0 | 155-160 | 130-135 |
| Brendan Hayes, Chief Executive [1 & 6] | 8 months to 30/11/2020 | 95-100 | 130-135 | 30 | 42 | 0 | 0 | 0 | 0 | 0 | 190-192.5 | 65 | 0 | 165-170 | 325-330 |
| Anne-Maria Newham, Interim Chief Executive | 2 months to 31/05/2019 | | 20-25 | | 2 | | 0 | | 0 | | 0 | | 0 | | 20-25 |
| Jane Marshall, Director of Strategy | Full Year | 105-110 | 100-105 | 0 | 0 | 0 | 0 | 0 | 0 | 30-32.5 | *20-22.5 | 0 | 0 | 135-140 | *125-130 |
| Mark Platts, Acting Director of Finance and Information [2] | 5 months from 23/10/20 | 40-45 | | 0 | | 0 | | 0 | | 52.5-55 | | 0 | | 95-100 | |
| Chris Higgins, Interim Director of Operations [3] | Full Year | 105-110 | 100-105 | 0 | 12 | 0 | 0 | 0 | 0 | 45-47.5 | *90-92.5 | 0 | 0 | 150-155 | *190-195 |
| Anita Lewin, Acting Director of Nursing & Allied Health Professional Services [4 & 6] | Full Year | 105-110 | 95-100 | 0 | 3 | 0 | 0 | 0 | 0 | 67.5-70 | *227.5-230 | 0 | 0 | 170-175 | *325-330 |
| Dr Jaspreet Phull, Acting Medical Director | 1 month to 31/04/2019 | | 10-15 | | 0 | | 0 | | 0 | | *37.5-40 | | 0 | | *45-50 |
| Dr Ananta Dave, Medical Director [5] | Full Year | 140-145 | 130-135 | 35 | 41 | 45-50 | 40-45 | 0 | 0 | 82.5-85 | 197.5-200 | 0 | 0 | 275-280 | 375-380 |

**Supporting notes**

**2019/20 published figures***
Items marked with an Asterix have been adjusted since the 2019/20 Annual Report was published.

This reflects the recalculation of the real increase relating to lump sum pension entitlements within the pension benefits column. The recalculation affects the inflation applied to the previous year's lump sum value in order to calculate the real increase in Total Pension Related Benefits. Subsequently, the Single Total Remuneration bands have been adjusted to reflect these changes.

**2020/21 published figures**
[1] Brendan Hayes was appointed as Chief Executive on 1st May 2019 and retired from the Trust on 30th November 2020. As he has taken retirement, he is no longer accruing pension benefits and this value is shown as nil. His exit payment is included within termination benefits and is included within the exit payments disclosure within the remuneration report.

Sarah Connery was appointed as Acting Chief Executive on 12/10/2020 and prior to this was Director of Finance and Information. Her in year increases in salary and pensionable benefits therefore reflect the impact of this change of role.

[2] Mark Platts was appointed as Acting Director of Finance and Information on 23/10/2020 as a result of Sarah Connery's move to Acting Chief Executive.

[3] Chris Higgins became Director of Operations on 4th March 2019 with 2019/20 showing his first full year as Director. As a result these 2019/20 comparative figures show a greater initial increase in pension related benefits with 2021 levels demonstrating the status quo levels expected going forward.

[4] Anita Lewin became Acting Director of Nursing & Allied Health Professional Services on 17th December 2018 with 2019/20 showing her first full year as Director. As a result these 2019/20 comparative figures show a greater initial increase in pension related benefits with 2021 levels demonstrating the status quo levels expected going forward.

[5] Dr Ananta Dave is the Medical Director. She received a Clinical Excellence Award payment in year which is shown as performance related pay and bonuses. Approximately one day per week is spent performing clinical duties.

[6] Directors that have Mental Health Officer status receive two years' worth of pension benefits for every one year after 20 years within the 1995 Section pension. These individuals therefore have significantly greater pension benefits accruing than those without Mental Health Officer status.

The pension related benefits disclosed arise from membership of the NHS Pensions defined benefit scheme. They are not remuneration paid, but are the value of pension benefits accrued during the year, calculated as the real increase in pension multiplied by 20 (the HMRC methodology multiplier), less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

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

# Salaries and allowances: non-executive directors

The information in the table below is subject to audit

| NAME | DATES | Salary (bands of £5,000) | | Taxable Benefits (rounded to £'00s) | | Bonus Payments (bands of £5,000) | | Long-Term Performance Related Bonuses | | Pension Related Benefits (bands of £2,500) | | Single Total Remuneration (bands of £5,000) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | | £'000 | £'000 | £'00 | £'00 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Paul Devlin, Chair | Full Year | 40-45 | 40-45 | 0 | 43 | 0 | 0 | 0 | 0 | 0 | 0 | 40-45 | 45-50 |
| Malcolm Burch | 2 months to 31/05/2019 | | 0-5 | | 0 | | 0 | | 0 | | 0 | | 0-5 |
| Mary Dowglass | 2 months to 31/05/2019 | | 0-5 | | 29 | | 0 | | 0 | | 0 | | 0-5 |
| Philip Jackson, Deputy Chair | Full Year | 15-20 | 10-15 | 3 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 15-20 | 15-20 |
| Hugh Howe, Senior Independent NED | Full Year | 10-15 | 10-15 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 10-15 | 15-20 |
| Andrew Spring, Audit Chair | Full Year | 15-20 | 15-20 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 15-20 | 15-20 |
| Sharon Robson | Full Year | 10-15 | 10-15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10-15 | 10-15 |
| Adrian Carridice-Davids [1] | 9 months to 31/12/20 | 10-15 | 10-15 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10-15 | 10-15 |

1. Adrian Carridice-Davids left the Trust on 31/12/2020.

## Pension benefits of Trust senior managers

None of the Trust's senior managers are members of a different pension scheme.

| NAME | Real increase in pension at pension age (bands of £2,500) | Real increase in pension lump sum at pension age (bands of £2,500) | Total accrued pension at pension age at 31/3/21 (bands of £5,000) | Lump sum at pension age related to accrued pension at 31/3/21 (bands of £5,000) | CETV at 01/04/20 (rounded to nearest £'000) | CETV at 31/3/21 (rounded to nearest £'000) | Real increase to CETV during the year (rounded to the nearest £'000) |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Brendan Hayes | - | 5-7.5 | 60-65 | 200-205 | 1,401 | - | - |
| Jane Marshall | 0-2.5 | 0-2.5 | 35-40 | 75-80 | 716 | 765 | 35 |
| Sarah Connery | 0-2.5 | 0-2.5 | 25-30 | 45-50 | 366 | 399 | 19 |
| Chris Higgins | 2.5-5 | 0-2.5 | 25-30 | 55-60 | 393 | 438 | 31 |
| Anita Lewin | 2.5-5 | 5-7.5 | 50-55 | 150-155 | 1,020 | 1,112 | 78 |
| Dr Ananta Dave | 5-7.5 | 2.5-5 | 50-55 | 110-115 | 914 | 1,017 | 76 |
| Mark Platts | 0-2.5 | 0-2.5 | 20-25 | 30-35 | 226 | 263 | 11 |

**Supporting notes**

Members of the 2015 Section of the NHS Pension Scheme have no lump sum entitlement. CETV is Cash Equivalent Transfer Value. Brendan Hayes has a nil value as he has taken retirement in the year.

The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If a director was entitled to a GMP, this will affect the calculation of the real increase in CETV. This is more likely to affect members of the 1995 Section and the 2008 Section pension schemes.

NHS Pensions are 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.

## Remuneration report declaration

**Sarah Connery**

**Chief Executive and Accounting Officer** **11 June 2021**

# Staff report

*The Trust recognises that providing high quality services requires an appropriately skilled and motivated workforce.*

As of the 31 March 2021 the Trust employed a total of 2,308 (excluding bank staff) (up from 2179 in 2019/20). Of which 1,845 (1742 in 2019/20) were female and 463 (437 in 2019/20) were male. The gender profile of these staff is:

- Directors, including non-executive directors 5 female (4 in 2020/21) and 6 male (8 in 2019/20).
- Senior managers: 47 females (71 in 2019/20) and 23 male (31 in 2019/20).
- All employees (including bank staff) 2657 (2547 in 2019/20): 2133 females (2034 in 2019/20) and 524 males (513 in 2018/19).

Staffing takes up around two thirds of the Trust's expenditure. Subject to audit, in the last 12 months this was as follows.

| Staff costs (The information in this table is subject to audit) | 2020/21 Permanent £000 | 2020/21 Other £000 | 2020/21 Total £000 | 2019/20 Permanent £000 | 2019/20 Other £000 | 2019/20 Total £000 |
|---|---|---|---|---|---|---|
| Salaries and wages | 74,536 | 3,377 | 77,913 | 66,618 | 2,926 | 69,544 |
| Social security costs | 7,202 | - | 7,202 | 6,504 | - | 6,504 |
| Apprentice levy | 355 | - | 355 | 323 | - | 323 |
| Employer's contributions to NHS pensions | 8,954 | - | 8,954 | 8,299 | - | 8,299 |
| Employers contributions to NHS Pensions paid by NHSE on provider's behalf * | 3,907 | - | 3,907 | 3,627 | - | 3,627 |
| Pension cost – other** | 82 | - | 82 | 32 | - | 32 |
| Termination benefits | 489 | - | 489 | 431 | - | 431 |
| **TOTAL GROSS STAFF COSTS** | **95,525** | **3,377** | **98,902** | **85,834** | **2,926** | **88,760** |
| Recoveries in respect of seconded staff | - | - | - | - | 0 | 0 |
| **TOTAL STAFF COSTS** | **95,525** | **3,377** | **98,902** | **85,834** | **2,926** | **88,760** |
| **Of which** | | | | | | |
| Costs capitalised as part of assets | (138) | - | (138) | (135) | - | (135) |
| **TOTAL EMPLOYEE BENEFITS EXCLUDING CAPITALISED COSTS** | **95,387** | **3,377** | **98,764** | **85,699** | **2,926** | **88,625** |

* Employer's contributions to NHS pensions paid by NHS England on provider's behalf relate to an increased pension rate as a result of revaluation of public sector pension schemes which is funded by NHS England.
** Pension cost – other relates to employer contributions towards the National Employment Savings Trust (NEST) scheme.

| Average number of employees (WTE basis) *(The information in this table is subject to audit)* | 2020/21 Total | 2020/21 Permanent | 2020/21 Other | 2019/20 Total | 2019/20 Permanent | 2019/20 Other |
|---|---|---|---|---|---|---|
| Medical and dental | 94 | 81 | 13 | 91 | 77 | 14 |
| Administration and estates | 554 | 533 | 21 | 534 | 515 | 19 |
| Healthcare assistants and other support staff | 548 | 458 | 90 | 505 | 436 | 69 |
| Nursing, midwifery and health visiting staff | 544 | 502 | 42 | 517 | 491 | 26 |
| Scientific, therapeutic and technical staff | 373 | 363 | 10 | 341 | 329 | 12 |
| Social care staff | 50 | 50 | 0 | 42 | 41 | 1 |
| **TOTAL** | **2,163** | **1,987** | **176** | **2,030** | **1,889** | **141** |
| **Of which** | | | | | | |
| Number of employees (WTE) engaged on capital projects | 5 | 5 | 0 | 2 | 2 | 0 |

## Exit packages

The table below, which remains subject to audit, summarises the total number of exit packages agreed during 2020/21, with 2019/20 information included in brackets for comparison. Included within these are compulsory redundancies arising through the
Trust's operational efficiencies and other exit packages paid

| Exit package band cost (The information in this table is subject to audit) | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|---|---|---|
| | 2020/21 (19/20) | 2020/21 (19/20) | 2020/21 (19/20) |
| Less than £10,000<br>£10,000 - £25,000 | 1(1)<br>2(2) | 13(19)<br>7(3) | 14(20)<br>9(5) |
| £25,001 - £50,000 | 0(3) | 2(1) | 2(4) |
| £50,001 - £100,000 | 0(0) | 3(3) | 3(3) |
| £100,001 - £150,000 | 0(0) | 0(0) | 0(0) |
| > £150,001 | 0(0) | 0(0) | 0(0) |
| Total number of exit packages by type | 3(6) | 25(26) | 28(32) |
| Total resource cost | £36,353 (£136,175) | £454,934 (£295,326) | £491,287 (£431,501) |

Exit package information for executive directors is now included within this note.
Further information can be found in the Remuneration Report where applicable.

## Exit packages: non-compulsory departure payments

Payments are disclosed in the following categories:

| *(The information in this table is subject to audit)* | **Agreements number** | **Total value of agreements £000** |
|---|---|---|
| Mutually agreed resignations (MARS) contractual costs | 6 | 268 |
| Contractual payments in lieu of notice | 19 | 187 |
| Early retirements in the efficiency of the service contractual costs | 0 | 0 |
| **TOTAL** | **25** | **455** |

A single exit package can be made up of several components, each of which will be counted separately in this note; the total number in this table will not necessarily match the total numbers in the exit packages note above, which will be the number of individuals.

The Remuneration Report provides specific details where applicable of exit payments payable to individuals named in that report.

# Reporting high paid off-payroll arrangements

The Trust occasionally uses off-payroll arrangements to obtain services where normal search and selection processes are unable to find suitably and immediately available candidates. Such arrangements are carefully considered and reviewed before engagement. Before such off-payroll arrangements are started checks are made, in accordance with government guidance, to provide assurance to the Trust that individuals or companies providing such services are compliant with tax legislation. All off-payroll payments are reported to and monitored by the Audit Committee.

‘Highly paid’ is defined as the threshold used by HM Treasury in the tables overleaf.

### Length of all highly paid off-payroll engagements

| Off-payroll engagements existing at 31 March 2021, for more than £245 per day | No of engagements |
|---|---|
| Number of existing engagements as of 31 March 2021 | 0 |
| **Of which, the number that have existed:** | |
| For less than one year at the time of reporting | 0 |
| For between one and two years at the time of reporting | 0 |
| For between two and three years at the time of reporting | 0 |
| For between three and four years at the time of reporting | 0 |
| For four or more years at the time of reporting | 0 |

### Off-payroll workers engaged at any point during the financial year

| For all off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day | No of engagements |
|---|---|
| Number of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021 | 1 |
| **Of which:** | |
| Number not subject to off-payroll legislation | 1 |
| Number subject to off-payroll legislation and determined as in-scope of IR35 | 0 |
| Number subject to off-payroll legislation and determined as out of scope of IR35 | 0 |
| Number of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Of which: number of engagements that saw a change to IR35 status following review | 0 |

There were no cases where the Trust has engaged without including contractual clauses allowing the Trust to seek assurance as to their tax obligations. There were no cases where assurance had not been obtained.

### Off-payroll board members/senior official engagements

| For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021 | No of engagements |
|---|---|
| Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year. | 0 |
| Total number of individuals on payroll and off-payroll that have been deemed 'board members', and/or senior officials with significant financial responsibility', during the financial year. This figure must include both on payroll and off-payroll engagements | 13 |

Details of service contracts for each director who served during the year are detailed previously from page 29.

## Expenditure on consultancy

During the year, the Trust spent £229,000 on consultancy (2019/20: £209,000).

# Our staff

The Trust's updated People Strategy was approved at Board in January 2021 and tracks the employee life cycle of:

- **Finding staff** (more people, through attraction, grow your own and retention)
- **Valuing staff** (compassionate and inclusive leadership, leading to a sense of belonging)
- **Developing staff and new roles** (equipping staff for current and future workforce requirements)
- **Retaining staff** (flexible and predictable working, recruitment and retention initiatives, understanding why people leave)

## Engagement

Following the 2020 staff survey, the Trust has reviewed its approach to staff engagement. As a result, a more robust staff engagement process has been developed that is cyclical. This process enables engagement with staff around the outcomes of the survey in a meaningful way, implementation of you said/we did initiatives based on the results and engagement events and testing the success of these initiatives through cultural barometer surveys prior to the full staff survey.

## Leadership

With respect to leadership, the Trust's programme consisted of the following

| | | |
|---|---|---|
| Leadership B2-B4s | Change management | Local Mary Seacole programme |
| Management skills | Coaching | Appraisal |
| NHSI culture and leadership | Strengths deployment inventory | Team development |

# NHS Staff Survey 2020

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2020/21 survey among trust staff was 61% (2019/20 – 64%). Scores for each indicator together with that of the survey benchmarking group (26 Mental Health/Learning Disability Trusts using Picker to facilitate their survey) are presented below:

| | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|
| | Trust | Benchmark | Trust | Benchmark | Trust | Benchmark |
| Equality, diversity and inclusion | 9.3 | 9.1 | 9.2 | 9.1 | 9.2 | 9.0 |
| Health and wellbeing | 6.7 | 6.4 | 6.6 | 6.1 | 6.3 | 6.1 |
| Immediate managers | 7.5 | 7.3 | 7.5 | 7.3 | 7.5 | 7.2 |
| Morale | 6.8 | 6.4 | 6.7 | 6.3 | 6.5 | 6.2 |
| Quality of care | 7.6 | 7.5 | 7.7 | 7.4 | 7.4 | 7.3 |
| Safe environment – bulling and harassment | 8.4 | 8.3 | 8.3 | 8.2 | 8.2 | 8.2 |
| Safe environment – violence | 9.4 | 9.5 | 9.3 | 9.4 | 9.3 | 9.4 |
| Safety culture | 7.1 | 6.9 | 7.2 | 6.8 | 7.1 | 6.8 |
| Staff engagement | 7.5 | 7.2 | 7.4 | 7.1 | 7.3 | 7.0 |
| Team working | 7.3 | 7.0 | 7.3 | 6.9 | 7.2 | 6.9 |

The Trust performed above average compared to the other 25 comparable Trusts in nine out of the ten categories, the only category that is slightly below average relates to a safe environment connected to violence.

The highest scoring five questions compared to the average were:

- The organisation takes positive action on Health and Wellbeing
- I have adequate materials, supplies and equipment to do my work
- I would recommend the organisation as a place to work
- The organisation acts fairly in relation to career progression
- I have realistic time pressures

The lowest scoring five questions compared to the average were:

- I feel my role makes a difference to patients/service users
- I have not experienced physical violence from patients, service users, relations or members of the public
- I have not put myself under pressure to come to work when not feeling well enough
- I have not felt pressure from colleagues to come to work when not feeling well enough
- My immediate manager values my work

The areas where most improvement had been felt since the last survey were around presenting for work when not feeling well enough, materials supplies and equipment to do the job, having realistic time pressures to do the job, the last experience of physical violence that was reported and the levels of bullying, harassment or abuse from other colleagues.

Areas where least improvement had been felt, since the last survey were around pressure felt by managers and colleagues when not feeling well enough, musculoskeletal problems, work related stress and senior managers involving staff in important decisions.

Two Trust scores (Safety Culture and Quality of Care) each fell by one percentage point, but still remain above the benchmark average.

Two key questions were asked in the survey which required qualitative responses. The questions asked were:

- Q21a - Thinking about your experience of working through the COVID-19 pandemic, what lessons should be learned from this time?
- Q21b - What worked well during COVID-19 and should be continued?

The overarching key theme for all responses to the free text questions from the national staff survey was Staff Wellbeing.  Embedded in the key theme are three sub themes and three emerging themes:

- **Sub Themes**: Remote working; digital transformation and infection control
- **Emerging Themes:** Parity of esteem; redeployment and communication.

These themes although identifying similar themes to the report from the staff engagement survey undertaken during May – June 2020, affords an opportunity for a wider impact analysis of the LPFT staff experience of working through the COVID-19 pandemic in 2020 due to increased participation in the staff survey.

## Future priorities and targets

Through the staff engagement exercises data will be gathered to understand how staff believe the organisation can be supportive around the areas it scored lowest in particularly: work related stress, musculoskeletal problems, pressure from managers and colleagues to come to work when not feeling well enough and senior managers involving staff in important decisions. A number of these areas are already being addressed as part of the people strategy in the valuing and retaining staff section.

Working from home guidance has been developed to ensure managers are discussing with staff about their remote working situation and risk assessing their work area when working from home. Members of the Executive Team will attend the staff engagement roadshows to understand how they and the senior management team can further demonstrate involvement of staff in decisions that are made within the Trust.

The success of these interventions will be measured as part of the cultural barometer survey prior to the 2021 staff survey.

# Trade Union facility time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 and the facility time in accordance with Schedule 2, Regulation 8 was as follows:

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

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|---|---|
| 11 | 9.8 |

### Percentage of time spent on facility time

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

| Percentage of time | Number of employees |
|---|---|
| 0% | 0 |
| 1-50% | 9 |
| 51%-99% | 0 |
| 100% | 2 |

### Percentage of pay bill spent on facility time

| Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period. | Figures |
|---|---|
| **Provide the total cost of facility time** | £44,199.85 |
| **Provide the total pay bill** | £95,035,895 |
| **Provide the percentage of the total pay bill spent on facility time, calculated as:**<br><br>(Total cost of facility time ÷ total pay bill) x 100 | 0.04% |

## Paid trade union activities

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

| | |
|---|---|
| **Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:**<br><br>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 99% |

# Health and wellbeing

### Staff sickness absence data

| | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|
| Total days lost | 35,672 | 39,630 | 18,251 |
| Total staff | 2,285 | 2,179 | 1,827 |
| Average working days lost (per WTE) | 17 | 18 | 10 |

**Referrals to staff wellbeing service**

| | Total number of referrals | Self-referral | Manager referral |
|---|---|---|---|
| 2020/21* | 287 | 123 | 164 |
| 2019/20 | 349 | 181 | 168 |

** Services were closed to all but urgent referrals from 1 April – 30 Aug, however in this time the team took 162 calls on the systemwide emotional wellbeing helpline all of which received assessment and ongoing support, although not technically classed as referrals*

Unsurprisingly 2020-21 has been dominated by COVID-19 and this has led to increased activity for the Trust in relation to health and wellbeing. The Staff Wellbeing Service (SWS) initially closed to new referrals at the start of the pandemic to support the system health and wellbeing response, providing a 12-hour emotional support helpline, seven days a week and providing intensive support to those identified in need.

Although 'closed to direct referrals' the team still took 65 referrals during this 4-month time period for staff requiring specific therapeutic interventions to support their health and wellbeing to maintain personal and work aspects of their lives.

Also during this period the team took 162 calls on the helpline all of which received an immediate initial assessment of need, time to talk and then as appropriate a brief intervention around

supporting their wellbeing, guided self-help resources, or referral into more appropriate services for their need, including crisis team support, assessment by psychiatrist and steps2change for non-LPFT staff.

In August 2020 this position was revisited as demand for system offers declined and internal demand for staff well-being support and interventions increased. However, both aspects of the service (helpline and usual referrals routes) have continued to be well used in this time.

There have been 287 referrals into the service and 319 calls via the helpline to date.
All people being referred are offered an initial assessment appointment. The average wait time for the first appointment is 6.5 days, with December and January skewing those figures due to high referrals received in those months (60 referrals in total, compared to a median of 26 per month in the whole of 2020/21). Most people have their initial assessment with the service within 5.2 days.

This activity is being managed in addition to providing the system support and continuing to provide the emotional wellbeing helpline -9-5 across the working week; as well as work with ULHT Occupational Health staff to produce appropriate pathways and support to their critical care nurses.

It is interesting to note the seeming reduction in referral numbers during 2020/21 and anecdotally this is believed to be in part in relation to the provision of the helpline., where staff can access immediate support in a timely way, suited to them and responsive to their needs. The service aims to continue the support of the helpline through-out the coming year and beyond as appropriate to meet needs.

## Lincolnshire System working and partnerships

In addition to this the Trust has been very active in supporting the health and wellbeing agenda across the Lincolnshire health and care system:

- Producing the wellbeing resources available to support the system offer.
- Chairing the system Health and Wellbeing Programme Board.
- Setting up a mental health and wellbeing hub.
- Implementation of the health and wellbeing guardian role – Jane Marshall, Director of Strategy, People and Partnerships has been appointed to this role.
- Providing additional support to United Lincolnshire Hospitals NHS Trust's health and wellbeing staff, including weekly meetings to escalate fast tracks, provide clinical advice and link in with best practice across the Midlands.
- Source additional support from NHS Health Practitioners and Doctors in Distress.

- Developed working from home guidance which supports managers to have regular health and wellbeing conversations.
- Developed a leadership resource Toolkit – and offered regular leadership support and workshops to managers on how to lead teams virtually.

## Staff benefits

A number of new staff benefits have been launched in the last 12 months to increase our retention of employees. This has been promoted through various forums and a dedicated intranet page has been set up. These include a white goods scheme (to purchase white goods such as laptops and electrical items and pay via their salary on a monthly basis), a saving scheme (for staff to save through salary deduction with a credit union) with financial education available and promotion of salary deduction car lease scheme open to all staff.

## Employee information, consultation and engagement

The Trust has a positive commitment to work with staff and unions to deliver improvements for the benefit of employees and patients, enhance engagement, manage change, promote health and safety, deliver training and management development and develop policies and best practice.
The Trust regularly discussed and consulted with staff representatives regarding significant change management processes and has a positive working relationship with union colleagues.

There are various established communication channels operating regularly throughout the Trust, aimed at keeping all staff up-to-date with news and developments. These utilise a number of different mediums which reflect the community based nature of the Trust's services and include:

- **Better Together -** members' magazine provides an update on service developments and the activities of governors, staff and volunteers.
- **Staff intranet** - updated daily to share news and information with all staff.
- Weekly Word - weekly electronic bulletin sent to all staff promoting that week's top news and forthcoming activities. This includes a summary of key messages from the executive team.
- **Annual Nursing conference** - respected clinicians from across the country are invited to share their views on the latest developments in mental health and learning disability care with Trust staff.
- **Video blogs -** filmed messages from the Chief Executive, Director of Nursing and Chair on specific issues. These are posted on the staff intranet and closed Facebook group.
- **Inspirational Leadership Programme** –development events held quarterly and involve a briefing from the Chief Executive and Chair.

- **Staff Closed Facebook Page –** a closed group enabling rapid consultation with and feedback from staff.
- **Live Team Brief** – monthly meeting chaired by a member of the Executive team and attended by senior managers to cascade key messages and share Divisional updates.

There is a programme of corporate and local induction for all new employees, to ensure all staff are sufficiently trained to national NHS requirements. This programme is mandatory and includes elements to enable all staff to perform their role at a basic level. This may then be supplemented with additional training according to specific service need.

## Staff recognition

In addition, to national NHS pay terms and conditions, the Trust recognises and celebrates staff who demonstrate its values through a number of different recognition and reward initiatives. These are:

- **Staff Excellence Awards** - an annual award celebration of staff's achievements. Unfortunately this did not take place in 2020/21 because of the pandemic, but a virtual celebration is planned for May 2021 to celebrate staff and volunteer achievements over the last year. The Trust has received over 300 nominations for staff, volunteers and teams across 11 categories.
- **Long Service Awards** – a monetary award and certificate is presented to employees with 20, 30 and 40 years NHS service to acknowledge their commitment to the NHS.
- **Discretionary staff rewards (LPFT hero awards)** - managed at a local level to acknowledge individual pieces of work. Staff and teams receive small gifts for their work through an electronic nomination process and are considered as part of the Trust's quarterly LPFT Heroes going forward for shortlisting at the next annual award ceremony.
- **Formal 'Thank you'** – The Trust has produced thank you cards for staff and managers to send to each other in recognition of positive pieces of work.

## Annual Equality Report

Lincolnshire Partnership NHS Foundation Trust recognises the importance of ensuring its services are fair and equitable to all. The diversity of staff, service users, partners and any visitors to our services is celebrated. We expect everyone who visits any of the sites, comes into contact with any Trust services, or works for the Trust to be able to participate fully and achieve their full potential in a safe and supportive environment. The organisation welcomes all service users and members of staff inclusive of race, disability, sex, sexual orientation, gender reassignment, marriage and civil partnership, pregnancy and maternity, age, religion or belief.

The Trust meets all of its requirements from within the Public Sector Equality Duty (which forms part of the Equality Act 2010). The requirements and how these are met is detailed overleaf.

| | Requirement | How evidenced |
|---|---|---|
| **Public Sector Equality Duty** (introduced 2011)<br><br>Employers and employees in the public sector, and in private or voluntary organisations carrying out work on behalf of a public sector employer, have a legal duty in the workplace to: | **General duty**<br>1. Prevent and eliminate discrimination, harassment and victimisation.<br>2. Establish and promote equality and equal opportunities.<br>3. Foster good relations. | • Equality Strategy in place.<br>• Collection of equality monitoring information for service users/ staff.<br>• Equality analysis process in place.<br>• Equality staff networks. |
| | **Specific duty**<br><br>1. Publish information to demonstrate compliance with the general equality duty.<br>2. Prepare and publish one or more equality objectives to achieve any of the things from the general equality duty. | • Equality Annual Report.<br>• Analyse and publish staff and patient equality monitoring data annually.<br>• Published equality objectives.<br>• Carry out equality analysis on key decisions. |
| **NHS standard contract** | **Equality Delivery System 2 (EDS)** | • Equality Delivery System review of grading and actions on an annual basis.<br>• Implementation of actions. |
| | **Workforce Race Equality Standard (WRES)** | • Results collated and submitted to NHS England annually.<br>• Action plan in place and being implemented. |
| | **Workforce Disability Equality Standard (WDES)** | • Results collated and submitted to NHS England annually.<br>• Action plan in place and being implemented. |

## Interpretation and translation service

The Trust has a duty to provide a whole range of interpretation and translation services to patients and service users.

As of 1st April 2018 following an extensive procurement process, the Trust now has two providers for interpretation and translation services depending on what type of requirement you have.
One provider provides the Trust with:

- Telephone Interpretation
- Face to face interpretation
- Document translation

Another specialist provider provides the Trust with:

- Sensory impairments interpretation and translation e.g. British Sign Language/ Sign Supported English/ Braille/ audio/ text relay/ SMS.

## Stonewall membership

The Trust is in its nineth year of being a Stonewall Diversity Champion. Stonewall is the UKs leading lesbian, gay, bisexual and transgender (LGBT) equality charity and has been instrumental in changing the national legislative environment for people who consider themselves to be LGBT+ and taking forward the agenda.

In 2020 the Trust fell just outside the Top 100 in the Stonewall Workplace Equality Index benchmarking assessment, ranking 101 out of a record 400+ entries. The Stonewall rating is often seen as an indicator of an organisation's approach to equality and inclusion overall and can further increase all diversity in the workplace.

The 2021 Stonewall Workplace Equality Index did not take place due to the impact of COVID-19.

Part of the Trust's work for LGBT+ equality in 2020-21 has included hosting a successful series of 8 webinars for staff during LGBT+ History Month in 2021 instead of the usual multi-agency conference, which was accessed by over 180 staff from within the NHS Lincolnshire system.

## Staff networks

The staff networks provide a platform for staff to voice their opinions and support the Trust to improve working practices and services. It has been a resource that has been invaluable and led to the development of a number of positive outcomes.
There are currently three active staff networks:

- MAPLE (mental and physical lived experience) and allies disability staff network.
- LGBT (lesbian, gay, bisexual and transgender) and allies staff network.
- BAME (black, asian and minority ethnic) and allies staff network.

Allies - these networks are open to all staff who have an interest in supporting these areas. They do not have to identify with the area, just have a desire to champion within their own working area.

Meetings take place quarterly and a standard template agenda format has been introduced for consistency so that any new members are supported and accommodated.

To allow an opportunity for peer support a pre-meeting takes place for the first 30 minutes for those members who identify as a protected characteristic, followed by a break of 15 minutes, followed by the meeting with all members and guests attending.

Each staff network has an executive sponsor, whereby an executive director has committed to championing that group at Board level. They attend at least one meeting a year to understand the issues being raised by the group.

Staff networks also have visible leaders. Visible leaders are people who identify with that equality area and are willing to champion that area and talk about their own experiences.

During 2020-2021 in response to the COVID-19 pandemic, these meetings now take place fortnightly and are more the time to talk sessions to ensure that staff that may be disproportionately affected by COVID-19 are receiving the right support and also the Trust is aware of those needs to be able to act accordingly.

## Equality and diversity training

In 2020/21 the Trust's compliance rate for mandatory equality and diversity training was 95% (from 95.43% in 2019/20).

Training in equality and diversity is a mandatory e-learning module for all staff and a key component of the new staff induction process. Following a review of all mandatory training, equality and diversity training will now be a three-yearly refresher training ensuring that all employees are equipped with the appropriate knowledge and awareness to provide consistently fair treatment towards colleagues and patients/service users alike.

Attendance at any of the equality and diversity conferences the Trust hosts is also counted towards mandatory training requirements.

In addition, team sessions are offered by the equality and diversity lead for services who would like further information and training around equality and diversity. This has particularly focused on the issue of equality monitoring data collection.

## Longer term ambitions

The regional priorities from NHS England/ Improvement provide the Trust with 4 priorities for workforce equality, diversity and inclusion, which the Trust will be focussing on long term which are;

- Overhaul of recruitment processes
- Reducing the disciplinary gap

- Supporting and resources staff networks
- Using the Model Employer to support tackling race inequality

Within the Trusts newly published People the regional priorities are integrated into this within the priorities which are:

1. Finding and recruiting staff (more people)
2. Valuing staff (belonging and inclusion)
3. Developing staff (new and existing ways of working)
4. Retaining staff

From the Trust's Equality Annual report 2019-2020 the below objectives were set for 2020-2021. These objectives have been worked on within 2020-21 and are still ongoing.

| | |
|---|---|
| **Equality objectives from annual report for 2019-20**<br><br>Public Sector Equality Duty (PSED) from the Equality Act 2010) | To work in partnership with other Lincolnshire NHS Providers to support NHS E/I with EDS development |
| | To work with the BAME and allies network and using the WRES results to determine required actions and link with People Plan objectives/ actions. |
| | To work with the MAPLE and allies network to determine required actions and link with People plan objectives/ actions. |

## COVID-19 equality activity

The COVID-19 pandemic hit in Q4 of 2019-2020 so much of the planned activity for 2020-21 ceased. COVID-19 has highlighted a number of equality related impacts which have been required to be addressed during this time. The table below details these issues and the actions currently taken to date. This is a growing list as more evidence becomes available.

| Equality related impacts of COVID-19 | Actions taken |
|---|---|
| Delivery of Interpretation and translation service in a non-face to face manner to ensure access is maintained for those patients and service users where English is not their first language. | • Re-affirmed position of the use of telephone interpreting service access while face to face services suspended.<br>• Secured access to video interpreting offering from our providers. |
| How do we identify any equality related impacts of COVID-19 for staff/ patients? | • Engaged with staff networks to understand any equality related COVID impacts.<br>• Weekly check in and chat/ catch up with all staff networks.<br>• Set up MS team chats and meetings with each network. Seen engagement increase with all 3 networks but BAME (black, Asian and Minority Ethnic) and LGBT+ (Lesbian, Gay, Bi and Trans +) in particular.<br>• Linked in with regional and national teams to be able to keep up to date with the impacts identified and actions required.<br>• Close working with Lincolnshire system colleagues to share information, feedback, data and actions and share where possible and agree consistent actions across the system. |
| Health inequalities identified re COVID-19<br>• Disproportionately affecting BAME (black, Asian and minority ethnic) populations<br>• More male fatalities | • Evidence review undertaken 23 April 2020 and shared with Executive Team and at system workforce level. Actions identified and undertaken.<br>• BAME risk assessment and process for completion written and implemented. Still on-going.<br>• Specific engagement with BAME staff network.<br>• Specific action plan in place regarding all areas identified and all recommendations made (see separate action plan at appendix 1). |
| Diverse resources available for staff well-being to support staff | • Links to diverse/ inclusive resources available through staff well-being portal. |
| Equality impact of FFP3 masks usage (potential indirect discrimination on the grounds of Religion, belief and culture) | • Equality Analysis completed as soon as identified this could have a potential indirect discrimination effect (9 April)<br>• Message included in communication to those being asked to undertake the FFP3 mask testing. |
| Ramadan impacts during the pandemic | • Issues identified, resources and information sourced and sent out to staff via Trust Communication methods. |
| What is our data telling us | • COVID-19 Data Sheet and population comparisons produced- and any issues identified and highlighted appropriately. |
| Identification and consideration of COVID-19 related decisions checked for any potential Equality related impacts | • Rapid response Equality Analysis created in conjunction with system colleagues, which is a 1 page form with a toolkit of potential identified impacts for consideration. In use since 3 June 20. |

## Gender Pay Gap

The Trust has submitted its Gender Pay Gap data for the 31 March 2021 snapshot, and it can be found on the Government Equalities Office (GEO) here.

Gender pay gap for Lincolnshire Partnership NHS Foundation Trust - GOV.UK - GOV.UK (gender-pay-gap.service.gov.uk)

## Health and safety

*The Trust continues to set the highest standards of health and safety through its Health and Safety Strategy for all staff in the workplace, members of the public, patients and service users and others who come into the organisation.*

By signing the Health and Safety Executive (HSE) pledge in 2010, the Trust acknowledges its responsibilities under the NHS constitution towards health, wellbeing and safety of its staff, service users and the public.

The Trust has a management group, consisting of specialist lead clinicians, managers and staff side representatives from across the organisation, which facilitates health and safety implementation and planning. The group meets on a regular basis and provides the Board of Directors with reports on health and safety issues and performance during the year.
Health and safety forms part of the Trust's mandatory annual training programme, with all new staff receiving health and safety training during their induction. All staff receive an annual refresher via e-learning.

It is a key priority of the Trust to ensure that health and safety is fully embedded into the operational management responsibilities for all services, supported by effective working relationships between operational staff, health and safety officers and estates functions.
During the reporting period, there were a total of 5 incidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) to the HSE. These were all investigated internally and appropriate measures put in place to prevent incidents of a similar nature recurring. None of the incidents reported led to any further action being taken by the HSE.

## Modern Slavery Act 2015

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

## Counter Fraud

Fraud is estimated to cost the NHS over a billion pounds a year that could have been spent on patient care, so everyone has a duty to help prevent it. NHS Fraud may be committed by staff, patients and suppliers of goods/services to the NHS.

The Trust is committed to deterring and detecting all instances of fraud, bribery and corruption as far as possible within the Trust and ensuring that losses are reduced to an absolute minimum, therefore ensuring that valuable public resources are used for their intended purpose of delivering the best possible care and patient experience.

The NHS Counter Fraud Authority (NHSCFA) provides the national framework through which NHS Trusts seek to minimise losses through fraud. The Trust follows the guidance contained in the NHS Provider Standards and ensures out contractual obligations with our local clinical commissioning group are adhered to.

The Director of Finance and Information is nominated to lead counter fraud work and is supported by the Trust's Local Counter Fraud Specialist (LCFS). During 2020, the role of the Counter Fraud Champion was introduced across all NHS organisations, with a view to further strengthening counter fraud work by supporting LCFS's in the work they already do. A Counter Fraud Champion, the Trust's Freedom to Speak Up Guardian, was duly nominated at the Trust.

We have a collaborative counter fraud arrangement with four other local NHS Trusts, which means we have a dedicated LCFS providing a shared service between ourselves and another local Trust. The LCFS is supported by a small team of counter fraud specialists dedicated to combatting fraud within both community and secondary care settings.

The Trust has a Counter Fraud and Anti-Bribery Policy which contains an Appendix detailing staff requirements in relation to Commercial Sponsorship, Gifts and Hospitality. The Policy provides a framework for responding to suspicions of fraud and provides advice and information on various aspects of fraud investigations.

An annual work plan, approved by the Director of Finance and Information, with oversight from the Trust's Audit Committee, has been in place. The key aims are to seek to proactively create an anti-fraud culture, implement appropriate deterrents and preventative controls and ensure that allegations of fraud are appropriately and professionally investigated to a criminal standard. Progress reports on all aspects of counter fraud work and details of investigations are received at each meeting of the Trust's Audit Committee.

In additional to continuing to raise awareness of fraud against the NHS throughout the year, in November 2020 we also held a Fraud Awareness Month and the Trust was an official supported of International Fraud Awareness Week in the same month. Those efforts were amplified as a result of intelligence received relating to emerging COVID-19 threats in the early part of 2020. Fraud awareness work has been targeted at specific areas of heightened risk.

The Trust has a well-publicised system in place for staff and patients to raise concerns if they identify or suspect fraud. They can do this via our LCFS, Director of Finance and Information, via the NHS fraud and corruption reporting line on 0800 028 40 60 or online at www.cfa.nhs.uk/reportfraud

# NHS Foundation Trust Code of Governance

*Lincolnshire Partnership NHS Trust was authorised as a foundation trust and became Lincolnshire Partnership NHS Foundation Trust on 1 October 2007. The existing services transferred to the Trust.*

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance is based on the principles of the UK Corporate Governance Code.

The Board of Directors has established governance policies in the light of the main and supporting principles of the Code of Governance; these are detailed on the Trust website, www.lpft.nhs.uk.

The Board of Directors receives quarterly reports allowing it to monitor compliance with governance statements and on an on-going basis to identify areas for further development. These reports and the Board Assurance Framework are scrutinised by the Audit Committee before being considered by the Board to ensure compliance with the provisions of the Code of Governance for NHS Foundation Trusts and the NHS Overview Framework.

## Governance and constitutional powers

The Trust's Constitution sets out the requirements of governance and in 2020/21 it was compliant with the NHS Foundation Trust Code of Governance. The Trust's Constitution is supported by standing orders for the Board of Directors, standing orders for the Council of Governors and codes of conduct and responsibilities documents for each.

The Trust's Constitution and standing orders set out the powers of both the Council of Governors and Board of Directors. These are further described in the standing financial instructions and scheme of delegation, all of which are publicly available on the Trust's website www.lpft.nhs.uk.

## Register of interests

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

## Compliance with the Code of Governance

The NHS Foundation Trust Code of Governance has been applied to all clauses of the Trust's Constitution. The processes to ensure a successful and constructive relationship between the directors and governors are set out in detail in Annex 8, section 2 of the Trust's Constitution.

## Care Quality Commission (CQC)

The Trust is required to register with the CQC and its current registration status is fully registered. The Trust has no conditions on registration.
The Trust has been registered to carry out the following regulated activities:

- Treatment of disease disorder or injury
- Assessment and medical treatment of persons detained under the Mental Health Act 1983
- Diagnostic and screening procedures
- We are not registered for personal care

The CQC ensures health and social care services provide people with safe, effective, compassionate, high quality care and they encourage care services to improve.
The CQC's role is to monitor, inspect and regulate services to ensure they meet fundamental standards of quality and safety; they publish their findings, including performance ratings to help people choose care. They have a surveillance model which is built on a suite of indicators that relate to the five key questions inspectors ask all services – are they safe, effective, caring, responsive, and well-led.

The Trust had a comprehensive inspection in April 2017 and received an overall inspection rating of Good. This was a substantial improvement over the previous inspection in November 2015, with a particularly marked improvement in the safety domain from Inadequate to Good. The inspection highlighted many examples of good practice. The Trust's specialist community and adolescent mental health services (CAMHS) received an Outstanding rating for their commitment to young people and families. Community and inpatient services for adults of working age and learning disabilities services were rated as requiring improvements. The Trust has robustly implemented an action plan to address those areas of further improvement; these are also linked to the Trust's continuous quality improvement programme.

The Trust was then subject to a further core services inspection of some of its services and as Well-led review in November 2018; in January 2019 the Trust received its report showing a further improvement with all elements of all services inspected receiving a rating of Good or above. The Trust was rated overall Good with an Outstanding rating for Well-led. The reports are available on the CQC website www.cqc.org.uk/provider/rp7 .

In March 2020 the CQC inspected Long Stay /rehabilitation mental health wards for adults of working age; the report was received, and an action plan put in place and delivered through 2020/21. Key line of enquiry 'are services well led' was due to be inspected in March/April 2020 but due to the COVID-19 pandemic was postponed.

The Trust is also subject to periodic Mental Health Act (MHA) reviews by the CQC a number of units took place during 2019/20, but none have taken place during 2020/21 due to COVID-19 restrictions and safeguards. Any actions identified from previous visits have been monitored and assurance given to the CQC on completion of these actions.

The Trust is fully compliant in respect of MHA visits and has promptly addressed any feedback and actions identified. CQC visit related action plans are monitored through the Trust's operational governance and quality group, with assurance reported to the Quality Committee.

The COVID-19 social distancing precautions as well as other priorities in managing the pandemic have curtailed the Trust's usual programme of compliance assurance mechanisms in 20/21. Including the 15 steps/mock CQC visits to clinical areas in both inpatient and community settings and, the Non-executive directors and directors scheduled and non-scheduled visits to clinical areas.

## Council of Governors

The Trust is accountable to its members and the wider public through a Council of Governors. Statutory responsibilities of the Council of Governors in 2020/21 have included:

- Holding the Board to account, via the non-executive directors, for the performance of the Trust.
- The appointment a new chair and two Non-Executive Directors (to Commence on 1 May 20221) and determining the remuneration and allowances for these and existing NED appointments. This duty is performed via a Nominations and Remunerations (NOMs) Committee of the Council of Governors, which consists of seven governors and the Trust Chair (Where appropriate) as set out in the para 28.8 of Constitution of the Trust
- Representing the members and wider public through a range of engagement events and stakeholder organisations, exclusively held using on-line technologies during 2020/21 to ensure compliance with COVID-19 restrictions and to minimise risk.
- Representing the members and the wider public through the maintenance of an ideas, innovations and issues log (the iLog), managed via the Council of Governors' Representation Committee.
- Providing their view to the Board of Directors on the Trust's forward plans.
- Approving the performance indicators within the Quality Report.

The Council of Governors has a collective responsibility to disseminate information about the Trust, its vision and its performance to the constituents or organisations that appointed them. Equally the governors play a vital role in communicating the views and comments of the membership and the wider public to the Board of Directors to ensure that members contribute to the forward plans of the organisation. The Council of Governors' agreed way of working for the year includes:

- Formal joint meetings with the Board of Directors to agree strategy.
- A Standards Committee to oversee codes of conduct and responsibilities.
- A Representation Committee to represent the membership and public and allow for detailed discussions on issues raised with the governors.
- Active participation in the recruitment of key staff.
- Active participation in external forums, such as Healthwatch Lincolnshire and clinical commissioning groups patient participation forums.
- Maintaining and developing an iLog to capture any process ideas, innovations and issues.
- Engaging via on-line technologies during the past year has enable the Council of Governors to continue to meet its statutory duties.

Further information regarding the work of these groups and committees and future plans for them can be found in the membership section of this report.
During 2020/21 the Council of Governors has met regularly using on-line technologies to discharge its duties and exercise its powers by:

- Holding the Board to account by receiving reports on the performance of the Trust.
- Receiving reports on the performance of the non-executive directors and approving the remuneration for the Chair and non-executive directors.
- Contributing to the preparation of the Trust's strategies and forward plan.
- Receiving the Trust's Annual Accounts from 2019/20.
- Representing the views and opinions of their respective constituents and the public.
- Undertaking training for their duties.
- Receiving and considering any other appropriate information required to enable it to discharge its duties.

The Council of Governors has a policy for engagement with the Board of Directors, (located in Annex 8, section 2 of the Constitution). This policy ensures that there is appropriate and effective interaction between the Council and the Board.

Led by the Chair, the Council of Governors annually assesses their collective performance using a formalised appraisal process. The Council regularly communicates to members and the public

detailing how they have discharged their responsibilities through public meetings, updates and announcements on the Trust website, articles in the local and trade press, and through the Trust's magazine, Better Together.

## Trust Chair

The Trust Chair is responsible for leadership of both the Board of Directors and the Council of Governors. However, the governors have a responsibility to make the arrangements work and take the lead in inviting the Chief Executive to their meetings and inviting attendance by other executives and non-executives, as appropriate. The Chair ensures that the views of the governors and members are communicated to the Board as a whole.

## Elected members

To become a member of the Council of Governors you must be over 16 years of age and a member of the Trust's public, service user, carer or staff constituencies. Further eligibility criteria for governors are stated in the Trust's Constitution which can be found on the Trust's website www.lpft.nhs.uk.

Governors are required to declare any relevant interests which are then entered into the publicly available register of governors' interests. This register is formally reviewed annually by the Council of Governors and is available on the Trust's website.

A by-election and an election were both facilitated by the Electoral Reform Service; the details in relation to each are as follows:

| Detail | Constituencies affected |
|---|---|
| **Election**<br>Closing date of election: 15 September 2020<br>Commencement date: 1 October 2020 | Nine Staff Governors including:<br>• Two Adult Inpatient Service<br>• Two Adult Community Service<br>• One Corporate Service<br>• Two Specialist Service<br>• Two Older Adult Service |
| **Uncontested Seat**<br>**By-election public borough of Boston**<br>Closing date of by-election: 4 August 2020<br>Commencement date: 1 October 2020<br><br>**Contested Seat**<br>**By-election public West Lindsey**<br>Closing date of by-election: 15 September 2020<br>Commencement date: 1 October 2020 | • One public Borough of Boston<br><br>• One public West Lindsey |

Membership of the Council of Governors from 1 April 2020 to 31 March 2021 is set out in the table below and changes to its membership due to an election and by-election are indicated.

| Name of governor | Constituency or organisation represented | Term of office information | Attendance at Council of Governors' meetings (4 per annum) |
|---|---|---|---|
| **Public: 8 seats** | | | |
| **Paul Kenny** | Borough of Boston | Ended Term 11 November 2019 | N/A |
| **Vacant** | Borough of Boston | Vacant between 12 November 2019- 30 July 2020 | - |
| **Cllr Brian Rush** | Borough of Boston | Elected 31 July 2020 and resigned 26 November 2020 | 0/1 |
| **Vacant** | Borough of Boston | Vacant between 26 November 2020- to present day | - |
| **Thomas Ellis** | City of Lincoln | Elected 14 August 2019 | 4/4 |
| **Giles Crust** | East Lindsey | Started 3 September 2019 | 4/4 |
| **Linda Lowndes** | North Kesteven | Elected 1 October 2018 | 3/4 |
| **Vanessa Browning** | South Holland | Elected 1 October 2018 | 0/4 |
| **Debbie Abrams** | South Kesteven | Elected 1 October 2018 | 4/4 |
| **Mark McKeown** | Rest of England | Elected 14 August 2019 | 2/4 |

| Name of governor | Constituency or organisation represented | Term of office information | Attendance at Council of Governors meetings (4 per annum) |
|---|---|---|---|
| **Service user and carer: 13 seats** | | | |
| **Milly Allison** | Service user | Re-elected 1 October 2019 and ended term 31 July 2020 | 2/2 |
| **Rebecca Mezzo** | Service user | Elected 1 August 2020 | 2/4 |
| **Pauline Mountain** | Service user | Elected 1 October 2019 and resigned 20 January 2021 | 3/3 |
| **Michael Regan** | Service user | Started back with us on the 21 January 2021 | 0/0 |
| **Jane Avison** | Service user | Re-elected 1 October 2019 and resigned 28 February 2021 | 3/4 |
| **Vacant** | Service user | 28 February 2021 to present day | - |

| | | | |
|---|---|---|---|
| **Simon Hallam** | Service user | Elected 1 October 2019 | 0/4 |
| **Thomas Dunning** | Service user | Elected 1 October 2019 | 2/4 |
| **Zachary Kellerman** | Service user | Elected 1 October 2019 | 2/4 |
| **Rachel Higgins** | Service user | Elected 1 October 2019 | 2/4 |
| **Tracey Roberts** | General carer | Elected 1 October 2019 and resigned 3 August 2020 | 0/2 |
| **Ingrid Gill** | General carer | Started back with us on the 4 August 2020 | 0/2 |
| **Daniel Fleshbourne** | General carer | Elected 1 October 2019 | 4/4 |
| **Susan Swinburn** | General carer | Re-elected 1 October 2019 | 0/4 |
| **Jennifer Saxby** | Carer, young people | Elected 1 October 2019 | 0/4 |

| Name of governor | Constituency or organisation represented | Term of office information | Attendance at Council of Governors meetings (4 per annum) |
|---|---|---|---|
| **Staff: 9 seats** | | | |
| **Joby Gostelow** | Adult inpatient | Elected 1 October 2017- did not stand for re-election. End date 31 September 2020 | 1/2 |
| **Andrew Rowley** | Adult inpatient | Elected 1 October 2020 | 2/2 |
| **Helen Smith** | Adult inpatient | Elected 1 October 2020 | 1/2 |
| **Christine Coupar** | Adult community | Re-elected 1 October 2017 | 2/4 |
| **Dr Mithilesh Jha** | Adult community | Commenced 29 July 2019 | 3/4 |
| **Sophie Ford** | Corporate | Elected 1 October 2016- did not stand for re-election. End date 31 September 2020 | 1/2 |
| **Laura Suffield** | Corporate | Elected 1 October 2020 | 2/2 |
| **Susanne Ridley** | Older adult | Re-elected 1 October 2020 | 4/4 |
| **Jacky Tyson** | Older adult | Re-elected 1 October 2020 | 2/4 |
| **Lisa Norris** | Specialist services | Elected 1 October 2017 | 4/4 |
| **Dr Suneetha Siddabattuni** | Specialist Services | Elected 1 October 2020 | 2/2 |

| Name of governor | Constituency or organisation represented | Term of office information | Attendance at Council of Governors meetings (4 per annum) |
|---|---|---|---|
| **Stakeholder: 7 seats** | | | |
| **Vacant** | Clinical Commissioning Groups in Lincolnshire | 1 April -29 April 2020 | - |
| **Andy Rix** | Clinical Commissioning Groups in Lincolnshire | Appointed 30 April 2020 | 4/4 |
| **Cllr Ron Oxby** | Lincolnshire County Council | Appointed 1 October 2009 | 4/4 |
| **Sharon Black** | University of Lincoln | Commenced on 4 September 2019 | 3/4 |
| **Vacant** | Lincolnshire County Council | 19 September 2019 to present day | - |
| **Vacant** | SHINE Network | 4 April 2019- 12 November 2020 | - |
| **Greg Gilbert** | SHINE Network | 13 November 2020 -present day | 1/1 |
| **John Bains** | Healthwatch Lincolnshire | Resigned on 20 September 2019 | N/A |
| **Vacant** | Healthwatch Lincolnshire | 21 September 2019- 15 November 2019 | - |
| **David Gaskell** | Healthwatch Lincolnshire | Appointed 15 November 2019 | 4/4 |
| **Donald Rodd** | Volunteers | Commenced on 17 May 2019 | 4/4 |

There is a clear policy and a fair process agreed by the Council of Governors for the removal of any governor who consistently and unjustifiably fails to attend the meetings of the Council, or has an actual or potential conflict of interest which prevents the proper exercise of their duties. A Standards Committee is established to maintain this process.

# Lead Governor

In line with the Foundation Trust Code of Governance, the Council of Governors elects one of the governors to be the Lead Governor. The main duties of the Lead Governor are to:

- Act as a point of contact for regulator should they wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.
- Be the conduit for raising with the regulator any governor concerns that the Trust is at risk of significantly breaching the terms of its licence, having made every attempt to resolve any such concerns locally.
- Chair such parts of meetings of the Council of Governors which cannot be chaired by the Trust Chair or Deputy Chair due to a conflict of interest in relation to the business being discussed.

Lead and Deputy Lead Governors for the year ending 31 March 2021 were:

- Pauline Mountain, Lead Governor October 2019 to January 2021;
- Millie Allinson, Deputy Lead Governor December 2019 to July 2020, and;
- Giles Crust, Deputy Lead Governor from July 2020 and Acting Lead Governor from January 2021.

## Trust support for governors

All prospective governors are invited to a presentation to receive information on the role and its responsibilities. Newly elected governors receive a formal induction and a range of support materials to assist them in their new duties. Throughout the duration of their appointment they are supported by a team of Trust staff to ensure they are kept up-to-date with any legislative changes that may affect their duties and powers to carry out their statutory duties. This support includes:

- Joint Council of Governors and Board of Directors meetings to strengthen their relationship to make decisions together to enable the transparency of information.
- Access to the benefits of the Trust's membership of NHS Providers which includes admission to national conferences, events such as the annual governor forum, training and online learning materials to further strengthen their knowledge.
- The provision of both in house and externally provided training identified through the Council of Governors' appraisal processes and training needs analysis.
- Membership of external Network facilitated by NHS providers and other bodies.

## Expenses

Governors are entitled to claim reasonable expenses; however, because of the pandemic all meetings in the year ending March 2021 have been held at home using technologies therefore no travel expenses have been claimed, and no other expenses have been incurred.

## Training

The Trust has identified the required skill set to enable the governors to undertake their general duties to represent the membership and the wider public and to hold the Board to account via the non-executive directors. The importance of specific skill sets to enable governors to undertake recruiting, analyse data and understand reports is also recognised.

The governors' training programme has been maintained with the needs of individual governors being identified through induction, appraisal and informal routes.

The governors have had access to the Govern Well training and other conferences and workshops provided by NHS Providers.

It is of note that a number of the Trust's governors have not only attended but have also presented at regional and national governor events.

## Meetings

Meetings of the Council of Governors were held on a quarterly basis in May 2020 (delayed by one month due to COVID-19 proportionate governance arrangements), July 2020, October 2020 and January 2021. All of the meetings, in this year have been held on-line to facilitate social distancing and COVID-19 precautions.

The Trust Chair chairs every meeting of the Council of Governors and each meeting is open to scrutiny by members of the public, who have an opportunity to put questions to the Council. All meetings are advertised in advance through the local press and on the Trust's website.

The Council of Governors receives regular performance assurance reports from the Non-Executive Directors along with updates from the Board of Directors and reports concerning Trust performance, finance and membership.

The governors can use their statutory duties to exercise their powers and challenge the Board of Directors when necessary.

Updates are also received at the Council of Governors' meetings from the committees and groups that the governors are involved with. This involvement and other activities are detailed in the Trust's magazine, Better Together, and on the Trust website. Governors attend a number of Trust and wider stakeholder events with members and the public, in 2020/21 this has been facilitated by the use of on-line technology mand no face to face events have been attended. These forums provide the opportunity for members to raise ideas, innovations, inquiries and issues with governors which are recorded using the iLog. The iLog then forms a register and record of how ideas, innovations, inquiries and issues are directed within the Trust for consideration and resolution.

## Contacting governors

Any member of the public wishing to make contact with a member of the Council of Governors or the Board of Directors can do so by:

- Corresponding in writing via the Governor and Membership Officer at Trust headquarters.
- Through the Trust website, www.lpft.nhs.uk
    - Email to: lpft.governor-member@nhs.net

# Board of Directors

The Board of Directors consists of a balance of executive directors with defined portfolios and non-executive directors drawn from a range of backgrounds who bring rigorous and constructive challenge to the Trust.

The Board of Directors is a unitary board that makes corporate decisions. The executive posts are occupied by appropriately qualified professionals able to discharge the functions expected from those professions and as defined in the Trust's constitution.

The Trust does not have any non-voting directors; all the members of the Board of Directors have equal voting rights on all Board matters. Only those directors listed in the terms of reference for a committee can vote on matters dealt with by that committee. The only exception to this is when a vote is being cast by a substitute director agreed prior to the meeting.

Full-time executive directors are not permitted to take on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity. During 2020/21 none of the executive directors held any such additional appointment.

The Trust has in place director and officers' liability insurance as part of the NHS Resolution membership scheme.

## Performance assessment

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

The effectiveness of the Board of Directors and individuals is assessed annually using an appraisal tool (Evalu8). The tool was chosen to enable the views of all governors and directors to be collected and included into the process. The information gathered from Evalu8 is then used to report back to the Board of Directors, and in the case of individuals, informs their one-to-one appraisal with their line manager. The use of the two methodologies enhances the validity of the appraisal.

The Board committees provide an annual report on their performance to the Board of Directors. The Chair is appraised annually, jointly by the Senior Independent Non-Executive Director and the Lead Governor. The appraisal is informed by an Evalu8 questionnaire which was completed by governors and directors in 2020/21. The appraisal is reported to the governor's nominations and remuneration committee before being reported to the full Council of Governors.

The Chair appraises the Chief Executive's performance each year. The Chair conducts the appraisal taking into account the observed performance of the Chief Executive and the performance results achieved by the Trust.

It is within the powers of the Council of Governors to remove or suspend any non-executive directors. The process is set out within the Trust constitution. These powers have not been required in 2020/21.

## Challenge and assurance

The Board, and in particular non-executive directors, are able to challenge assurances received from the executive management. Information is presented in such a manner to ensure that there is sufficient understanding and information to enable challenge and to take decisions on an informed basis.

Members of the Board of Directors can access independent professional advice at the Trust's expense, where they judge it necessary to discharge their responsibilities as directors.
The Board has a duty to notify the regulator, and the Trust's Council of Governors, and also must consider whether it is in the public's interest to disclose any major, or potential new developments in the Trust's sphere of activity (which are not currently public knowledge), which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, financial position or on the general course of its business, to a substantial change to the organisation's financial wellbeing, healthcare delivery performance or reputation and standing. In light of the COVID-19 pandemic there have been, and are continuing to be, a number of emergency changes being implemented at pace. These are additional disclosures listed in the section below.

## Additional disclosures: emergency and temporary service changes

The Trust has in place an emergency temporary closure of its inpatient Child and Adolescent Mental Health Services (CAMHS) Unit. The service is now being provided by an assertive outreach Community Team. This model has been in place for over eighteen months now and is successfully managing children and young people in their homes. The Trust is part of the East-Midlands Alliance for CAMHS, only a very small number of patients require inpatient care in a unit in a neighbouring county.

The Trust had in place a temporary closure of one of its older adult wards. This allowed for the development of Brant Ward into a new single room facility in 2019/20. During the closure a very successful home treatment team was instigated. This has now been extended and the temporary closure of Rochford Ward is continuing, in addition to assist United Lincolnshire Hospitals NHS

Trust to manage Grantham Hospital as a “Green” (COVID Free) site, the Older Adult ward in the hospital (Manthorpe Centre) was temporarily closed. The Home Treatment Service was further extended to offer specialist dementia support, and patients are being successfully managed at home. There has been no increase in patients having to go out of area to receive care as a result of these changes.

The restriction measures implemented to manage the impact of the COVID-19 pandemic have led to a number of emergency changes to services across the Trust. A focus on social distancing and community service provision has led to significant changes in face to face contacts and a substantial reduction in referrals in the last few weeks of 2019/20, throughout 2020/21 and into 2021/22. These have included: the reduction of the number of beds on three adult acute care wards with dormitory areas to support social distancing, a short term closure of the Psychiatric Intensive Care Unit (PICU) for two months to support a staffing crisis, and from February 2021 the Temporary Closure of Ashley House (an open rehabilitation Unit) to support staffing shortages. The situation is being reviewed monthly and a formal option appraisal will be considered in July 2021. The Trust has worked alongside, patients, carers, NHS statutory bodies and partners as well as local authority and third sector partners and the Local Resilience Forum to manage the impact of these changes. The full implications of the changes made and the lessons to be learnt in the configuration of future services will be managed by the Trust in partnership with the wider Community and will undoubtedly lead to a number of future consultations and long term service changes which will accelerate the delivery of the NHS Long Term Plan (LTP).

The Trust implemented emergency procedures to enable its services and governance arrangements to be amended and to continue during the COVID-19 social distancing restrictions and to ensure adequate capacity for urgent and exceptional actions and activity. The Trust put in place a major incident response in accordance with its major incident and business continuity plans. This included moving all Council, Board and Committee meetings to an online (Microsoft Teams) platform. All Council, Board and Board Committee forward agendas have been reviewed and either maintained or formally adjusted to ensure continued effective governance arrangements. Board meetings have been held in public using Microsoft Teams live meetings.

## Attendance at Board and Board committee meetings

To support the Board in carrying out its duties effectively, a number of committees have been formally established. Each committee receives a set of regular reports as outlined in their respective terms of reference and each provide highlights and exception reports to the Board after each meeting.

The following table outlines Board members' attendance at Board and committee meetings during 2020/21 against the total possible number of meetings for which an individual was a member. Committee attendance is shown in relation to those committees of which a director was formally a member.

| Committee / Meeting | ATS | Audit | Board of Directors | Council of Governors | Joint Board | Finance & Performance Committee | Sustainability Committee | Quality | Strategic Change Committee | People Committee |
|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Number of meetings during 2020/21**<br>IA = attendance only, not full committee member<br>C = Committee Chair | | | | | | | | | |
| Paul Devlin<br>Trust Chair | 5/6 (C) | -- | 7/7 | 4/4 | 2/2 | -- | -- | -- | -- | -- |
| Brendan Hayes<br>Chief Executive<br>**Left the Trust on 30/11/20** | -- | -- | 3/5 | 2/3 | -- | -- | -- | 2/2<br>(IA) | 1/1<br>(IA) | |
| Sarah Connery<br>Director of Finance & Information<br>**Acting Chief Executive from 12/10/20** | 1/1 | 4/4 (IA) | 7/7 | 3/4 | 2/2 | 2/2 | -- | -- | 1/1 | -- |
| Anita Lewin<br>Director of Nursing, AHPs & Quality | -- | -- | 7/7 | 4/4 | 2/2 | -- | -- | 5/5 | -- | 2/2 |
| Dr Ananta Dave<br>Medical Director | -- | -- | 7/7 | 1/4 | 2/2 | -- | -- | 5/5 | -- | 2/2 |
| Mark Platts<br>**Acting Director of Finance & Information from 23/10/20** | -- | 2/2<br>(IA) | 2/2 | 2/2 | 2/2 | -- | 2/2 | -- | -- | -- |
| Chris Higgins<br>Director of Operations | -- | -- | 7/7 | 3/4 | 2/2 | 2/2 | 2/2 | 5/5 | 2/2 | -- |
| Jane Marshall<br>Director of Strategy | 1/1 | 1/1 (IA) | 7/7 | 4/4 | 2/2 | -- | -- | 3/5 | 2/2 | 2/2 |

| Committee / Meeting | ATS | Audit | Board of Directors | Council of Governors | Joint Board | Finance & Performance Committee | Sustainability Committee | Quality | Strategic Change Committee | People Committee |
|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Number of meetings during 2020/21**<br>IA = attendance only, not full committee member<br>C = Committee Chair | | | | | | | | | |
| **Non-Executive Directors** | | | | | | | | | | |
| Hugh Howe | 6/6 | -- | 7/7 | 4/4 | 2/2 | 2/2 | 2/2 | -- | 2/2 (C) | 2/2 (C) |
| Philip Jackson | 6/6 | 1/1 (IA) | 7/7 | 4/4 | 2/2 | 2/2 (C) | 2/2(C) | 4/5 | -- | -- |
| Adrian Carridice-Davids<br>**Left Trust on 31/12/20** | 4/5 | 4/4 | 5/5 | 3/3 | 1/1 | -- | -- | 4/4 | 2/2 | 1/1 |
| Sharon Robson | 5/6 | 4/5 | 7/7 | 4/4 | 2/2 | -- | -- | 4/5 (C) | -- | 2/2 |
| Andy Spring | 4/6 | 5/5 (C) | 7/7 | 4/4 | 2/2 | 2/2 | 2/2 | -- | 2/2 | 1/1 |

The non-executive directors, as required, hold meetings without the executive directors being present. These provide an opportunity for non-executive directors to consider the performance of the executive team in the delivery of Trust priorities. If directors were to have concerns that could not be resolved about the running of the Trust or a proposed action, these concerns would be documented and recorded in the minutes of the Board meeting.

## Joint Board meetings

The Council of Governors and the Board of Directors continue to work together to develop an effective working relationship. The Board of Directors meets with the Council of Governors three times a year to discuss particular issues. These Joint Council and Board meetings provide a valuable tool in helping the governors to discharge their responsibilities for assessing the performance of the Board of Directors. In turn, this enhances their overall governance responsibility and accountability to the people of Lincolnshire.

At every meeting of the Council of Governors, the Chief Executive delivers a report in relation to the Trust's strategic position and plans. In addition, a performance assurance report is presented by the non-executive directors. During the course of the year the governors have not had cause to take a vote on the directors' performance. The Trust has a policy (as articulated in the Constitution and the Responsibilities and Codes of Conduct) to underpin the power and influence of governors to ensure the directors participate in meaningful engagement.

No individual is permitted to hold, at the same time, positions of director and governor. All the directors on the Board of Directors and the governors on the Council are assessed to ensure they meet the 'fit and proper persons test' as described in the provider licence. This assessment for directors is undertaken on appointment and includes references, enhanced Disclosure and Barring Service checks, Companies House Register and documentation checks. Directors, at appointment and reappointment, are subject to Disclosure and Barring Service and document checks.

## Annual public meeting and members' meeting

Every September, the Trust holds an annual public meeting (APM) at which members of the Board of Directors set out the organisation's financial, quality and operating priorities for the forthcoming year and disclose sufficient information, both qualitative and quantitative, of the organisation's achievements and operation, to allow governors, staff and members of the public to evaluate its performance.

At the APM, the Lead Governor gives an account of governor activities and the Trust Secretary provides an update on membership demographics.

***The 2021 meeting is planned to be held on 9 September*** and will be held using on- technology. A copy of the meeting programme will be published on our website nearer the date of the event. To register your attendance, please contact us on
01522 309202 or email: lpft.governor-member@nhs.net

## Trust Board committees

In 2020/21 the Board of Directors revised its committee structures to address the changing demands of the health economy driven by the needs to service the developing Integrated Care System, NHS Long Term Plan, The NHS People Plan and ongoing changes in the regulatory framework. The committees listed below have had their terms of reference reviewed and have been meeting effectively throughout 2020/21:

- Audit
- Quality
- Finance and Performance (until its replacement by the Sustainably Committee in Quarter 3 of 2020/21)
- Strategic Change (until its disestablishment in Quarter 2 of 2020/21)
- People Committee, (established in Q3 of 2020/21), and
- Appointment and Terms of Service.

The work of the committees is evaluated on an annual basis against agreed forward agendas, with highlights and exceptions reports and minutes provided to the Board of Directors. Each committee has a specified membership from within the Board of Directors, however on occasion other directors will attend in relation to an agenda item and their attendance is duly recorded.

Each committee of the Board is provided with suitable and sufficient support, technical advice and resources to effectively deliver its terms of reference.

During the first wave of the COVID-19 pandemic a degree of proportionate governance was applied to release time to focus on the management of the pandemic and the provision of direct care. The dates and agendas of some committee meetings were adjusted to respond to this. However all of the forward agenda items were tracked and all of the business was conducted either at a later date or on a priority basis.

## Audit Committee

The Audit Committee is an independent non-executive committee of the Trust Board, and has no executive members. It is responsible for monitoring the externally reported performance of the Trust and providing independent and objective assurance on the effectiveness of the organisation's governance, risk management and internal control; the integrity of the Trust's financial statements, in particular the Trust's annual report and accounts; and the work of internal and external audit and local counter fraud providers and any actions arising from that work.

The Trust has invested in a Freedom to Speak Up Guardian. To enable independent access to the non-executive directors, auditors and counter fraud service the Freedom to Speak Up Guardian is formally in attendance at the Audit Committee.

The committee met in ordinary session four times during the course of the year, and in one extra-ordinary session to receive and scrutinise the 2019/20 annual reports and accounts on behalf of the Board of Directors. The names of the Chair and members of the Audit Committee and their regularity of attendance at meetings are disclosed in the table above.
The Chair of this committee is responsible for its effectiveness; all other members collectively have the necessary business, reporting, auditing and governance skills to fulfil their responsibilities which ensure the committee's effectiveness. The Trust is satisfied that the committee is sufficiently independent.

The Trust has ensured one or more members of the committee have had recent and relevant financial experience. This is important as these individuals are best equipped to make rigorous challenge on any financial reports presented to the committee which contain financial key performance indicators and strategic financial risks.

The Audit Committee's overriding objective is to independently contribute to the governance framework and ensure an effective internal control system is maintained. The committee reports to the Board of Directors and it is authorised to:

- Oversee the establishment and maintenance of an effective system of internal control, and management reporting.
- Ensure that there are robust processes in place for the effective management of clinical and corporate risk to underpin the delivery of the Trust's principal objectives.
- Oversee the effective operation and use of internal audit.
- Encourage and enhance the effectiveness of the relationship with external audit.
- Oversee the corporate governance aspects that cover the public service values of accountability, probity and openness.
- Ensure that there is an effective counter fraud function that meets the standards for providers for bribery and corruption.

A copy of the full terms of reference for this committee, which have been approved by the Board of Directors and agreed with the Council of Governors, is available on request from the Trust Secretary.

# Auditors

Audit services are retendered for up to five years on a three, plus one, plus one basis – the duration of the tender allows the auditor to develop a strong understanding of the Trust's finances, operations and forward plans. The Council of Governors, following a tendering process, reappointed Deloitte as the Trust's external auditor from 1 April 2017 for up to five years. The Council of Governors approved a policy for additional services (renewed every two years), for the procurement of such services from the Trust's external auditors, which is to provide external audit and quality audit.
The Director of Finance and Information agrees a plan of additional services to be commissioned for consideration by the Audit Committee. The Audit Committee considers the plan, considers any potential threats to the objectivity and independence of the auditors, and determines whether it is satisfied that the auditors' independence is not jeopardised, and takes into account the scope of the audit work to be carried out.

The Trust has an internal audit function which complies with NHS audit code. Its three-year plan is developed through working with the Board of Directors to assess risk to controls and is then refreshed by the Audit Committee to gain assurance of the controls in place at the Trust.
The Trust's internal Auditors for 2020/21 were Grant Thornton, who commenced a new three year contract to provide the service on 1 April 2019.

The Director of Finance and Information has the responsibility for preparing the Accounts. The Accounts are presented to the Board of Directors for approval following an external audit review. The Accounts and Annual Report are presented to the Council of Governors.

During 2020/21 the Audit Committee has scrutinised the key financial, operational and strategic risks and has provided scripting on behalf of the Board of Directors of the Board Assurance Framework (BAF). It reviewed progress reports and evaluated the findings of significant internal and external audit work. The Audit Committee has received regular reports on counter fraud activity at the Trust, ensuring appropriate action in matters of potential fraudulent activity and financial irregularity. It has fulfilled its oversight responsibilities with regard to monitoring the integrity of financial statements and the Annual Accounts, including the Annual Governance Statement (AGS) before its submission to the Board.

The Audit Committee regularly reviews its arrangements that allow staff or other parties to raise, in confidence, concerns about possible improprieties in matters of financial report and control, clinical quality, patient safety, and other matters. This now includes having the Freedom to Speak Up Guardian in attendance at Audit Committee meetings.

## Quality Committee

The Quality Committee exists to provide assurance to the Board that appropriate and effective governance mechanisms are in place for all aspects of quality including service user experience, health outcomes and compliance with national, regional and local requirements.

The Quality Committee membership consists of three non-executive directors and four executive directors. The names of the Chair and members of the Quality Committee and their regularity of attendance at meetings are disclosed in the table above.
During 2020/21 the Quality Committee's terms of reference and forward agenda were reviewed in line with the changes to other committees of the Board.

The committee is authorised by the Board of Directors to:

- Provide assurance to the Board that the Trust has in place structures, processes and controls to ensure that the legislative requirements set out within the terms of reference that ensure the safety, rights and quality of service delivery is maintained to all of our service users, carers, staff and the public.
- Shape quality improvement, culture and organisational development within the Trust.
- Provide assurance to the Board that appropriate and effective governance mechanisms are in place for all aspects of quality including patient experience, health outcomes and compliance with national, regional and local requirements.

The committee and its sub-committees provide a focused set of assurance reports. The committee's agenda includes deep dives into a particular area of concern or challenge have been identified.

## Finance and Performance Committee

The names of the Chair and members of the Finance and Performance Committee and their regularity of attendance at meetings are disclosed in the table above.
This committee exists to:

- Oversee and give detailed consideration to all aspects of the financial arrangements of the Trust, providing the Board with assurance that the financial issues of the organisation including capital expenditure are being appropriately addressed.
- Have oversight of the Trust's performance management framework, including the incorporation of quality and workforce metrics, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.
- Scrutinise the Information Management and Technology Strategy, policy, plans and performance, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.

The committee undertook its duties and ensured that the Trust's finance and performance enabled the Trust to remain a going concern.

The committee reported to the Board of Directors after each of its meetings. This Committee was disestablished with its duties transferred into the newly established Sustainability Committee at the ends of quarter 2 2020/21.

## Sustainability Committee

The Sustainability Committee subsumed the duties and purposes of the previous Finance and Performance Committee along with other responsibilities formerly held in other Committees.

The names of the Chair and members of the Sustainability Committee and their regularity of attendance at meetings are disclosed in the table above.
This committee exists to:

- Oversee and give detailed consideration to all aspects of the financial arrangements of the Trust, providing the Board with assurance that the financial issues of the organisation including capital expenditure are being appropriately addressed.
- Oversee and give detailed consideration to all aspects of the Trust's Estate, providing the Board with assurance that the Estate is fit for purpose and planned to meet future need and that business cases are progressed effectively to achieve this need.
- Have oversight of the Trust's performance management framework, including the incorporation of quality and workforce metrics, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.
- Scrutinise the Information Management and Technology strategy, policy, plans and performance, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.
- To discharge its duties in line with the Investment Appraisal Framework.

The committee undertook its duties and ensured that the Trust's finance and performance enabled the Trust to remain a going concern.

## Strategic Change Committee

The names of the Chair and members of the Strategic Change Committee and their regularity of attendance at meetings are disclosed in the table above.

The committee exists to provide assurance to the Board of Directors that appropriate and effective plans are in place to deliver system wide changes in Lincolnshire for the benefit of patients, carers and families.

The committee also provides assurance that the Trust's planning processes deliver a safe, effective transition and transformation plan for existing Trust services, in the context of strategic changes.

The Strategic Change Committee was disestablished at the end of quarter 2 with its duties transferred to the Sustainability Committee of retained by the Board of Directors.

## People Committee

The Board of Directors recognised the increasing need for a committee focused on People in order to deliver the NHS People Plan.

The names of the Chair and members of the People Committee and their regularity of attendance at meetings are disclosed in the table above.

The People Committee was established in Quarter 3 of 2020/21 to:

- Provide assurance to the Board through a clear performance dashboard that the key operational risks are being addressed and that we have in place structures, processes and controls to ensure that the legislative requirements in regard to people's safety, rights and expectations are maintained (in this context "people" means: our service users, carers, staff, volunteers, students and the public).
- Provide assurance to the Board that appropriate and effective governance mechanisms are in place for all aspects of people legislation, regulation and best practice in order to comply with national, regional and local requirements.
- Shape the culture, organisational development, learning and leadership of people within the Trust.
- Shape the leadership within the Trust through a programme of direct presentation to the Committee.
- Shape the workforce transformation to align with the skills and competencies that staff will need to deliver transforming services to ensure that our service users and carers receive high quality care.

## Appointment and Terms of Service (ATS) Committee

The Appointment and Terms of Service Committee is responsible for the appointment and nomination of executive directors. It reviews the size, structure and composition of the Board to ensure that there is an appropriate balance of skills, experience, knowledge and independence. Chaired by the Trust Chair, the names of the other members of the Appointment and Terms of Service Committee and their regularity of attendance at meetings are shown in the table above. There is a formal, rigorous and transparent procedure for the appointment of directors which is subject to scrutiny by the Appointment and Terms of Service Committee. In considering appointments to the Board of Directors, the committee:

- Takes into account the Trust's recruitment and selection policy.
- Considers the balance of skills, knowledge and experience already in place.
- Includes governors as patient representatives and colleagues in the recruitment process.

There are no performance related elements of the remuneration of executive directors.

## The Nominations and Remuneration Committee

Non-executive directors are separately recruited and appointed by the Nominations and Remuneration Committee of the Council of Governors.

The members of the Nomination and Remuneration Committee are:

- Paul Devlin
- Debbie Abrams
- Linda Lowndes
- Ron Oxby
- Jacky Tyson
- Daniel Fleshbourne

## Foundation trust membership

As a foundation trust, members are able to elect representatives to the Council of Governors, stand for election to the Council of Governors and apply for positions as non-executive directors of the Trust.

Through governors, members receive information about the Trust, and are consulted on plans regarding the future development of the Trust and its services.

Membership is open to anyone aged over 12 years, living in Lincolnshire and the other localities where the Trust provides services. Staff who are permanently employed by the Trust or hold a fixed term contract of at least 12 months, or who have been continuously employed by the Trust for at least 12 months are automatically registered as members unless they choose to opt out. During 2020/21 no members of staff opted out of Trust membership. Eligibility to become a member of the Trust is based on criteria as described below:

- Public member:  based on local authority area in the immediate vicinity.
- Service user or carer member: open to anyone who has been an inpatient or outpatient within the previous five years, or a carer of such a former service user.
- Staff member: currently employed by the Trust on a contract.
- Stakeholder member: represents the interests of a key partner.

The Trust strives to ensure that its membership reflects the full diversity of the local population in terms of age, gender, sexual orientation, disability, ethnic background, religion and belief. As on 31 March 2021, there were 9,706 members of the Trust.

The Trust will continue with its approach to ensure it is truly representative of the community it serves. The membership catchment area is made up of constituencies representing the local population, service users, carers and staff. For details, refer to following table. Members in each constituency vote for governors to represent them.

The following table highlights the Trust's membership figures for 31 March 2021:

| Constituency | | | |
|---|---|---|---|
| **Public** | | **Carers** | |
| Borough of Boston | 442 | Carers class | 484 |
| City of Lincoln | 1214 | Young peoples – carers class | 20 |
| East Lindsey | 781 | **SUBTOTAL** | **504** |
| North Kesteven | 1040 | | |
| South Holland | 325 | **Staff** | |
| South Kesteven | 938 | Adult inpatient division | 582 |
| West Lindsey | 706 | Adult community division | 513 |
| Rest of England | 682 | Older adults division | 328 |
| **SUBTOTAL** | **6128** | Specialist division | 407 |
| | | Corporate division | 296 |
| **Patient** | | **SUBTOTAL** | **2126** |
| Service user – patient class | 946 | | |
| **SUBTOTAL** | **946** | | |

## Membership development and engagement strategy

The strategy describes the Trust's objectives for the membership and the approach to be used to ensure the organisation develops and engages with a representative membership. It outlines plans for raising awareness about membership and for the recruitment, retention and involvement of members. The strategy was developed with guidance and input from the Council of Governors. A more detailed action plan to deliver the strategy has been developed and is monitored by the Council of Governors' Representation Committee.

The Trust is committed to recruiting members from the diverse population served by the Trust. Membership is open to all those eligible to be a member, regardless of gender, race, disability, ethnicity, religion or any other characteristic specified by the Equality Act 2010.

The membership database is regularly reviewed to ensure that the membership is representative of those eligible to be members. Specific groups that appear to be under represented are targeted

in recruitment campaigns in order to seek to increase membership representation in these areas. The restrictions imposed to manage the pandemic in 2020/21 have severely restricted this activity, it is intended to resume a fuller programme when the restrictions are lifted.

The membership strategy is reviewed and monitored by the Representation Committee and approved by the Council of Governors.

## Membership engagement

A dedicated membership officer supports the Representation Committee and the Council of Governors to service the needs of the membership. Pre-induction, induction training and development sessions are offered to governors to enhance their effectiveness in working with members and the general public.

The Representation Committee logs, addresses and responds to ideas, innovations and issues raised by members and its work is publicly reported at the Council of Governors meetings and is published on the Trust website. The Council of Governors and Board of Directors have a public question time scheduled as part of their respective meetings where members of the public can openly voice questions. Minutes from both meetings are published on the Trust's website. Through its governance structures the Trust will continue to be responsive to the needs of the membership and wider community.

Public events, which are attended in person or on-line by governors, provide information about local mental health and learning disability services. They also create a forum for both members and the general public to speak with governors about any service and related issues. Over the past 12 months, governors' activities in these areas have been restricted on on-line activity.

To ensure regular communication with members, the Trust implements a number of feedback mechanisms, these include the Trust magazine Better Together, website, membership events, the annual public meeting and the use of social media. Staff members are kept up-to-date with the activities of the staff governors through updates on the Trust's intranet.

## Service user and carer involvement

Service user and carer involvement in the Trust has taken many forms, however all are geared for one purpose: to help shape and improve local services and the care environment.
Service users and carers attend and contribute to a wide range of activities including staff selection, meetings, committees and working groups, bringing their particular expertise to both team level decision making and also to an organisational wide level; some of these involvement activities are detailed as follows:

- **Staff employment** - service users and carers are regularly involved in the recruitment and selection processes for staff - from shortlisting applicants, interviewing potential candidates to assisting with the subsequent appointment of a new staff member.
- **Group of 1,000 and other expressed interest groups** - individuals (not necessarily Trust members), are canvassed for their opinions through focus groups, research studies, working parties and surveys.
- **Governor election information sessions** - information sessions held for prospective new governors.
- **Member recruitment events** - range of events held throughout the county to actively promote the Trust and mental health services with a view to recruiting new members.
- **New governor induction sessions** - designed to support newly appointed governors immediately following their election, to help familiarise them with the workings of the Trust.
- **Annual public meeting and annual members meeting** - a large scale, one day public event held every September that shares information about the Trust's performance from the previous 12 months and its proposed activities for the immediate future. The Board of Directors and Council of Governors talk openly about the opportunities and challenges that will influence the organisation over the coming year, (as detailed in this annual report). This event also facilitates the formal presentation of the Annual Report and Accounts.
- **PLACE inspections**– Patient Led Assessments of the Care Environment (PLACE) are annual inspections of inpatient premises in terms of cleanliness, food, privacy, dignity, wellbeing and the environment (suspended during 2020/21).

## Benefits of being a member of the Trust

The benefits to being a member of the Trust include:

- Receiving regular updates on enhancements to local mental health and learning disability services, particularly relating to conditions of personal interest.
- Receiving copies of the printed magazine, Better Together, which contains news from Lincolnshire and further afield and a one page e-bulletin update containing important Trust news.
- Being invited to attend member interest events, open days, governor drop-in sessions and lectures on mental health topics.
- Being able to comment, through questionnaires and meetings, on plans for local mental health services.
- Voting for someone to sit on the Council of Governors, or standing for election as a Trust governor.
- Having direct contact with governors, to ensure views are taken into account when decisions are made on the future direction of services.

**Membership information can be downloaded from the Trust's website or by contacting:**

- Telephone: 01522 309176
- Email: lpft.governor-member@nhs.net
- Post: FREEPOST RTXR-BAGA-KHYJ, Membership Office, Lincolnshire Partnership NHS Foundation Trust, Trust Headquarters, St George's, Long Leys Road, Lincoln, LN1 1FS.

Additionally, members can contact their respective governor directly via the Trust's website.

## Compliance with the Code of Governance

The Board considers itself compliant with all provisions of the NHS Foundation Trust Code of Governance and has made the required disclosures in this annual report.

# NHS Oversight Framework: Disclosure

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

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

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

## Segmentation

Throughout the majority of 2020/21 the Trust has been in segment 1 of the framework. The Trust being in segment 1 indicates that no targeted support has been required.
This segmentation information is the Trust's position as at 31 March 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England / Improvement website.

## Finance and use of resources

During 2020/21, financial performance in relation to income and expenditure has been measured in terms of an adjusted surplus/deficit metric. NHS England and Improvement has defined items to be excluded from this metric, which primarily relate to the impact of asset revaluations and depreciation on donated assets. In addition to income and expenditure performance, liquidity has been a key performance indicator during the COVID-19 pandemic. This has been maintained nationally across the NHS by the scheduling of monthly payments in advance throughout the financial year. Due to this approach, the Trust has reported an average month-end liquidity metric of 40.4 days during 2020/21 (days of operating costs held in cash or cash equivalent forms).

# Statement of the Chief Executive's responsibilities as the Accounting Officer of Lincolnshire Partnership NHS Foundation Trust

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

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

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

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

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

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

**Sarah Connery** **11 June 2021**

**Acting Chief Executive and Accounting Officer**

# Important events

The Board confirms the approval of its Annual Report and Accounts at its annual public meeting. The 2020 meeting took place on 17 September and accepted the Trust's annual report and accounts for the year ending 31 March 2020. The 2021 meeting at which this document will be approved is set to take place on 9 September 2021. A copy of the meeting programme will be published on our website nearer the actual date of the event. To register your attendance, please contact us on the telephone number or email address detailed below.

There were no other important events affecting the Trust, since the end of the financial year that requires any further disclosure than has been made in the Annual Governance Statement included in the report.

## Additional copies of the Annual Report and Accounts

Additional copies of the Annual Report and Accounts for the period from 1 April 2020 to 31 March 2021 can be obtained by writing to the Trust at the address below. Alternatively copies of this document can be downloaded from the Trust's website. If you would like a copy of this document in an alternative format or another language, please contact the communications team on:

- Tel: 01522 309194
- Email: LPFT.communications@nhs.net

## Additional comments

If you would like to make comments on the annual report or would like any further information, please write to:
FREEPOST RTXR-BAGA-KHYJ,
Trust Secretary
Lincolnshire Partnership NHS Foundation Trust
Trust HQ, St George's
Long Leys Road
Lincoln, LN1 1FS

# Annual governance report

## Annual Governance Statement: 1 April 2020 to 31 March 2021

*Organisation name: Lincolnshire Partnership NHS Foundation Trust*

### 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 Lincolnshire Partnership NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lincolnshire Partnership NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

The Audit Committee and the Board annually reviews the effectiveness of the Trust's governance arrangements (system of internal control). This review covers all material controls, including financial, clinical, operational, organisational development and compliance controls and risk management systems. The review is confirmed in the Board papers and minutes which are published on the Trust's website.

### Capacity to handle risk

The Chief Executive has overall responsibility for the management of risk by the Trust. The other members of the executive team exercise lead responsibility for specific types of risk as follows:

- Clinical risks: Director of Nursing, AHPs and Quality and the Medical Director.
- Financial and capital planning risks: Director of Finance and Information.
- Contractual risks: Director of Strategy, People and Partnerships.
- Workforce risks: Director of Strategy, People and Partnerships.
- Information governance risks: Director of Finance and Information.

- Operational and service risks: Director of Operations.
- Medical workforce risks: Medical Director.
- Estates risks: Director of Operations.

The role of each executive director is to ensure that appropriate arrangements are in place for the:

- Identification and assessment of risks and hazards.
- Elimination or reduction of risk to an acceptable level.
- Compliance with internal policies and procedures, and statutory and external requirements.
- Integration of functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally through divisional and service managers supporting the executive directors and working with designated lead managers within operational divisions.

The Trust has a Board Escalation and Assurance Framework that sits alongside the Trust's risk management policy, both of which are reviewed annually and approved by the Board of Directors. The framework and policy defines risk and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk.

Staff are equipped to manage risk in a variety of ways and at different levels of strategic and operational functioning. These include:

- Formal in-house training for staff as a whole in dealing with specific everyday risk, e.g. clinical risk, fire safety, health and safety, moving and handling, infection control, information governance and security.
- Training and induction in incident investigation, including documentation, root cause analysis, steps to prevent or minimise recurrence and reporting requirements.
- Developing shared understanding of broader business, financial, environmental and clinical risks through collegiate clinical, professional and managerial groups (such as professional advisory groups, the Board quality committee and the sub-committee structure that sits in place to support the delivery of quality).

## The risk and control framework

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the Trust's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.
The key elements of the risk management strategy are that:

- Risk identification and management is a key trust wide responsibility.
- All staff accept the management of risks as one of their fundamental duties.
- All staff are committed to identifying and reducing risks.

This promotes a duty of candour in which there is transparency and openness where mistakes are made. Untoward incidents are identified quickly and dealt within a positive and responsive way and lessons learnt are communicated throughout the organisation and best practice adopted.
The Trust uses the '5 x 5' matrix for risk quantification. Risks may be identified on an ongoing basis via incident reporting procedures, complaints, claims, freedom to speak up, control audits, and risk assessments. These processes are monitored to ensure that any risks are identified and acted upon in a timely manner.

Risks that are assessed as low are managed through routine procedures. Moderate risks require specific management responsibility and action. High risks require senior management attention. Extreme risks require immediate action and necessitate informing the Board of Directors.

Assurance on how effectively the risk management system is working is monitored through inspections – such as, environmental, infection control, security and workplace safety – and through health and safety and clinical governance activities, which include:

- Display screen equipment awareness.
- Control of Substances Hazardous to Health (CoSHH) regulations.
- Awareness raising of the management of violence and aggression.
- Clinical risk assessment.
- Moving and handling training.
- Lone working.
- Record keeping audits.
- Incident reporting and reviews.
- Infection control including the COVID-19 infection prevention and control, board assurance framework.
- Safeguarding children and adults.

- Key equality legal requirements.
- Information governance.
- Health and safety, and fire inspections.

These all form part of the Trust's induction programme for all new members of staff, training updates and individual training as a result of needs assessments. The Trust's performance management framework includes the effective management of risk as a key element. The organisation undertakes equality impact assessments on all functions it carries out to ensure that service delivery and employment practices comply with legal requirements.

The Trust involves key stakeholders in the management of risks; these include:

- Service users and their carers.
- Members of the Trust and the general public through consultations.
- Council of Governors and foundation trust members.
- Health and social care commissioners through performance management of contracts.
- Staff and management joint consultative negotiation committee.
- Local negotiating committee for consultants.
- Health and safety committee.
- Lincolnshire health scrutiny and overview committee.
- NHS England / Improvement.
- Care Quality Commission (CQC).
- The Lincolnshire Resilience Forum.
- Other system providers in primary care, secondary care and the third sector.

The Board of Directors determines the strategic objectives of the Trust. These are monitored by performance management through the Board's committee structure. Strategic risks, which potentially threaten the achievement of strategic objectives, are identified and key controls put in place to manage these risks. The Board of Directors either directly or via its committees is provided with reports to enable it to monitor the effectiveness of each element of the assurance framework. The Board of Directors considers the key controls in place to identify risks and assesses whether these are adequate. Where gaps in controls have been identified, action plans are put in place to address any weaknesses.

In February 2020 and escalating from then the Board of Directors has put in place, maintained and regularly updated extra-ordinary measures to manage the Trust's response to, and support the whole community's response to, the COVID-19 pandemic. These measures included the adoption of a command structure in line with the recognised best practices defined within the Civil

Contingencies Act and related guidance. These measures included the use of the Emergency Powers set out within the Trust's Constitution and standing orders. The normal governance process was modified to address critical need, support social distancing and other government enforced restrictions. Time was prioritised to enable officers of the Trust to focus on essential matters. Records of deferred business are being maintained to ensure control of governance process is maintained.

In last year's Annual Governance Statement the Board identified that its existing committee structure had been in place for over three years and would need to change to reflect the construct of national regulation and in particular the move to Integrated Care System (ICS) working and the needs of the national People Plan.

The Board committee structures, and terms of reference are reviewed annually to maintain the provision of adequate assurance mechanisms. During 2020/21 the Board consulted on and significantly revised the Trust's strategies. The committee structure was in turn reviewed and revised to reflect the Trust's strategic priorities. Details of the changes are set out earlier in this annual report.

The Trust uses external bodies to provide assurance, where necessary, and targets the internal audit programme at specific areas where a gap is identified and no other source of assurance is available. The Board of Directors recognises that this will and does result in a number of "limited assurance" reports which then enable robust action plans to be identified and implemented to produce improvements in control and assurance.

The Trust ensures a strong relationship is maintained between the assurance framework and risk register. The two documents are cross referenced, with the assurance framework including strategic risks, and the risk register operational risks.

Sections of the Assurance Framework have been assigned to the Board and its committees to ensure that there is clear oversight of all areas. Where lack of assurance, or gaps in control are identified, these are escalated to the Board of Directors. The Audit Committee is responsible for maintaining an overview of the framework, and considers this document, and makes recommendations to the Board, at every meeting.

Throughout 2020/21 the Board of Directors has reviewed and approved the assurance framework each quarter to provide assurance that the risks to the strategic objectives are being managed.

The directors are required to satisfy themselves that the Trust's annual quality report is fairly stated. In doing so the Trust has established a system of internal control to ensure that proper arrangements are in place. The Director of Nursing, AHPs and Quality leads and advises on all matters relating to the preparation of the Trust's annual quality report. To ensure that the quality report presents a properly balanced view of clinical performance over the year, the Trust has an established Quality Committee that is accountable to the Board of Directors to provide scrutiny and challenge over Trust clinical performance. The Trust also has quarterly quality meetings with its main commissioner, and is sharing the draft quality report with governors, commissioners and the Lincolnshire health scrutiny and overview committee and Healthwatch Lincolnshire for comment.

The Board of Directors receive safe staffing reports that describe the safe staffing levels required and achieved in accordance with the Developing Workforce Safeguards. The reports enable the Board to receive assurance that safe and effective specialist mental health services staffing levels have been created, reviewed and sustained.

The Deputy Director of Nursing, AHPs and Quality leads a process to make the link between the decisions on staffing that the Board makes and the knowledge and expertise of the clinical teams within the divisions. The Trust applies the systematic approach set out in the Developing Workforce Safeguards for identifying the organisational, managerial and environmental factors that support safe staffing in order to ensure improved service user outcomes.

The top risks faced by the Trust in 2020/21 and going forward into 2021/22 are set out in the table below:

| Risk | What are we doing about it? | How do we know? |
|---|---|---|
| **COVID-19 pandemic impact** | A command and control structure to manage the response to the pandemic has been put in place.<br><br>The Trust is fully co-operating with the Local Resilience Forum, the health community and all health regulatory bodies to comply with national guidance and support the nationwide COVID-19 pandemic response.<br><br>The Board is cognisant of the enforced changes to, and uncertainty surrounding, the financial and contracting regimes imposed as a result of the pandemic. The Trust is proactively engaging with NHSE/I | The Trust has in place proportionate arrangements that are escalated and de-escalated to manage the level of risk at given points in time.<br><br>The Trust has in place a Clinical Advisory Group to independently advise on service changes and decisions which contain any ethical matters.<br><br>The integrated performance reports to the Board of Directors as well as the COVID IPC BAF provide oversight and determine the levels of assurance available. |

| | | |
|---|---|---|
| | and the local health and social care community to operate effectively within the temporary financial and contracting arrangements. | |
| **Post COVID-19, mental health activity demand** | Detailed planning is underway to identify and understand the predicted demand and to map capacity accordingly. | The Board and its committees are considering the information available through activity and forecasting reports. |
| **Workforce risks** | The Trust consulted on and revised its People Strategy, which has identified the strategic priorities.<br><br>The Trust is working with partners on an attraction strategy and with Health Education England on determining future workforce needs | The Trust has in place workforce key performance indicators presented to the Board in the Integrated Performance Report. |
| **Privacy and dignity, and dormitory accommodation** | The Board is aware of the limitations imposed by much of the estate. An estates strategy has been produced to address medium and long term estates issues.<br><br>Each inpatient unit has been reviewed using the NHS England same-sex accommodation toolkit and improvements made as far as is possible in the existing estate.<br><br>The Board has commissioned work to develop plans for replacement of all remaining dormitory style in-patient wards.<br><br>Service design options linked to community care provision and the STP are also being pursued for services. | The Board has secured funding for the replacement of the remaining dormitory wards.<br><br>Construction has commenced.<br><br>Practices on the dormitory wards are kept under review to maximise the privacy and dignity afforded to patients and their carers |

| | | |
|---|---|---|
| **Information and data** | The Trust has invested in and installed Office 365.<br><br>The Trust is rolling out a new Electronic Prescribing system.<br><br>The Trust has implemented Rio and is now progressing with Phase 2 implementation.<br><br>The Trust has put in place Information Governance and Cyber security audits and testing and is investing in training and software to reduce the risk.<br><br>The Trust is investing in the implementation of IG Toollkit requirements and staff training in cyber security.<br><br>The Trust is in the process of implementing a new financial ledger system. The project is being led by ULHT the Trust's financial shared service provider. | The Board receive, scrutinise and approve business cases for IT developments.<br><br>The Trust is continuing to develop data quality benchmarking on future performance reports. |
| **Integrated Care System**<br>Operating in a challenging community | The Trust is actively contributing resources into the development of the system.<br><br>The Board is ensuring that the Trust's Strategies and Forward Plans are aligned to the single system plan. | The Board receives regular reports on the progress of the ICS, considers all of the plans and contributes to their development and approval. |

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

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

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

Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

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

## Care Quality Commission (CQC)

In November and December 2018 the Care Quality Commission inspected four of the Trust's core services and conducted a well-led review. The Overall rating of the Trust remained Good, with a significant number of key lines of enquiry in each of the core services improving from Requires Improvement to Good. The provision of safe services in every core service was rated as Good. The Trust achieved an overall Outstanding rating for "well-led". The Board of Directors approved and oversaw the completion of an action plan to address areas that were identified for further improvement.

The CQC was very positive about the continuing strengthening of a positive culture and leadership within the Trust. The evidence of significant, consecutive improvement from the 2016/17, 2017/18, 2018/19, 2019/20 and again 2020/21 staff surveys supported this observation.

The CQC returned in March 2020 to carry out the inspection of one core service to be followed by a well-led review. The core inspection of in-patient rehabilitation services occurred but due to the COVID-19 pandemic the well-led review was cancelled. The Trust received the report on the core service visit in June 2020. An action plan was produced, and its implementation has been overseen by the Quality Committee of the Board.

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

The Trust uses a range of key performance indicators (KPIs), which include non-financial measures, to manage its day to day business. This approach helps to provide a comprehensive and balanced view of performance. (More information about KPIs can be found in our Quality Report which will be separately published on the Trust's website).

The Trust has in place a forward planning process that ensures the appropriate planning of services with commissioners and other key stakeholders prior to submission of effective and agreed forward plans to NHS England / Improvement.

A robust Cost Improvement Programme and Quality Impact Assessment process involving Commissioners and service user representation is in place.

During the year the Board of Directors has received regular integrated performance reports providing information on the economy, efficiency and effectiveness of the use of resources. The Board has engaged with NHS England / Improvement to develop and expand on the methodology for reporting with the adoption of statistical process control reporting enabling a more informed use of the data.

Internal Audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The internal audit reports provide an assessment of assurance in these areas. The Head of Internal Audit Opinion is included below.

## Information Governance

The Trust commissions its Internal Audit Service Provider, Grant Thornton, to undertake annual audits of the evidence collated for its yearly on-line submission of evidence for the Data Security and Protection Toolkit (DSPT).

The DSPT is an online tool that enables organisations to measure their performance against data security and information governance requirements which reflect legal rules and Department of Health policy.

The toolkit provides a framework for assuring that organisations that have access to NHS patient information are implementing the 10 Data Security Standards clustered under three leadership obligations to meet their statutory obligations on data protection and data security.

- Leadership Obligation 1: People: Ensure staff are equipped to handle information respectfully and safely, according to the Caldicott Principles;
- Leadership Obligation 2: Process: Ensure the organisation proactively prevents data security breaches and responds appropriately to incidents or near misses; and
- Leadership Obligation 3: Technology: Ensure technology is secure and up-to-date.

These 10 Data Security Standards also incorporate evidence of compliance with General Data Protection Regulation (GDPR) and Data Protection Act 2018 requirements.

The Trust achieved ‘Significant Assurance with some improvement required’ in the audit report from its internal auditors Grant Thornton for this year’s audit of the 2020/21 DSPT evidence, in line with the Trust’s self-assessment as at 31st March 2021 however it should be noted that in line with changes in deadlines made due to the COVID-19 pandemic the Trust is not yet due to undertake its final submission of the toolkit until 30 June 2021.

In 2020 in recognition of the effect the COVID pandemic was having on services NHS Digital delayed the final submission of evidence for the annual Data Security and Protection Toolkit to 30 September 2020. The Trust had already undergone the annual audit of toolkit evidence by Grant Thornton auditors and received a final audit report offering the Board "significant assurance" on 9 April 2020. At that point there were 2 evidence items which required completion. The Trust achieved the final outstanding requirements in respect of SIRO refresh training and achievement of 95.19% mandatory data security training compliance which enabled final and early submission of the toolkit to NHS Digital on 29 June.

As at 31 March 2021 Grant Thornton have provided an assurance rating of low risk. Their conclusion reflects the fact that the final submission is not required until 30 June 2021 which allows sufficient time to update information and strengthen areas highlighted from the review.
All NHS Foundation Trusts must report any incidents of Data Security and Data Protection breaches on the DSPT and also in their respective annual reports. These incidents are classified in guidance provided by NHS Digital on Data Security and Protection Incidents. Incidents of the Security of Network & Information Systems Regulations 2018 (NIS Regulations) breaches must also be reported on the DSPT.

The Acting Director of Finance and Information has overall responsibility for Information Governance (IG), Data Security, and Data Protection compliance in his capacity as Senior Information Risk Owner (SIRO). The Medical Director is the Caldicott Guardian, the senior member of Trust staff responsible for protecting the confidentiality of patient information and enabling appropriate patient information sharing.
The Board has been assured by the SIRO, in the annual SIRO Report, that effective arrangements are in place to manage and control risks to information and data security. The Trust had four Data Security and Protection incidents as defined the NHS Digital guidance. These incidents were reported to NHS Digital on the DSPT and were automatically reported via the DSPT to the Information Commissioners’ Office (ICO): the ICO did not identify the need to undertake any further

investigation being satisfied that the Trust had put in relevant risk mitigations to manage these. Relevant IG communications have been shared across the Trust in order to learn lessons from these incidents including the development of a Social Media Policy.

The Trust continuously reviews its systems and procedures for the confidentiality, integrity and security of personal and confidential data. As a result of investigations into these incidents, and reviews of IG, Data Security & Records Incidents by Information Governance and Records Management Group (IG&RM Group), measures are taken to ensure the procedures and policies on Information Governance and Data Security are updated to enable compliance.

The Trust has systems and processes in place to govern access to confidential data and to ensure guidance and standards are followed when staff are using or accessing confidential data. Any new system or process is required to meet these standards as does any hardware (E.g. computers or software). All system developments whether new or existing need to follow a process and have a data protection impact assessment undertaken and be signed off by the DPO and SIRO to ensure they meet the required criteria and that hardware and software are compatible.

The Trust monitors its IG and Data Security risks through the IG & RM Group. Incidents and risks are managed in accordance with Trust policy and serious IG, Records and Data Security risks are escalated through either IM&T Committee or more urgent ones through the Executive Team, Board of Directors, and on to NHS Digital, NHS England / Improvement, NHS England or the ICO when required.

## Annual Quality Report

A number of steps have been put in place to assure the Board that the quality report presents a balanced view and there are appropriate controls in place to ensure the accuracy of data. These steps cover:

- Governance and leadership - the draft quality report has been consulted on through various committees in the organisation, such as the senior leadership team meetings, the executive team meeting, the Board's Quality Committee, and the joint meeting of the Board of Directors and Council of Governors.
- Quality is an underlying theme throughout policy reviews, business planning and clinical strategy work carried out in the Trust.
- Systems and processes – each division has a Quality Improvement and Assurance Lead in place and the Trust has in place a Head of Clinical Quality reporting to the Director of Nursing, AHPs and Quality. The Patient Safety and Experience Committee is a sub-committee of the Quality Committee, thus allowing for direct assurance reports to be provided.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the audit committee and the quality committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance. The head of internal audit opinion for 1 April 2020 to 31 March 2021 is as follows:

**"**Our overall opinion for the period 1 April 2020 to 31 March 2021 is that based on the scope of reviews undertaken and the sample tests completed during the period, **Significant assurance with some improvement required** can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. There are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review. The Board Assurance Framework has been revised in year and reflects the fundamental and key elements for managing risk are in place as part of the overall governance framework. The Trust is planning improvements to be made to the Board Assurance Framework to create a more concise and focused Board Assurance Framework."

The assurance framework provides evidence that there are effective controls in place to manage the risks that the organisation faces in achieving its principal objectives.

All internal audits completed in 2020/21 have provided significant assurance with some improvements required. The management plans from each audit have been addressed. Management action plans from 2019/20 audits were completed during 2020/21.

A quarterly compliance report presented by the Audit Committee to the Board of Directors provided assurance that the Trust met the requirements of its licence conditions in 2020/21.

The Board of Directors has identified the strategic risks facing the organisation during the period and has monitored the controls in place and the assurances available to ensure that these risks are being appropriately managed.

The Audit Committee provides the Board of Directors with an independent and objective view of arrangements for internal control within the Trust and to ensure the internal audit service complies with mandatory auditing standards, including the review of all fundamental financial systems. Information provided to the audit committee in reports from internal and external sources and further work carried out by the committee to gain assurance about the control environment leads to the conclusion that there have been no major control issues during the year.

## Conclusion

The Trust will continue to use the assurance framework to assure the Board of Directors and others that the Trust's key controls to manage strategic risks are being assessed and improved continuously. Where areas of concern are identified, action plans have been put in place to close the gaps in control or assurance.

The Trust has continued to take a robust approach to targeting Internal Audit into areas identified as being of potential concern and has identified weaknesses and established new controls to manage areas of concern. Targeted approaches have enabled stronger controls to be implemented and assurance provided through additional internal control reports to the Audit Committee.

The Trust's continued approach to identifying risks, implementing mitigation plans, actively seeking gaps in control through audit and in delivering audit action plans provides the Board with assurance that there is an effective system of control in place.
No significant control issues have been identified throughout the year.

# Annual Governance Statement: 1 April 2020 to 31 March 2021

Signed (on behalf of the Board of Directors)

**Sarah Connery**
**Acting Chief Executive** **11 June 2021**

## Directors' statement of disclosure to the auditors

For each individual director, at the time that this report was approved:

- So far as the director is aware, there is no relevant audit information of which Lincolnshire Partnership NHS Foundation Trust's auditor is unaware, and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that Lincolnshire Partnership NHS Foundation Trust's auditor is aware of that information.

**Sarah Connery** **11 June 2021**

**Acting Chief Executive and Accounting Officer**

Lincolnshire Partnership
NHS Foundation Trust

# Accounts for the year 2020/21

**Mr Mark Platts**
Acting Director of Finance and Information
Lincolnshire Partnership NHS Foundation Trust
Trust Headquarters
St George's
Long Leys Road
Lincoln
LN1 1FS
Telephone: Lincoln 01522 309171

*Supporting people to live well in their communities*

# Contents

## Independent auditor's report to the Council of Governors and Board of Directors of Lincolnshire Partnership NHS Foundation Trust

### Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Lincolnshire Partnership NHS Foundation Trust (the 'Foundation Trust'):

- give a true and fair view of the state of the Foundation Trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements 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
- the related notes 1 to 19.

We have also audited the information in the Remuneration Report and Staff Report that is subject to audit, being:

- the table of pay multiples and related narrative notes on page 48;
- the table of salaries and allowances of senior managers and narrative notes on pages 49 to 51;
- the table of pension benefits of senior managers and related narrative notes on pages 51 to 53; and
- the table of exit packages on page 56.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Foundation Trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 have nothing to report in this regard.

## Responsibilities of the accounting officer

As explained more fully in the statement of accounting officer's responsibilities, 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.

In preparing the financial statements, the accounting officer is responsible for assessing the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Foundation Trust without the transfer of the Foundation Trust's services to another public sector entity.

## 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the Foundation Trust and its control environment, and reviewed the Foundation Trust's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Foundation Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Foundation Trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018, relevant employment legislation, and clinical standards.

We discussed among the audit engagement team, including relevant internal specialists such as IT and industry specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations the area of NHS clinical revenue. In response to this:

- We evaluated the design and implementation of key controls in relation to revenue recognition, including controls over agreement of year end commissioner and STP positions, including system level adjustments;
- We have tested the recognition of income through the year, including the period-end calculations, system level adjustments, and national funding allocations, and have evaluated the results of the agreement of balances exercise.
- We have reviewed with management the key changes and any open areas in setting 2021/22 contracts, and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between period; and
- We have reviewed the correspondence from NHS Improvement regarding the allocation of top up funding for the year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential

bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

## Report on other legal and regulatory requirements

### Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

*Use of resources*

Under the Code of Audit Practice, we are required to report to you if we have not been able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the Foundation Trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the Foundation Trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

### Respective responsibilities of the accounting officer and auditor relating to the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Foundation Trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the Foundation 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 Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in April 2021, as to whether the Foundation Trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Foundation Trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation Trust's arrangements, will be reported in our separate Auditor's Annual Report.

### *Annual Governance Statement and compilation of financial statements*

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

### *Reports in the public interest or to the regulator*

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

### Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

## Use of our report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Lincolnshire Partnership NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Howse CA, CPFA (Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom
11 June 2021

# Audit certificate issued subsequent to opinion on financial statements

## Independent auditor's certificate of completion of the audit

### Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2021 issued on 11 June 2021, we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the Foundation Trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

### Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2021 on 11 June 2021, we had not completed our work on the Foundation Trust's arrangements, and had nothing to report in respect of this matter as at that date.

### Certificate of completion of the audit

In our audit report for the year ended 31 March 2021 issued on 11 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and the work necessary to issue our statement on consolidation schedules. We have now completed our work in these areas.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion.

We have nothing to report in respect of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of Lincolnshire Partnership NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Ian Howse, CA, CPFA (Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, UK
31 August 2021

# Foreword to the accounts

The Accounts for the year ended 31st March 2021 are set out on the following pages and comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the Notes to the Accounts.

The Accounts have been prepared by the Lincolnshire Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

The Trust maintains a detailed one year financial and business plan. After making enquiries that includes examining the period of at least one year from the date of the approval of the Accounts, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these Accounts.

**Sarah Connery** **Date: 11 June 2021**

**Acting Chief Executive**

# Statement of Comprehensive Income

# for the year ended 31st March 2021

| | NOTE | 2020/21 £000 | 2019/20 £000 |
|---|---|---|---|
| Operating income from patient care activities | 2.1 / 2.2 | 113,125 | 114,982 |
| Other operating income | 2.5 | 10,851 | 7,821 |
| **Total operating income from continuing operations** | | **123,976** | **122,803** |
| Operating Expenses | 3.1 | (122,857) | (119,761) |
| **OPERATING SURPLUS** | | **1,119** | **3,042** |
| | | | |
| **FINANCE COSTS** | | | |
| | | | |
| Finance income | 5.1 | - | 133 |
| Finance expense | 5.2 | (14) | (46) |
| PDC Dividends payable | | (1,517) | (1,671) |
| **NET FINANCE COSTS** | | **(1,531)** | **(1,584)** |
| | | | |
| Loss on disposal of assets | 5.4 | (29) | - |
| **(DEFICIT) / SURPLUS FOR THE YEAR FROM CONTINUING OPERATIONS** | | **(441)** | **1,458** |
| | | | |
| **OTHER COMPREHENSIVE (EXPENSE) / INCOME** | | | |
| **Will not be reclassified to income and expenditure:** | | | |
| Impairments on property, plant & equipment and donated assets | 13.1 | (2,296) | (1,214) |
| Revaluation gains on property, plant & equipment and donated assets | 13.1 | 815 | 235 |
| **TOTAL OTHER COMPREHENSIVE EXPENSE** | | **(1,481)** | **(979)** |
| | | | |
| **TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR** | | **(1,922)** | **479** |

There are no minority interests in the Trust therefore the net deficit for the year of £441,000 (2019/20: surplus of £1,458,000) and the total comprehensive expense for the year of £1,922,000 (2019/20: income of £479,000) is wholly attributable to the Trust.

The notes on pages 142-194 form part of these accounts.

All income and expenditure is derived from continuing operations.

# Statement of Financial Position as at 31st March 2021

| | NOTE | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 6.1 | 306 | 380 |
| Property, plant and equipment | 7.1 | 60,084 | 58,430 |
| Trade and other receivables | 9.1 | 197 | 168 |
| **Total non-current assets** | | **60,587** | **58,978** |
| | | | |
| **Current assets** | | | |
| Trade and other receivables | 9.1 | 4,391 | 10,677 |
| Non-current assets for sale and assets in disposal groups | 8.1 | - | 1,000 |
| Cash and cash equivalents | 14.1 | 30,011 | 19,455 |
| **Total current assets** | | **34,402** | **31,132** |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 10.1 | (11,822) | (16,073) |
| Borrowings | 11.3 | - | (663) |
| Provisions | 12.1 | (393) | (170) |
| Other liabilities | 11.1 | (2,852) | (1,406) |
| **Total current liabilities** | | **(15,067)** | **(18,312)** |
| | | | |
| **Total assets less current liabilities** | | **79,922** | **71,798** |
| | | | |
| **Non-current liabilities** | | | |
| Provisions | 12.1 | (1,135) | (1,230) |
| **Total non-current liabilities** | | **(1,135)** | **(1,230)** |
| | | | |
| **Total assets employed** | | **78,788** | **70,568** |
| | | | |
| **Financed By Taxpayers' Equity** | | | |
| Public dividend capital | | 35,940 | 25,798 |
| Revaluation reserve | 13.1 | 16,999 | 18,929 |
| Income and expenditure reserve | | 25,849 | 25,841 |
| **Total taxpayers' equity** | | **78,788** | **70,568** |

The notes on pages 142-194 form part of these accounts.

The financial statements were approved by the Board of Directors and authorised for issue by:

**Signed**: S. Connery

**Sarah Connery (Acting Chief Executive)** **11 June 2021**

# Statement of Changes in Taxpayers' Equity for the year ended 31st March 2021

| | NOTE | Total | Public Dividend Capital | Revaluation Reserve | Income and Expenditure Reserve |
|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 |
| **Taxpayers' Equity at 1 April 2020 brought forward** | | **70,568** | 25,798 | 18,929 | 25,841 |
| Deficit for the year | | **(441)** | - | - | (441) |
| Impairment losses on property, plant & equipment and donated assets | 13.1 | **(2,296)** | - | (2,296) | - |
| Revaluations on property, plant & equipment and donated assets | 13.1 | **815** | - | 815 | - |
| Public dividend capital received | | **10,142** | 10,142 | - | - |
| Transfer of the excess of current cost depreciation over historical cost depreciation to the income & expenditure reserve | 13.1 | **-** | - | (449) | 449 |
| **Taxpayers' Equity at 31 March 2021** | | **78,788** | **35,940** | **16,999** | **25,849** |
| **Taxpayers' Equity at 1 April 2019 brought forward** | | **69,814** | 25,522 | 20,408 | 23,884 |
| Surplus for the year | | **1,458** | - | - | 1,458 |
| Impairment losses on property, plant & equipment and donated assets | 13.1 | **(1,214)** | - | (1,214) | - |
| Revaluation gains on property, plant & equipment and donated assets | 13.1 | **235** | - | 235 | - |
| Public dividend capital received | | **763** | 763 | - | - |
| Public dividend capital repaid | | **(487)** | (487) | - | - |
| Transfer of the excess of current cost depreciation over historical cost depreciation to the income & expenditure reserve | 13.1 | **-** | - | (500) | 500 |
| **Taxpayers' Equity at 31 March 2020** | | **70,568** | **25,798** | **18,929** | **25,841** |

## 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 and Social Care as the public dividend capital dividend.

## Revaluation reserve

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

## Income and expenditure reserve

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

# Statement of Cash Flows for the year ended 31st March 2021

| | NOTE | 2020/21 £000 | 2019/20 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus | | **1,119** | **3,042** |
| | | | |
| **Non-cash income and expense:** | | | |
| Depreciation and amortisation | | 2,803 | 2,537 |
| Impairments and reversals | 5.3 | 431 | 612 |
| Decrease in trade and other receivables | | 6,156 | 225 |
| (Decrease) / increase in trade and other payables | | (4,606) | 5,557 |
| Increase in other liabilities | | 1,446 | 28 |
| Increase in provisions | | 135 | 169 |
| **Net cash generated from operating activities** | | **7,484** | **12,170** |
| | | | |
| **Cash flows from investing activities** | | | |
| Interest received | | - | 133 |
| Purchase of intangible assets | 6.1 | (82) | (104) |
| Purchase of property, plant and equipment | | (4,887) | (5,880) |
| **Net cash used in investing activities** | | **(4,969)** | **(5,851)** |
| | | | |
| **Cash flows generated from / (used in) financing activities** | | | |
| Public dividend capital received[1] | | 10,142 | 763 |
| Public dividend capital repaid[2] | | - | (487) |
| Loans repaid to the Department of Health and Social Care | | (662) | (667) |
| Interest paid on Department of Health and Social Care loans | | (16) | (39) |
| Other interest paid | | (7) | (5) |
| Public dividend capital paid[3] | | (1,416) | (1,736) |
| **Net cash generated from / (used in) financing activities** | | **8,042** | **(2,171)** |
| **Increase in cash and cash equivalents** | | **10,556** | **4,148** |
| **Cash and Cash equivalents at 1 April brought forward** | | **19,455** | **15,307** |
| **Cash and Cash equivalents at 31 March** | 14.1 | **30,011** | **19,455** |

There are no non- cash movements included within cash flows used in financing activities.

[1]During the year the Trust received £9,790,000 of public dividend capital as part of the Mental Health Eradication of Dormitories scheme, £235,000 for Remote Working and £117,000 in relation to COVID-19 capital funding (2019/20: - £689,000 of public dividend capital as part of the Beyond Places of Safety scheme and £74,000 in relation to its partnership working with East Midlands One Care).

[2]Public dividend capital repaid relates to a contribution towards the capital programme of United Lincolnshire Health NHS Trust, facilitated by the Department of Health and Social Care in 2019/20.

[3]Public dividend capital paid relates to the annual dividend charge payable on relevant Trust net assets.

# Notes to the accounts

## Accounting policies

### 1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the financial statements have been prepared in accordance with the GAM 2020/21, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Going concern

These accounts have been prepared on a going concern basis. The Trust maintains a detailed annual financial and business plan. After making enquiries that includes examining the period of at least one year from the date of the approval of the accounts, 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 these accounts.

Following on from the UK leaving the European Union on the 31st January 2020 the Trust has not noted any material impacts on operations during the financial year. No consequences of BREXIT are expected to impact on the Trust as a going concern.
The Government has agreed an overall financial settlement for the NHS for the first half of 2021/22 which provides an additional £6.6 billion and £1.5 billion for COVID-19 costs above the original mandate issued last year. The financial settlement for months September to March 2022 will be agreed once there is greater certainty around the circumstances facing

the NHS going into the second half of the year. As such, the ongoing outbreak is not expected to impact the Trust's ability to continue on a going concern basis.

### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

### 1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

#### 1.3.1 Critical judgements in applying accounting policies

The Trust has concluded that for the year ended 31st March 2021 there are no critical judgements required by management in applying accounting policies that may have a significant effect on the amounts recognised in financial statements.

#### 1.3.2 Sources of estimation uncertainty

The Trust has considered key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Trust considers the revaluation of its property, plant and equipment to be a material estimation made by the District Valuer. The carrying amount of the Trust's revalued land and buildings, in notes 7.1 and 8.1, is £54,280,896 (2019/20: £55,890,941) for the year ended 31st March 2021.

The Trust has received a letter from District Valuation Services (DVS) dated 13th April 2021 in response to the continuing COVID-19 pandemic. The outbreak and the measures taken to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.  Accordingly, and for the avoidance of doubt, the DVS valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

### 1.4 Segmental Analysis

No segmental analysis is shown as the sole activity of Lincolnshire Partnership NHS Foundation Trust in 2020/21 was the provision of specialist health services for the people in Lincolnshire. For adults of working age with a mental health or substance misuse problem, the specialist services include social care.

The "Chief Operating Decision Maker" is deemed to be the Trust Board of Directors. The Board currently receives only high-level financial reporting information and does not therefore review information or allocate resources in any way that could be perceived to represent operating segments. This will be reviewed during the course of 2021/22 and is dependent upon the information received or requested by the Chief Operating Decision Maker.

The Trust has a group of customers, Lincolnshire Clinical Commissioning Groups, from which more than 10% of its total revenue is derived from providing mental health services.

### 1.5 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where 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 accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

*Comparative period (2019/20)*

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefitted as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer.

In 2019/20 the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

***Revenue from research contracts***

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

### 1.5.1 Other forms of income – grants

Government grants are grants from Government bodies other than income from commissioners or NHS 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.

## 1.6 Expenditure on employee benefits

### 1.6.1 Short-term employee benefits

Salaries, wages and employment-related payments 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.

### 1.6.2 Pension costs

*NHS Pension Scheme*

Past and present employees are covered by the provisions of the two NHS Pensions 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 Secretary of State for Health and Social Care in England and Wales. They are

not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the Trust of participating in each scheme is taken as equal to the employer's pension contributions payable to that scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 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 scheme actuary report, 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from

April 2019 to 20.6%, of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

***Local Government Pension Scheme***

As a result of the transfer of 2 staff as at 1 April 2018 from East Riding Council to the Trust's employment, the Trust is also an admitted member of the Local Government Pension Scheme which is a defined benefit scheme. However, the staff left Trust employment during 2020/21. Under International Accounting Standard (IAS) 26, this is not considered material and therefore further disclosure is not required.

**1.7 Expenditure on other goods and services**

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

**1.8 Value Added Tax**

Most of the activities of the Trust are outside the scope of value added tax (VAT) and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the

capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.9 Corporation Tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. As the Trust has not generated any such profits from activities unrelated to healthcare, no corporation tax liability has been incurred nor accounted for within these financial statements.

### 1.10 Property, Plant and Equipment

#### 1.10.1 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; and
- the cost of the item can be measured reliably.

Capitalisation thresholds are as follows:

- individually have a cost which is material, materiality for this purpose is deemed to be £5,000.
- form a group of assets which individually have a cost of £250, collectively have a cost of £5,000, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control wherever possible.
- specifically, for the grouping of Information Technology assets: have a cost of £250 that incorporates for example: desktops, tablets and laptops (and printers where deemed necessary) items such as stands, keyboards, mice and monitors. Standard recognised associated parts that bring the asset into working condition (installation costs) are also to be included such as catalysts, switches and cabling.

- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

### 1.10.2 Measurement

*Valuation*

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

All property assets are measured subsequently at valuation unless they are held for their sale potential under IFRS 5.

Property asset valuations will be carried out by professionally qualified valuers in accordance with International Financial Reporting Standards (IFRS) as interpreted and applied by the HM Treasury FReM compliant Department of Health and Social Care Group Manual for Accounts (GAM). The valuations will also accord with the requirements of the professional standards of the Royal Institute of Chartered Surveyors (RICS) Valuation - Global Standards 2017 and RICS UK National Supplement, commonly known together as the Red Book in so far as these are consistent with the aforementioned IFRS and GAM guidance; UK VPGA 5 refers. Specialised operational assets where there is little, or no market-based evidence of fair value will require valuation at Depreciated Replacement Cost (DRC) in accordance with UKVS 1.15 and UKGN 2 on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the service being provided. Nonspecialised operational assets will require valuation at current value in existing use (EUV) as defined at UKVS 1.3. Assets held for sale will be valued at fair value in line with IFRS 5. 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 or IFRS 5.

The frequency of property assets valuation will be determined with reference to significant market volatility, and the requirement to keep asset values up to date. A full physical

property valuation will be undertaken at least once every five years, the last one occurring in the year ending 31 March 2019. This year’s 'desktop' valuation which will incorporate the annual impairment review, will be carried out by a professionally qualified valuer.

Property assets that are newly- acquired or constructed or in the course of construction are initially measured at cost and will only require a formal revaluation if there is an indication that the initial cost is significantly different to its fair value. Capital works, notably tenant's improvements on leased assets may be written down on the advice of the qualified valuer. The remaining asset balance is depreciated over the shorter of:

- the life of the lease; or
- the remaining useful life of the asset.

Non property assets with short useful lives or low values will be measured on a depreciated historical cost basis as an acceptable proxy for current value in existing use. This is because the useful lives used are considered to be a realistic reflection of the lives of assets and the depreciation method chosen represents the consumption of the asset.

*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 Trust 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 on a straight-line basis over their useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

*Useful lives of property, plant and equipment*

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

| | **Min Life Years** | **Max Life Years** |
|---|---|---|
| Land | - | - |
| Buildings excluding dwellings | 4 | 54 |
| Plant & machinery | 4 | 10 |
| Information technology | 4 | 5 |
| Furniture & fittings | 5 | 10 |

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

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

### 1.10.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

### 1.10.4 Donated assets

Donated property, plant and equipment assets are capitalised at their fair value on receipt.

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

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

## 1.11 Intangible assets

### 1.11.1 Recognition

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

*Internally generated intangible assets*

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

Expenditure on research is not capitalised.

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

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

- how the intangible asset will generate probable future economic or service delivery benefits e.g. 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 e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### 1.11.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. An intangible asset 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; and
- the cost of the item can be measured reliably.

Capitalisation thresholds are as follows:

- individually have a cost which is material, materiality for this purpose is deemed to be £5,000.
- form a group of assets which individually have a cost of £250, collectively have a cost of £5,000, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control wherever possible.

Subsequently intangible assets are measured at amortised historical cost.

An intangible asset which is surplus with no plans to bring it back into use is valued at fair value under IFRS13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

*Amortisation*

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

Intangible assets held for sale are not amortised.

*Useful lives of intangible assets:*

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

| | **Min Life Years** | **Max Life Years** |
|---|---|---|
| Software | 3 | 5 |

### 1.12 Financial assets and financial liabilities

#### 1.12.1 Recognition

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

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

### 1.12.2 Classification and measurement

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

### 1.12.3 Financial assets and financial liabilities at amortised cost

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

### 1.12.4 Impairment of financial assets

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

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to

lifetime expected losses. This method includes appropriate grouping into categories based on shared credit risk characteristics and reviewing the Trust's historical loss rates to calculate future expected credit losses. This does not include recognising expected credit losses in relation to other NHS and other Whole of Government Account (WGA) bodies.

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.

#### 1.12.5 De-recognition

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

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

### 1.13 Leases- the Trust as lessee

#### 1.13.1 Operating Leases

Operating lease rentals are charged to operating expenses on a straight-line basis over the term of the lease. Lease incentives are recognised initially in other liabilities on the Statement of Financial Position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

#### 1.13.2 Leases of land and buildings

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

### 1.14 Leases- the Trust as lessor

#### 1.14.1 Operating Leases

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

### 1.15 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 the discount rates published and mandated by HM Treasury.

#### 1.15.1 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in note 12.2 to the accounts but is not recognised in the Trust’s accounts.

#### 1.15.2 Non-clinical risk pooling

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

### 1.15.3 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 12.3 to the accounts where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in the notes to the accounts, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

## 1.16 Public dividend capital

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

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

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

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

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

### 1.17 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.

### 1.18 Cash and cash equivalents, bank and overdrafts

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 the current values of these balances in the cash book of the Trust. These balances exclude monies held in the Trust's bank account belonging to patients. Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

### 1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in note 14.2 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

### 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, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

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

### 1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

### 1.22 International Financial Reporting Standards, amendments and interpretations issued but not yet effective or adopted

The GAM does not require the following Standards and Interpretations to be applied in 2020/21. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 now being deferred for implementation until 2022/23, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

#### 1.22.1 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 2022. The implementation date was revised from April 21 in November 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 re-measurement 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 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91% but this may change between now and the adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition.

For leases commencing in 2022/23, 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.

In assessing under IFRS16, the Trust has made several judgements and estimations. These include:

- the measurement of peppercorn right of use assets at their value in use as valued by the District Valuer; and
- where lease agreements were not in place, but arrangements were deemed to be lease arrangements, such as those with NHS Property Services, the Trust has estimated its future lease term using hindsight and other strategic information.

The Trust is prepared for the implementation of IFRS 16. Further work is ongoing around the identification of new leases with our Procurement and Estates teams.

Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

### 1.22.2 IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted. This standard is expected to have minimal impact on the Trust.

# Further analysis of main statements

### 2.1 Operating Income

All income from patient care activities relates to contract income recognised in line with accounting policy 1.5.

| Income from patient care (by nature) | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| **Mental Health Trusts** | | |
| Block contract income/ system envelope income[1] | 106,595 | 100,806 |
| Clinical Partnerships providing mandatory services (including S75 agreements)[2] | 1,932 | 9,879 |
| Additional pension contribution central funding[3] | 3,907 | 3,627 |
| Other clinical income[4] | 691 | 670 |
| **Total Income from activities** | **113,125** | **114,982** |

[1] As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year. As such, items previously disclosed as cost and volume income are now included within block contract income above.

[2]Clinical Partnerships providing mandatory services (including S75 agreements) has decreased due to the transfer of the Adult Social Care Community Care Fund to Lincolnshire County Council from April 2020 under revised contract arrangements.

[3]The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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.

[4]Other clinical income is from NHS England to fund the Trust's annual leave accrual. This is to recognise the backlog of annual leave as a result of the COVID-19 pandemic and the associated backfill requirements to enable staff to take their remaining leave. (2019/20: NHSE funding of in-year Medical Pay Award and inflationary pressures.)

The Trust's Provider Licence sets out the commissioner requested services that the Trust must provide. All income from activities shown above is derived from the provision of commissioner requested services.

**2.2 Income from patient care (by source)**

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| NHS Foundation Trusts[1] | 1,243 | 19 |
| NHS Trusts | 612 | 667 |
| NHS England | 9,016 | 9,275 |
| Clinical Commissioning Groups (CCGs) | 84,513 | 79,407 |
| Local Authorities[2] | 17,696 | 25,574 |
| Non NHS: Other[3] | 45 | 40 |
| **Total income from activities** | **113,125** | **114,982** |

[1]NHS Foundation Trusts income has increased due to a change of commissioner for the Trust's low secure unit, this income was previously shown within Clinical Commissioning Group (CCGs) income.

[2]Local Authorities income has decreased due to the transfer of the Adult Social Care Community Care Fund to Lincolnshire County Council from April 2020 under revised contract arrangements.

[3]Non NHS: Other relates to income from Autism Care UK for the provision of services (2019/20: Autism Care UK).

## 2.3 Overseas Visitors

No income has been received in the year (relating to patients charged directly by the provider) (2019/20: Nil).

## 2.4 Fees and Charges (income generation)

Trusts are required by HM Treasury to provide details of any income generation activities where the full costs exceed £1 million or the service is otherwise felt to be material. The

Trust does not consider itself to have any such income generation activities during 2020/21 (2019/20: Nil).

## 2.5 Other Operating Income

| Other Operating Income (by nature) | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| **Other Operating Income From Contracts With Customers** | | |
| Research and development | 465 | 477 |
| Education and training | 3,953 | 3,712 |
| Non-patient care services to other bodies | 1,911 | 2,262 |
| Provider Sustainability Fund (PSF) | - | 876 |
| Reimbursement and top up funding[1] | 3,053 | - |
| Other[2] | 538 | 457 |
| **Other Non-Contract Operating Income** | | |
| Charitable and other contributions to expenditure[3] | 907 | 16 |
| Rental revenue from operating leases | 24 | 21 |
| **Total other operating income** | **10,851** | **7,821** |

[1]Reimbursement and top up funding income was new income provided by NHS England as part of the COVID-19 response.

| [2]Other Operating Income - Other | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| Catering | 39 | 57 |
| Property rentals | 7 | 24 |
| Staff contributions to employee benefit schemes | 433 | 376 |
| Clinical excellence awards | 59 | - |
| **Total** | **538** | **457** |

[3]Charitable and other contributions to expenditure includes £895,843 for personal protective equipment received from the Department of Health and Social Care at nil cost. In line with the Government Accounting Manual and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department. An opposite entry has been included within operating expenses to represent utilisation of the consumables received.

## 2.6 Additional Information on Revenue Contracts with Customers Recognised in the Period

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| Revenue recognised in the reporting period that was included within contract liabilities at the previous year end | **707** | **1,074** |

### 2.7 Transaction Price Allocated to Remaining Performance Obligations

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: within one year | **2,851** | **1,406** |

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

Revenue is received in respect of the transfer of services to patients throughout the year.

The transaction prices are stated in the contracts and as a result, no changes to transaction price can occur without a contract variation. As the contracts are reviewed annually, all performance obligations are in relation to the current year.

## 2.8 Other Operating Income (by source)

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| NHS Foundation Trusts | - | 108 |
| NHS Trusts | 2,232 | 2,167 |
| Department of Health and Social Care | 20 | - |
| NHS England and Clinical Commissioning Groups (CCGs)[1] | 3,167 | 1,020 |
| Health Education England | 3,850 | 3,559 |
| Special Health Authorities | - | 17 |
| Non Departmental Public Body[2] | 60 | 39 |
| Local Authorities | 5 | 58 |
| Non NHS: Other[3] | 1,517 | 853 |
| **Total income from activities** | **10,851** | **7,821** |

[1]Other operating income from NHS England and Clinical Commissioning Groups (CCGs) includes £3,053,000 of top up income as part of the COVID-19 response (2019/20: £876,000 of Provider Sustainability Fund income).

[2]Other operating income from non-departmental public bodies is from NHS Digital in relation to the Health and Social Care Network.

[3]Non NHS: Other includes £895,843 of notional income in respect of the personal protective equipment received from the Department of Health and Social Care at nil cost to the Trust. An equal and opposite entry is included within the operating expenditure note 3.1 to represent utilisation of these consumables (2019/20: £85,829 in recovered compensation relating to a historical fraud loss).

## 3.1 Operating expenses (by type)

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Purchase of healthcare from NHS and DHSC bodies[1] | 418 | - |
| Purchase of healthcare from non NHS and non-DHSC bodies | 37 | 22 |
| Purchase of social care (under S.75 or other integrated care arrangements)[2] | - | 8,298 |
| Staff and executive directors costs | 98,730 | 88,451 |
| Remuneration of non-executive directors | 126 | 126 |
| Supplies and services - clinical (excluding drug costs)[3] | 1,906 | 960 |
| Supplies and services - general | 1,315 | 1,322 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 1,307 | 1,279 |
| Consultancy costs | 230 | 209 |
| Establishment | 1,214 | 1,262 |
| Premises - business rates payable to local authorities | 742 | 769 |
| Premises - other | 3,161 | 3,160 |
| Transport (business travel only)[4] | 916 | 1,801 |
| Transport - other (including patient travel) | 269 | 725 |
| Depreciation of property, plant and equipment | 2,647 | 2,375 |
| Amortisation of intangible assets | 156 | 162 |
| Net impairments of property, plant and equipment | 431 | 612 |
| Change in provisions discount rate(s) | 29 | 54 |
| Audit fees payable to the external auditor | | |
| audit services- statutory audit[5] | 70 | 50 |
| other audit remuneration (external auditor only) | - | 18 |
| Internal audit and local counter fraud costs | 90 | 102 |
| Clinical negligence- amounts payable to NHS Resolution | 580 | 414 |
| Legal fees | 118 | 168 |
| Education and training | 1,094 | 1,079 |
| Rentals under operating leases - minimum lease payments | 3,228 | 2,651 |
| Early retirements | - | 38 |
| Redundancy | 34 | 136 |
| Car parking & security | 64 | 117 |
| Losses, ex gratia & special payments[6] | 109 | 75 |
| Other services, eg. external IT services[7] | 875 | 1,775 |
| Other[8] | 2,961 | 1,551 |
| **TOTAL** | **122,857** | **119,761** |

[1]Purchase of healthcare from NHS DHSC bodies relates to new Veterans High Intensity Service (HIS) contracts.

[2]Purchase of social care (Under S.75 or other integrated arrangements) has decreased due to the transfer of the Adult Social Care Community Care Fund to Lincolnshire County Council from April 2020.

[3]Supplies and services - clinical (excluding drug costs) includes £895,843 for the utilisation of consumables donated from the Department of Health and Social Care in relation to the COVID-19 response. The receipt of these goods is shown within other operating income note 2.5.

[4]Business travel costs have decreased significantly throughout 2020/21 due to the restrictions in place due to the COVID-19 pandemic.

[5]Audit services - statutory audit includes fees in respect of a Value for Money audit which is a new requirement for 2020/21.

[6]Refer to note 18.1 for further details.

[7]Other services, e.g. External IT services have decreased to normal levels (2019/20 included non-recurrent charges incurred relating to the delayed discharge of mental health patients at United Lincolnshire Hospitals NHS Trust).

[8]Other has increased due to new subcontracts taking place in 2020/21.

## 3.2 Analysis of Operating Lease Expenditure

| **Operating lease expenditure by type:** | **2020/21 £000** | **2019/20 £000** |
|---|---|---|
| Buildings | 2,548 | 2,004 |
| Other | 680 | 647 |
| **TOTAL** | **3,228** | **2,651** |

## 3.3 Arrangements containing an operating lease

| **Future minimum lease payments due:** | **2020/21 £000** | **2019/20 £000** |
|---|---|---|
| - not later than one year; | 2,772 | 2,722 |
| - later than one year and not later than five years; and | 2,391 | 2,990 |
| - later than five years. | 11 | 121 |
| **TOTAL** | **5,174** | **5,833** |

| Future minimum lease payments due by type: | 2020/21 £000 Buildings | 2020/21 £000 Other | 2019/20 £000 Buildings | 2019/20 £000 Other |
|---|---|---|---|---|
| - not later than one year; | 2,191 | 581 | 2,101 | 621 |
| - later than one year and not later than five years; and | 1,800 | 591 | 2,473 | 517 |
| - later than five years. | 11 | - | 121 | - |
| **TOTAL** | **4,002** | **1,172** | **4,695** | **1,138** |

## 3.4 Operating Lease Revenue

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Minimum lease receipts | **24** | **21** |

| Future minimum lease receipts due by type: | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| - not later than one year | **20** | **10** |

Lease receipts are in respect of the sub-lease of car parking facilities at The Point, Sleaford to the Lincolnshire Clinical Commissioning Group and Lincolnshire Community Health Services.

## 3.5 Other auditor's remuneration

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Audit-related assurance services | **-** | **18** |

Audit-related assurance services for 2019/20 were in respect of the Trust's Quality Report. This report was not required as part of the 2020/21 annual accounts in line with Government requirements.

## 3.6 Limitation on auditor's liability

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Limitation on auditor's liability | 1,000 | 1,000 |

The Trust external auditor for 2020/21 (also 2016/17, 2017/18, 2018/19 and 2019/20) was Deloitte LLP under the terms of engagement dated 27th February 2017.

## 3.7 The late payment of commercial debts (interest) Act 1998

The Trust incurred £1,000 interest or charges for late payment of commercial debts in 2020/21, the majority of which were for telecoms (2019/20: £5,000 in relation to Brant Ward capital scheme). The Trust has not accrued for any further interest payable in relation to the late payment of invoices due to the amounts being immaterial.

## 4.1 Employee Expenses

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| Salaries and wages | 74,992 | 67,542 |
| Social security costs | 7,202 | 6,504 |
| Apprenticeship levy | 355 | 323 |
| Employers contributions to NHS Pensions | 8,954 | 8,299 |
| Employers contributions to NHS Pensions paid by NHSE on provider's behalf[1] | 3,907 | 3,627 |
| Pension cost - other[2] | 82 | 32 |
| Termination Benefits | 489 | 431 |
| Temporary staff (including agency) | 2,921 | 2,002 |
| **Total Gross Staff Costs** | **98,902** | **88,760** |
| **Of which** | | |
| Costs capitalised as part of assets | **(138)** | **(135)** |
| **Total employee benefits excluding capitalised costs** | **98,764** | **88,625** |

[1]Pension contributions to NHS Pensions paid by NHSE on provider's behalf relate to an increased pension rate as a result of a revaluation of public sector pension schemes. This has been funded by NHS England, the corresponding receipt can be seen within the Operating Income note.

[2]Pensions cost - other relates to employer contributions towards the National Employment Savings Trust (NEST) scheme and final pay charges paid to NHS Pensions. In 2020/21 this comprised of £40,000 of final pay charges (2019/20: nil).
Gross staff costs comprise of "Staff and executive directors costs", "Redundancy" and "Early retirements" per the Operating Expenses note 3.1.

Further analysis of employee costs including termination and compensation payments can be found in the Staff Report section of the Annual Report.

## 4.2 Average number of employees (Whole Time Equivalent basis)

This note is now incorporated within the Staff Report section of the Annual Report.

## 4.3 Early retirements due to ill health

| | 2020/21 Total £000 | 2020/21 Total Number | 2019/20 Total £000 | 2019/20 Total Number |
|---|---|---|---|---|
| Early retirements on the grounds of ill-health | - | - | - | - |

The above costs are borne by the NHS Business Services Authority - Pensions Division and not the Trust. They are calculated by multiplying the average value of ill-health pension by the number of years from payment to age sixty. Any pensions increase has been ignored.

## 4.4 Staff Exit Packages

This note is now incorporated within the Staff Report section of the Annual Report.

## 5.1 Finance Income

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Bank Interest | - | 133 |
| **Total** | **-** | **133** |

In 2019/20 bank interest received was in respect of deposits with the National Loan Fund. Due to the decreasing interest rates, no deposits were placed in 2020/21.

## 5.2 Finance Cost

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Interest on capital loans from the Department of Health and Social Care | 15 | 38 |
| Interest in the late payment of commercial debt | 1 | 5 |
| **Total interest expense** | **16** | **43** |
| Unwinding of discount on provisions | (8) | 3 |
| Other finance costs[1] | 6 | - |
| **Total finance costs** | **14** | **46** |

[1]Other finance costs are in respect of an opening accrual reversal relating to interest receivable.

## 5.3 Impairment of Assets (Property Plant and Equipment)

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Net impairments charged to operating surplus resulting from:** | | |
| Changes in market price | 431 | 612 |
| **Total net impairments charged to operating surplus** | **431** | **612** |
| | | |
| Impairments charged to the revaluation reserve | 2,296 | 1,214 |
| **Total net impairments[1]** | **2,727** | **1,826** |

[1]The total net impairment of £2,726,816 relates to the year-end desktop revaluation of which £430,675 was charged to operating income as discussed in note 7.3. £2,296,141 has been charged to the revaluation reserve.

## 5.4 Other Losses

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| Loss on disposal of property, plant and equipment | (29) | - |
| **Total loss on disposal of assets** | **(29)** | **-** |

The loss on disposal of property, plant and equipment largely relates to the write off of an asset under construction, capitalised last year. It also comprises of fixtures and fittings and tenants works in relation to the leased Rochford Ward at Boston, which was surrendered back to the lessor in year (2019/20: Nil)

## 6.1 Intangible Assets

**Intangible assets 2020/21**

| | Total | Software licences / purchased licences |
|---|---|---|
| | £000 | £000 |
| **Valuation / Gross cost at 1 April 2020 brought forward** | **2,270** | **2,270** |
| Additions - purchased | 82 | 82 |
| **Gross cost at 31 March 2021** | **2,352** | **2,352** |
| **Amortisation at 1 April 2020 brought forward** | **1,890** | **1,890** |
| Provided during the year | 156 | 156 |
| **Amortisation at 31 March 2021** | **2,046** | **2,046** |
| **Net book value** | | |
| NBV - Purchased at 31 March 2021 | 306 | 306 |
| **NBV total at 31 March 2021** | **306** | **306** |

**Intangible assets 2019/20**

| | Total | Software licences / purchased licences |
|---|---|---|
| | £000 | £000 |
| **Valuation / Gross cost at 1 April 2019 brought forward** | **2,166** | **2,166** |
| Additions - purchased | 104 | 104 |
| Reclassification | - | **-** |
| **Gross cost at 31 March 2020** | **2,270** | **2,270** |
| **Amortisation at 1 April 2019 brought forward** | **1,728** | **1,728** |
| Provided during the year | 162 | 162 |
| **Amortisation at 31 March 2020** | **1,890** | **1,890** |
| **Net book value** | | |
| NBV - Purchased at 31 March 2020 | 380 | 380 |
| **NBV total at 31 March 2020** | **380** | **380** |

## 7.1 Property, Plant and Equipment

| Property, Plant and Equipment 2020/21 | Total | Land | Buildings excluding dwellings | Assets under construction | Plant and machinery | Information technology | Furniture & fittings |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation/Gross cost at 1 April 2020 brought forward** | **63,930** | **8,125** | **46,766** | **680** | **1,130** | **6,153** | **1,076** |
| Additions - purchased | **5,242** | - | 1,181 | 2,708 | 120 | 1,114 | 119 |
| Impairments | **(4,012)** | (45) | (3,967) | - | - | - | - |
| Reversal of impairments | **(24)** | - | (24) | - | - | - | - |
| Reclassifications | **-** | - | 659 | (659) | - | - | - |
| Revaluations | **589** | 25 | 564 | - | - | - | - |
| Transfers from assets held for sale | **1,000** | 1,000 | - | - | - | - | - |
| Disposals | **(261)** | - | (5) | (21) | (111) | - | (124) |
| **Valuation/Gross cost at 31 March 2021** | **66,464** | **9,105** | **45,174** | **2,708** | **1,139** | **7,267** | **1,071** |
| | | | | | | | |
| **Accumulated depreciation at 1 April 2020 brought forward** | **5,500** | **-** | **-** | **-** | **719** | **3,993** | **788** |
| Provided during the year | **2,647** | - | 1,535 | - | 105 | 918 | 89 |
| Accumulated depreciation written off following revaluation (impairments) | **(1,309)** | - | (1,309) | - | - | - | - |
| Accumulated depreciation written off following revaluation (revaluations) | **(226)** | - | (226) | - | - | - | - |
| Disposals | **(232)** | - | - | - | (111) | - | (121) |
| **Accumulated depreciation at 31 March 2021** | **6,380** | **-** | **-** | **-** | **713** | **4,911** | **756** |
| | | | | | | | |
| **Net book value - 31 March 2021** | | | | | | | |
| Owned | **60,009** | 9,105 | 45,099 | 2,708 | 426 | 2,356 | 315 |
| Donated | **75** | - | 75 | - | - | - | - |
| **NBV total at 31 March 2021** | **60,084** | **9,105** | **45,174** | **2,708** | **426** | **2,356** | **315** |

| Property, Plant and Equipment 2019/20 | Total | Land | Buildings excluding dwellings | Assets under construction | Plant and machinery | Information technology | Furniture & fittings |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation/Gross cost at 1 April 2019 brought forward** | **61,691** | **8,075** | **44,837** | **1,320** | **1,180** | **5,279** | **1,000** |
| Additions - purchased | **5,189** | - | 3,502 | 672 | 68 | 871 | 76 |
| Impairments | **(2,167)** | (10) | (2,157) | - | - | - | - |
| Reversal of impairments | **7** | - | 7 | - | - | - | - |
| Reclassifications | **(1)** | - | 1,427 | (1,312) | (118) | 3 | - |
| Revaluations | **(790)** | 60 | (850) | - | - | - | - |
| **Valuation/Gross cost at 31 March 2020** | **63,930** | **8,125** | **46,766** | **680** | **1,130** | **6,153** | **1,076** |
| | | | | | | | |
| **Accumulated depreciation at 1 April 2019 brought forward** | **4,661** | **-** | **-** | **-** | **663** | **3,289** | **709** |
| Provided during the year | **2,375** | - | 1,484 | - | 108 | 704 | 79 |
| Accumulated depreciation written off following revaluation (impairments) | **(511)** | - | (511) | - | - | - | - |
| Accumulated depreciation written off following revaluation (revaluations) | **(1,025)** | - | (1,025) | - | - | - | - |
| Reclassifications | **-** | - | 52 | - | (52) | - | - |
| **Accumulated depreciation at 31 March 2020** | **5,500** | - | - | - | **719** | **3,993** | **788** |
| | | | | | | | |
| **Net book value - 31 March 2020** | | | | | | | |
| Owned | **58,352** | 8,125 | 46,688 | 680 | 411 | 2,160 | 288 |
| Donated | **78** | - | 78 | - | - | - | - |
| **NBV total at 31 March 2020** | **58,430** | **8,125** | **46,766** | **680** | **411** | **2,160** | **288** |

## 7.2 Economic lives of property, plant and equipment

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

| | **Min Life** Years | **Max Life** Years |
|---|---|---|
| Land | - | - |
| Buildings excluding dwellings | 4 | 54 |
| Plant & Machinery | 4 | 10 |
| Information Technology | 4 | 5 |
| Furniture & Fittings | 5 | 10 |

## 7.3 Property plant and equipment valuation

A Modern Equivalent Asset (MEA) valuation in the form of an annual impairment review was applied to the Trust's property base as at 31 March 2021. This resulted in an overall decrease in property values of £1,911,577. This comprised of net impairments of £2,726,816 of which £430,675 were expensed to income and expenditure and £2,296,141 were taken to the revaluation reserve as seen in note 5.3. Revaluation gains of £815,240 were taken to the revaluation reserve, resulting in a net downward revaluation reserve movement of £1,480,901. The valuation was performed by Mr Robert Mapletoft, MRICS BSc (Hons) Urban Estate Surveying NDEA of the District Valuation Services (DVS) on the 31st March 2021.

## 7.4 Net book value of assets held under finance leases and hire purchase contracts at the balance sheet date.

The Trust held no assets under finance lease or hire purchase contracts for 2020/21 (2019/20: £Nil).

## 7.5 Movements in the revaluation reserve

**Movements in the revaluation reserve as at 31 March 2021**

| | Total | Land | Buildings excluding dwellings |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Net book value** | | | |
| As at 1 April 2020 brought forward | **18,929** | 5,565 | 13,364 |
| Movement in year | **(1,930)** | (20) | (1,910) |
| **Total at 31 March 2021** | **16,999** | **5,545** | **11,454** |

**Movements in the revaluation reserve as at 31 March 2020**

| | Total | Land | Buildings excluding dwellings |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Net book value** | | | |
| As at 1 April 2019 brought forward | **20,408** | 5,515 | 14,893 |
| Movement in year | **(1,479)** | 50 | (1,529) |
| **Total at 31 March 2020** | **18,929** | **5,565** | **13,364** |

## 8.1. Non-current assets for sale and assets in disposal groups

**Non-current assets for sale and assets in disposal groups 2020/21**

| | Total | Land |
|---|---|---|
| | £000 | £000 |
| **NBV of non-current assets for sale and assets in disposal groups at 1 April 2020 brought forward** | **1,000** | 1,000 |
| Asset no longer classified as held for sale, for reasons other than disposal by sale | **(1,000)** | (1,000) |
| **NBV of non-current assets for sale and assets in disposal groups at 31 March 2021** | **-** | **-** |

Assets held for sale comprised of the Norton Lea site at Boston. Norton Lea has been removed from sale and brought back into operational use as the chosen site for the Trust's eradication of dormitories capital scheme.

**Non-current assets for sale and assets in disposal groups 2019/20**

| | Total | Land |
|---|---|---|
| | £000 | £000 |
| **NBV of non-current assets for sale and assets in disposal groups at 1 April 2019 brought forward** | 1,177 | 1,177 |
| Less impairment of assets held for sale | (177) | (177) |
| **NBV of non-current assets for sale and assets in disposal groups at 31 March 2020** | **1,000** | **1,000** |

## 9.1 Trade and other receivables

| **Amounts falling due within one year:** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| **Current** | **£000** | **£000** |
| Contract receivables invoiced | 1,849 | 5,124 |
| Contract receivables not yet invoiced / non-invoiced | 1,089 | 4,449 |
| Allowance for impaired contract receivables | (1) | (1) |
| Prepayments | 1,118 | 899 |
| PDC dividend receivable | 12 | 113 |
| VAT receivable | 324 | 93 |
| **Total Current Trade and Other Receivables** | **4,391** | **10,677** |
| **Of which receivables from NHS and Department of Health and Social Care group bodies:** | 1,003 | 5,623 |
| **Of which receivables from other bodies:** | 3,388 | 5,054 |
| **Non-Current** | | |
| Prepayments | 36 | 31 |
| Clinician pension tax provision reimbursement funding from NHSE[1] | 161 | 137 |
| **Total Non Current Trade and Other Receivables** | **197** | **168** |
| **Of which receivables from NHS and Department of Health and Social Care group bodies:** | 161 | 137 |
| **Of which receivables from other bodies:** | 36 | 31 |

[1]The Trust has accounted for a receivable of £161,007 (2019/20: £137,145) due from NHS England in respect of clinician's pension tax. Clinicians that have exceeded their annual pension allowance as a result of work undertaken during the year are able to have any related tax charge paid by NHS Pension Scheme if they have opted to. The Trust is contractually bound to pay this corresponding amount to the clinician on their retirement to ensure that they are fully compensated for any deduction from their income from NHS Pension Scheme on retirement. NHS England and the Government are committed to fund any payments to clinicians as and when they arise, this is shown in non-current receivables

above. A corresponding provision relating to the Trust's payment to clinicians is included in the provisions note of these accounts.

## 9.2 Allowances for credit losses

| | 31 March 2021 Contract receivables and contract assets £000 | 31 March 2020 Contract receivables and contract assets £000 |
|---|---|---|
| **Allowances as at 1 April - brought forward** | 1 | 1 |
| **Allowances as at 31 March** | **1** | **1** |

Following the implementation of IFRS 9, the Trust is required to provide for expected credit losses. The Trust uses a five-step provision matrix to calculate this. This involves grouping receivables of similar risk profiles and calculating the expected credit losses based on historical loss rates for these risk profiles. Any forward-looking macro-economic factors are also considered when calculating these losses. These are calculated on a quarterly basis.

The current credit loss allowance at the year-end is £1,000 which is considered immaterial. The Trust has considered the impacts of BREXIT and the COVID-19 pandemic which has not had a material impact to date in relation to credit losses. As such there are currently no macro-economic factors affecting these calculations.

## 9.3 Analysis of impaired receivables

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Ageing of impaired receivables** | | |
| Over 180 days | 1 | 1 |
| **Total** | **1** | **1** |

Impaired receivables over six months is £1,000 which was created by a new impairment model based on expected credit losses per IFRS 9.

## 10.1 Trade and other payables

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Trade payables | 2,215 | 8,371 |
| Capital payables | 1,142 | 787 |
| Accruals[1] | 3,511 | 3,207 |
| Social security costs | 1,115 | 998 |
| Other taxes payable | 804 | 698 |
| Other payables[2] | 3,035 | 2,012 |
| **Total Current Trade and Other Payables** | **11,822** | **16,073** |
| | | |
| **Of which payables to NHS and Department of Health and Social Care group bodies:** | 1,845 | 6,236 |
| **Of which payables to other bodies:** | 9,977 | 9,837 |

[1]Accruals includes £859,737 in respect of annual leave remaining untaken at the year-end due to the impact of the COVID-19 pandemic (2019/20: £185,469).

[2]There are no early retirements in other payables (2019/20: Nil).

There are no non-current trade and other payables as at 31st March 2021 (2019/20: Nil).

## 11 .1 Other liabilities

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Deferred income: contract liabilities | 2,852 | 1,406 |
| **Total Other Current Liabilities** | **2,852** | **1,406** |

There are no non-current other liabilities as at 31st March 2021 (2019/20: Nil).

## 11.2 Other financial liabilities

There are no other financial liabilities as at 31st March 2021 (2019/20: Nil).

## 11.3 Borrowings

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **Current** | | |
| Capital loans from Department of Health and Social Care | - | 663 |
| **Total Other Current Borrowings** | **-** | **663** |

A loan of £6 million was drawn down by the Trust during the 2011/12 financial year. This was provided by the Foundation Trust Financing Facility (Department of Health and Social Care) and utilised on the development of a new rehabilitation centre (Discovery House) which entered operation in 2011/12.

Repayments of principal and interest were made bi-annually by the Trust with the final repayment made in March 2021. The rate of interest was fixed at 3.31%.

## 11.4 Reconciliation of liabilities arising from financing activities - 2020/21

| | Loans from DHSC £000 | Total £000 |
|---|---|---|
| **Carrying value at 1 April 2020** | **663** | **663** |
| **Cash movements:** | | |
| Financing cash flows - payments and receipts of principal | (662) | (662) |
| Financing cash flows - payments of interest | (16) | (16) |
| **Non-cash movements:** | | |
| Interest charge arising in year | 15 | 15 |
| **Carrying value at 31 March 2021** | - | - |

## 11.5 Reconciliation of liabilities arising from financing activities - 2019/20

| | Loans from DHSC | Total |
|---|---|---|
| | £000 | £000 |
| **Carrying value at 1 April 2019** | **1,332** | **1,332** |
| **Cash movements:** | | |
| Financing cashflows - payments and receipts of principal | (667) | (667) |
| Financing cashflows - payments of interest | (39) | (39) |
| **Non-cash movements:** | | |
| Interest charge arising in year | 38 | 38 |
| **Carrying value at 31 March 2020** | **663** | **663** |

## 12.1 Provisions for liabilities and charges

| | Current | | Non Current | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | £000 | £000 | £000 | £000 |
| Pensions - Early departure costs | 43 | 42 | 225 | 258 |
| Pensions - Injury benefit | 51 | 49 | 602 | 621 |
| Legal claims | 73 | 79 | - | - |
| Redundancy | 226 | - | - | 67 |
| Clinician pension tax reimbursement | - | - | 161 | 137 |
| Other | - | - | 147 | 147 |
| **Total** | **393** | **170** | **1,135** | **1,230** |

**Pensions - early departure costs** relating to staff refers to early retirements previously agreed, for which the amount and timing of the provision is reasonably certain. The Trust makes payment to NHS Pensions quarterly and the provision is calculated to cover the life expectancy of each claimant.

**Pensions - injury benefits** include provisions for payments made for injury benefit claims awarded against the Trust, for which the timing of the provision is reasonably certain. The Trust makes payment to NHS Business Services Authority quarterly and the provision is calculated to cover the life expectancy of each claimant.

**Legal claims** are based on the excess payments required for current legal claims that are provided by NHS Resolution. These claims are expected to be settled in the 12 months following 31st March 2021, for which the amount and timing of the provision is reasonably certain.

**Clinicians pension tax reimbursement** The Trust has accounted for a provision of £161,007 (2019/20: £137,145) in respect of clinician's pension tax. Clinicians that have exceeded their annual pension allowance as a result of work undertaken during the year are able to have any related tax charge paid by NHS Pension Scheme if they have opted to. The Trust is contractually bound to pay this corresponding amount to the clinician on their retirement to ensure that they are fully compensated for any deduction from their income from NHS Pension Scheme on retirement. This is shown in non-current provisions and the amount and timing is reasonably certain.

**Other provisions** are a provision for backdated VAT relating to locums working through direct engagement. The amount and timing of this is reasonably certain.

| | Total | Pensions - early departure costs | Pensions: injury benefits | Legal claims | Redundancy | Clinician pension tax reimbursement | Other |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £'000 | £000 | £000 | £000 | £000 |
| **At 1 April 2020** | **1,400** | 300 | 670 | 79 | 67 | 137 | 147 |
| Change in the discount rate | **29** | 4 | 25 | - | - | - | - |
| Arising during the year | **328** | 5 | 14 | 59 | 226 | 24 | - |
| Utilised during the year - accruals | **(65)** | - | - | (65) | - | - | - |
| Utilised during the year - cash | **(156)** | (39) | (50) | - | (67) | - | - |
| Unwinding of discount rate | **(8)** | (2) | (6) | - | - | - | - |
| **At 31 March 2021** | **1,528** | **268** | **653** | **73** | **226** | **161** | **147** |
| **Expected timing of cash flows:** | | | | | | | |
| - not later than one year; | **393** | 43 | 51 | 73 | 226 | - | - |
| - later than one year and not later than five years; | **922** | 160 | 454 | - | - | 161 | 147 |
| - later than five years. | **213** | 65- | 148 | - | - | - | - |
| **TOTAL** | **1,528** | **268** | **653** | **73** | **226** | **161** | **147** |

## 12.2 Clinical negligence liabilities

The amount included in provisions of NHS Resolution as at the 31st March 2021 in respect of clinical negligence liabilities of Lincolnshire Partnership NHS Foundation Trust is £11,060,010 (31st March 2020: £11,976,097).

## 12.3 Contingent Assets/(Liabilities)

There were no contingent assets or liabilities during 2020/21 (2019/20: Nil).

## 13.1 Revaluation Reserve

| | Total Revaluation Reserve | Property, Plant and Equipment | Assets Held for Sale |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Revaluation reserve at 1 April 2020 brought forward** | **18,929** | 18,181 | 748 |
| Net impairments | **(2,296)** | (2,296) | - |
| Revaluations | **815** | 815 | - |
| Transfer from asset held for sale to operational asset[1] | **-** | 748 | (748) |
| Transfer of the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve | **(449)** | (449) | - |
| **Revaluation reserve at 31 March 2021** | **16,999** | **16,999** | **-** |

| | | | |
|---|---|---|---|
| **Revaluation reserve at 1 April 2019 brought forward** | **20,408** | 19,660 | 748 |
| Net impairments | **(1,214)** | (1,214) | - |
| Revaluations | **235** | 235 | - |
| Transfer of the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve | **(500)** | (500) | - |
| **Revaluation reserve at 31 March 2020** | **18,929** | **18,181** | **748** |

[1]Transfer from Asset Held for Sale reserve relate to the reclassification of the Norton Lea site at Boston from an asset held for sale, back into operational use.

## 14.1 Cash and Cash Equivalents

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| **At 1 April brought forward** | 19,455 | 15,307 |
| Net change in year | 10,556 | 4,148 |
| **At 31 March** | **30,011** | **19,455** |
| | | |
| **Broken down into:** | | |
| Cash at commercial banks and in hand | 20 | 20 |
| Cash with the Government Banking Service | 29,991 | 19,435 |
| **Cash and cash equivalents as in SoFP and SoCF** | **30,011** | **19,455** |

## 14.2 Third Party Assets Held

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| Bank balances | 17 | 59 |

The third-party assets relate to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

## 15.1 Contractual Capital Commitments

| | 31 March 2021 £000 | 31 March 2020 £000 |
|---|---|---|
| Property, plant and equipment (including IM&T) | 1,827 | 477 |
| **Total as at 31 March** | **1,827** | **477** |

Contractual capital commitments at the 31st March 2021 relate largely to the Trust's eradication of dormitories schemes at the Peter Hodgkinson Centre, Lincoln and Norton Lea, Boston. Further commitments relate to goods which have been ordered but were receipted after the year end (2019/20: The Trust's Beyond Places of Safety scheme at the Peter Hodgkinson Centre, Lincoln).

## 15.2 Other Financial Commitments

The Trust is not committed to making any payments under non-cancellable contracts for the year ended 31st March 2021 (2019/20: Nil).

## 16.1 Related Party Transactions

Lincolnshire Partnership NHS Foundation Trust is a public benefit corporation which was established under granting of authority by Monitor. Foundation Trusts are now regulated by NHS Improvement who have licenced Lincolnshire Partnership NHS Foundation Trust to operate as a Foundation Trust.

Details of personal compensation, where applicable, for key management personnel can be seen in the Remuneration Report accompanying these Financial Statements.

During the year Lincolnshire Partnership NHS Foundation Trust had several material transactions with the Department of Health and Social Care or with other entities for which the Department is regarded as the ultimate parent and controlling party.

The Trust has opted to apply the exemption under paragraph 25 of IAS 24 in respect of disclosure requirements for Government-related entities. The following list details the main public entities that the Trust has had material transactions with (over £10 million) during the year ranked by amount (highest first):
NHS Lincolnshire CCG – income in respect of Commissioner requested services;
Lincolnshire County Council - income in respect of Commissioner requested services; and
NHS Pension Scheme – expenditure in relation to employer pension contributions.

| | Revenue | Expenditure |
|---|---|---|
| | £000 | £000 |
| **Value of transactions with other related parties in 2020/21:** | | |
| Other bodies or persons outside of the whole of government accounting boundary | 102 | 170 |
| | **102** | **170** |
| **Value of transactions with other related parties in 2019/20:** | | |
| Other bodies or persons outside of the whole of government accounting boundary | - | 75 |
| | **-** | **75** |

## 16.2 Related Party Balances

| | Receivables £000 | Payables £000 |
|---|---|---|
| **Value of balances with other related parties at 31 March 2021:** | | |
| Other bodies or persons outside of the whole of government accounting boundary | 5 | 33 |
| **Total balances with related parties at 31 March 2021** | **5** | **33** |
| **Value of balances with other related parties at 31 March 2020:** | | |
| Other bodies or persons outside of the whole of government accounting boundary | - | 8 |
| **Total balances with related parties at 31 March 2020** | **-** | **8** |

Charitable Trust funds are held and managed by Lincolnshire Community Healthcare Services NHS Trust. Audited accounts of the funds held on Trust can be obtained on request from October 2021, where they will also be published on the Charity Commission website.

In respect of these funds, draft figures relating to relating to Lincolnshire Partnership NHS Foundation Trust have been received. Expenditure of £32,000 (2019/20: £8,000) has been incurred and income received into the funds of £50,000 (2019/20: £12,000). The fund balance at 31st March 2021 was £69,000 (2019/20: £51,000).

## 17.1 Carrying value and fair value of financial assets - 31 March 2021

| | Total | Held at amortised cost |
|---|---|---|
| | £000 | £000 |
| **Assets as per SoFP** | | |
| Trade and other receivables excluding non financial assets - with NHS and Department of Health and Social Care bodies | **941** | 941 |
| Trade and other receivables excluding non financial assets - with other bodies | **1,996** | 1,996 |
| Cash and cash equivalents (at bank and in hand (at 31 March 2021)) | **30,011** | 30,011 |
| **Total at 31 March 2021** | **32,948** | **32,948** |

## 17.2 Carrying value and fair value of financial assets - 31 March 2020

| | Total | Held at amortised cost |
|---|---|---|
| | £000 | £000 |
| **Assets as per SoFP** | | |
| Trade and other receivables excluding non financial assets - with NHS and Department of Health and Social Care bodies | **5,503** | 5,503 |
| Trade and other receivables excluding non financial assets - with other bodies | **4,069** | 4,069 |
| Cash and cash equivalents (at bank and in hand (at 31 March 2020)) | **19,455** | 19,455 |
| **Total at 31 March 2020** | **29,027** | **29,027** |

Most the Trust's financial assets relate either to cash or to money due from other NHS organisations. Other NHS organisations are extremely unlikely to default on payments, and the Trust would only invest its cash deposits within a strict investment policy. There are no transactions involving hedging, foreign currency or other investments prone to market fluctuations. There is therefore no material exposure to credit, market or liquidity risks. The only identified potential credit risk is regarding the ageing of impaired receivables.

## 17.3 Carrying value and fair value of financial liabilities - 31 March 2021

| | Total £000 | Held at amortised cost £000 |
|---|---|---|
| **Liabilities as per SoFP** | | |
| Trade and other payables excluding non financial liabilities - with NHS and Department of Health and Social Care bodies | **1,845** | 1,845 |
| Trade and other payables excluding non financial liabilities - with other bodies | **8,058** | 8,058 |
| IAS 37 provisions which are financial liabilities | **224** | 224 |
| **Total at 31 March 2021** | **10,127** | **10,127** |

## 17.4 Carrying value and fair value of financial liabilities - 31 March 2020

| | Total £000 | Held at amortised cost £000 |
|---|---|---|
| **Liabilities as per SoFP** | | |
| Department of Health and Social Care loans | **663** | 663 |
| Trade and other payables excluding non financial liabilities - with NHS and Department of Health and Social Care bodies | **6,236** | 6,236 |
| Trade and other payables excluding non financial liabilities - with other bodies | **8,141** | 8,141 |
| IAS 37 provisions which are financial liabilities | **67** | 67 |
| **Total at 31 March 2020** | **15,107** | **15,107** |

The Trust's financial liabilities are generally of a short-term and uncomplicated nature which are not particularly influenced by external factors. The Trust updates a long-term financial plan every year, which includes a detailed cash flow forecast, and has no reason to assume that it will be unable to pay its suppliers, employees and finance costs. There are therefore no material liquidity risks.

## 17.5 Maturity of financial liabilities

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | £000 | £000 |
| In one year or less | 10,127 | 15,107 |
| **Total at 31 March** | **10,127** | **15,107** |

## 18.1 Losses and Special Payments

| | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Number of cases | £000 | Number of cases | £000 |
| **Losses** | | | | |
| Cash losses | 1 | - | 3 | 2 |
| Fruitless payments and constructive losses | 20 | 49 | 13 | 78 |
| Bad debts and claims abandoned | 3 | - | - | - |
| **Total Losses at 31 March** | 24 | 49 | 16 | 80 |
| **Special Payments** | | | | |
| Ex-gratia payments | 14 | 17 | 6 | 1 |
| **Total Special Payments at 31 March** | 14 | 17 | 6 | 1 |
| **Total Losses and Special Payments at 31 March** | **38** | **66** | **22** | **81** |
| **Recovered Losses** | | | | |
| Compensation payments received | **-** | **-** | **2** | **86** |

The amounts above are reported on an accruals basis and exclude any provision for future losses. The Trust has recovered no losses during the year (2019/20: £85,829).

## 18.2 Gifts

The Trust has made no gifts during the year to 31st March 2021 (2019/20: Nil).

## 19.1 Events After the Reporting Period

There are no adjusting or non-adjusting events in the reporting period for 2020/21 (2019/20: Nil).

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NHS Foundation Trust

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