NHS
Oxleas
NHS Foundation Trust

Annual Report and Accounts

2020/21

Improving lives

oxleas.nhs.uk

we're kind we're fair we listen we care

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Annual Report and Accounts

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

Contents

A year of building a fairer Oxleas NHS

36%
(4% increase) of the strategic executive team are Black, Asian or Minority Ethnic people

All the executive team members are trained in Cultural Intelligence and Inclusive Leadership

New values and behaviours focus on fairness and inclusion **'we're fair'**

42
BAFO volunteers in the Action Plan Group and growing

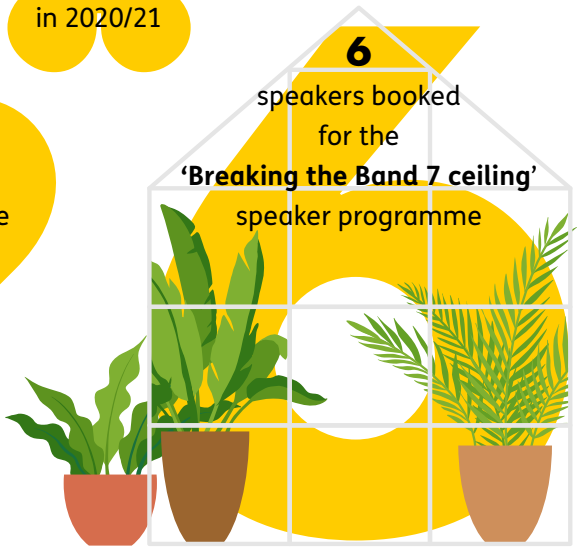
89
'Just Culture' panels in 2020/21

500 managers to be trained about race

15 online well-being sessions hosted by senior leaders for Black, Asian and Minority Ethnic staff

40%
reduction in Violence and Aggression on key wards

6
speakers booked for the **'Breaking the Band 7 ceiling'** speaker programme



A film about microaggressions and micro kindnesses

'In Each Other's Shoes'

5

50
Greenwich managers trained on Cultural Intelligence

33%
of the Board are Black, Asian or Minority Ethnic

2% increase in the number of Black, Asian and Minority Ethnic Staff at Bands 8a, b & c - now at **27%**

All
interview panels to include Black, Asian or Minority Ethnic panelists

BAFO
Building a fairer Oxleas for all

we're **kind** we're **fair** we **listen** we **care**

If you would like to get involved, please email **oxl-tr.bafo@nhs.net** or visit **theox.oxleas.nhs.uk/BAFO**

Improving lives

1 Performance Overview Report

Introduction to Oxleas

Following several months of intense pressure on health services and significant national restrictions, we are starting to see a brighter future as the impact of Covid-19 is lessened by a successful national vaccination campaign. However, although the crisis may be reducing, the long-term effects of the Covid-19 pandemic remain. As an organisation, we are responding to these – the increase in demand for our services and the need to make changes to ensure equal opportunities for all. We are making sure we have learned from Covid-19. It has highlighted the inequalities in society, how technology can be used to enable us to work and connect in different ways and how we need to support each other as well look after our own wellbeing.

We are pleased that despite the pandemic, we have been able to move forward at Oxleas with developing our strategy for 2021 – 24. This gives us a framework to move into the future positively and put our plans into action.

Performance Overview

The purpose of this Performance Overview is to give you a short summary of the history and purpose of Oxleas NHS Foundation, the activities we undertake and how we organise ourselves. Our Chair and Chief Executive will share their views on the trust performance over the last year and the key risks and issues we face.

An introduction to Oxleas NHS Foundation Trust

Oxleas NHS Foundation Trust is a statutory body which became a foundation trust (public benefit corporation) in May 2006. We are part of the NHS, are registered with the Care Quality Commission and have been rated by the commission as Good.

We offer a wide range of health and social care services to people living in south east London and parts of Kent. This includes community health care such as district nursing and physiotherapy, care for people with learning disabilities and mental health care such as psychiatry, nursing and therapies. Our multidisciplinary teams look after people of all ages and we work in partnership with other parts of the NHS, local councils and the voluntary sector. We are part of the South East London Integrated Care System which brings together trusts, commissioners, local authorities and community organisations. More information on this is available at *www.ourhealthiersel.nhs.uk*

Our 4,000 members of staff work in many different settings such as hospitals, clinics, prisons, children's centres, schools and people's homes. We manage hospital sites including Queen Mary's Hospital, Sidcup and Memorial Hospital in Woolwich as well as the Bracton Centre, our medium secure unit for people with mental health needs. Our prison health services cover Kent and South London including HMP Wandsworth.

We are currently organised in six clinical directorates:

- Adult Learning Disabilities
- Bexley Care
- Bromley Mental Health Services
- Children and Young People's Services
- Greenwich Adult Services
- Forensic and Prison Services

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Introduction to Oxleas

However, in Autumn 2021, we plan to re-organise the management of some of our teams along service lines and are planning to have the following clinical directorates:

- Adult Acute and Crisis Mental Health
- Adult Community Mental Health
- Adult Community Physical Health
- Children and Young People's Services
- Adult Learning Disabilities
- Forensic and Prison Services

Our purpose is to improve lives by providing the best possible care to our patients and their families. This year, following discussions with staff, service users, carers and partners, we have adopted new values for the organisation. They are:

we're **kind** we're **fair** we **listen** we **care**

Our trust headquarters is based at:
Pinewood House
Pinewood Place
Dartford
Kent
DA2 7WG

Tel: 01322 625700

www.oxleas.nhs.uk

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Performance statement from Chair and Chief Executive

This section enables us to share with you how we have made improvements and developed our services over the past year while updating you on how we have performed against national and local standards and in delivering against our plans for 2020-21. Our plans have been affected by Covid-19 but we are pleased that we have managed to keep many on track and complete our strategy development work. We have also found new ways of working during the pandemic and will be looking to maintain the beneficial aspects of agile working as the effects of Covid-19 hopefully reduce. This report will update you on these developments.

Oxleas Strategy 2021-24

Starting in November 2019, we undertook an extensive consultation process to learn what is important to our staff, people using our services and their families and our partners. The outcome of these 'Our Next Step' discussions have been at the core of our strategy development.

The ideas shared, alongside some of the lessons we have learned through the Covid-19 pandemic, have been used to create our strategy for 2021-24 which was agreed by our Board of Directors and Council of Governors in March 2021.

The three big priorities for the strategy are:

- Achieving zero delays
- Delivering great out of hospital care
- Making Oxleas a great place to work

These are underpinned by eight building blocks for change:

1) Quality Management

2) Bolstering our service user, patient, carer involvement and co-production

3) Creating a safety and learning culture

4) Increasing our focus on service inequalities

5) Effective partnership working

6) Reducing violence, aggression and abuse against our staff

7) Increasing digital and remote service delivery

8) Making best use of our resources

Now the strategy has been agreed, we are developing our implementation plans and will be reporting to the Board of Directors and Council of Governors regularly on how we are progressing them.

Improving Quality

In December 2020, Oxleas Board of Directors approved the Quality Management Framework as a flexible way to define our approach to continuous quality improvement. This has been integrated into our trust strategy as a key building block. This will enable an improvement methodology which delivers sustained improvements in the quality, safety, and experience of care that we provide – empowering staff to provide better and safer care. It will cultivate a continuous improvement culture and promote the approaches and behaviours that are seen in other high performing organisations.

The framework will mean we need to place appropriate levels of importance and resource into all four quality components:

Quality planning – understanding the priorities for improvement and design appropriate interventions

Quality control – maintaining quality and know when it slips away

Quality assurance – independently check the quality

Our Strategy 2021-24

Oxleas NHS

Our purpose:

Our purpose is to improve lives by providing the best possible care to our patients and their families.

Improving lives

Our values:

we're **kind**

we're **fair**

we **listen**

we **care**

Our strategy is based on:

- Feedback from staff, service users, carers and partner organisations
- The health needs of local people
- The aims of the south east London Integrated Care System
- Our learning from the Covid-19 pandemic

Our three big priorities:

1. **Achieving zero delays**
2. **Delivering great out-of-hospital care**
3. **Making Oxleas a great place to work**

Our building blocks for change:

1. Delivering quality management
2. Bolstering our service user, patient, carer involvement and co-production
3. Creating a safety and learning culture
4. Increasing our focus on service inequalities
5. Effective partnership working
6. Reducing violence, aggression and abuse against our staff
7. Increasing digital and remote service delivery
8. Making best use of our resources

We will be involving **staff**, **service users**, **carers** and **partners** in our plans to take these workstreams forward. We will report on developments and outcomes through our **website** and **The Ox**.

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Quality improvement – deliver the improvement

These components are interdependent. In addition to these four quality components, there are three key enablers:

Clear vision and purpose – aligning our work with the organisation's priorities and having a shared purpose

Enabling leadership – beliefs, attitudes, skills, and behaviours that enable improvement.

Co-design and co-productions – a culture of listening and action.

We have an established quality governance framework which underpins the quality management framework. Oversight of our framework is through two board sub-committees: The Performance and Quality Assurance Committee and the Quality Improvement and Innovation Committee.

The Performance and Quality Assurance Committee is chaired by a Non-Executive Director and has a key role to define, monitor and drive the quality priorities for the trust. Our performance is monitored across our six quality objectives which fall under the quality domains of patient safety, patient experience and clinical effectiveness. The committee triangulates the key quality indicators of the trust and directorate integrated performance dashboards and provides the necessary quality assurance governance for the Board of Directors.

In addition to our framework, we have a programme of board visits. This enables board members to visit at least one team a month to learn more about services and speak with staff and, where possible, patients and carers about their experiences. Feedback from these visits is reported to the Board of Directors at every meeting and actions agreed in response to any issues raised.

During 2020/21, we had six quality objectives.

Objective	Description
1	Ensure we meet our patient promise
2	Ensure we involve the support network important to our patients
3	Ensure we involve patients in planning their care and they have a care plan that is personal to them
4	Ensure we put the safety of our patients first
5	Ensure we provide care in line with national best practice and guidelines
6	Ensure we routinely measure clinical outcomes so that we know that our care makes a difference to patients

The pressures and restrictions created by Covid-19 have, unfortunately, had an impact on achieving some of our targets outlined for 2020/21. However, these will continue to be taken forward by the trust through monitoring and seeking assurance that patient safety, improving clinical effectiveness and outcomes and positive experience of our care is maintained and enhanced across all of our services. We will endeavour to achieve our targets and sustain this performance as we move through 2021/22.

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Performance statement from Chair and Chief Executive

During 2020/21, Oxleas NHS Foundation Trust provided, commissioned and/or sub-contracted eight relevant health services covering the following directorates:

- Greenwich Services (mental health and community physical health)
- Bexley Services (mental health and community physical health)
- Bromley Services (mental health)
- Adult Learning Disabilities Services (inpatient and community)
- Children and Young People Services (mental health, community and specialist children)
- Specialist Forensic Mental Health Services (inpatient and community)
- Prison Health Care (Kent, Greenwich and Wandsworth)
- Lead Provider Collaborative for Adult Secure Services

Mental health and adult learning disability services are provided across the London boroughs of Bexley, Bromley and Greenwich; in addition to this, our specialist forensic services also take referrals from any area nationally if clinically appropriate. Community physical health services are provided across Bexley and Greenwich, and community health visiting services are provided across Bromley and Greenwich only.

We are regulated by the Care Quality Commission and they review the quality of the care we provide. Our most recent ratings are:

Care Quality Commission Inspection Area Ratings

(Latest report published on 26 March 2019)

Domain area	Rating
Safe	Good
Effective	Good
Caring	Good
Responsive	Good
Well-led	Good

Care Quality Commission Inspections and ratings of specific services

(Latest report published on 18 June 2021)

Service	Rating
Forensic inpatient or secure wards	Good
Community health inpatient services	Good
Acute wards for adults of working age and psychiatric intensive care wards	Good
Wards for people with a learning disability or autism	Good
Community-based mental health services for older people	Good
Wards for older people with mental health problems	Good
Community health services for children, young people and families	Good

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Service	Rating
Community mental health services with learning disabilities or autism	Good
End of life care	Good
Specialist community mental health services for children and young people	Good
Community-based mental health services for adults of working age	Requires Improvement
Community health services for adults	Good
Long stay or rehabilitation mental health wards for adults of working age	Good

The trust received three focused inspections during 2020/21, one announced and two unannounced between August 2020 and October 2020 via a revised transitional regulatory approach framework, where the domains of safety and well led were of focus. The inspections were undertaken by the Care Quality Commission across community mental health services, our intermediate care unit at Eltham Community Hospital and older adults mental health inpatient services whereby the following requirement notices were received across all three inspections; Regulation12 HSCA (RA), Regulations 2014 Safe care and treatment and Regulation17 HSCA (RA) and Regulations 2014 Good governance.

The older adults mental health services were also issued with a Warning Notice (29a).

In response to CQC findings, an overarching trust wide action plan was developed, and actions commenced immediately. In addition to this, each directorate has a CQC Improvement Action Plan which is monitored at directorate and trust level monthly assurance meetings whereby key indicators are discussed. These services were re-inspected in April 2021 and they are now rated Good across all domains. Oxleas NHS Foundation Trust overall rating was not altered in December 2020 on receipt of the core service inspections. However, two core services did receive amended ratings across those core services. These have since been revised in light of the CQC report in June 2021.

In response to Covid-19, from March 2020 we focused our resources on our acute, crisis and services caring for the most vulnerable in the communities we serve. Changes we have had to make include reducing the number of wards we have open for mental health patients to ensure that we could continue to provide care safely with a workforce reduced by Covid-19. Our core community services have continued operating in line with national guidance and we have used technology to deliver many of our services via video or telephone consultations. Where we have had to make changes to our services, we have undertaken quality impact assessments. In June 2020, when the initial peak of the infection reduced in London, we re-introduced services that had been temporarily suspended. We have had to manage widely varying demand on our services. Initially, the number of people requiring urgent care reduced in response to the national lockdown. However, as Covid-19 has progressed we have experienced surges in demand for crisis mental health services and an increased need for community health services such as district nursing, diabetes and respiratory care. We are working with partners in the Integrated Care System to

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manage these increases in need created by Covid-19. We have also been active in the NHS delivery of vaccinations against Covid-19 running vaccination clinics for our and partner organisation's staff and vaccinating our patients.

This year, we will be publishing a Quality Report separate to this annual report and this will be available on our website.

Equality of service delivery

At Oxleas, we are committed to respecting the human rights of service users and carers and the principles of fairness, respect, equality, dignity and autonomy. The London boroughs Oxleas serves have highly diverse populations, and clinical care is strengthened when our staffing is reflective of that mix. We therefore believe it is mutually beneficial to the service we provide to address inequalities for both service users and staff together. Tackling inequalities is a key building block of our new Oxleas strategy and our objectives for 2021/22 focus on improving cultural understanding, fair recruitment and career progression for staff and bolstering co-production.

Monitoring is an important way we identify and address inequalities in the healthcare we provide. Undertaking an audit using the NHS Equality Delivery System report helped us to understand our progress to date at March 2021. We self-assessed against four goals in relation to health outcomes, patient access and experience, workforce and leadership. We found not all protected characteristics are routinely recorded and so this is an area we wish to develop.

We monitor patient experience as part of our quality work-stream. The national Family and Friends test is mandatory and the question asked was updated to "Overall, how was your experience of our service?" in 2020/21. The national reporting process was affected by the Covid-19 pandemic; however, we continued to collect feedback locally. Between June 2020 and February 2021, 7,549 responses have been received to this question, with a positive response rate of 81%. Our complaints procedure is designed to ensure that we provide a timely and effective service to resolve complainants' concerns. We have been working with a quality improvement plan to increase the speed of our responses. New advances in analytic software will help us to extract more exact data about the relationship between care satisfaction and inequalities in both these areas.

Monitoring has shown us that many people who use our services can be disadvantaged by a combination of both physical and mental health needs. Consequently, we instigated a system where people who use our prison, child and adolescent mental health or learning disability services now routinely receive screening with an integrated health plan made if required. Where service users lacked capacity, we were able to make appropriate best interest decisions

It is important that we engage with people's care within their local context. We monitor the use of our Support Network and Engagement Tool and have met our target in 80% plus use within services.

We recognise that accessible information is central to inclusion amongst the diverse populations we serve. We now routinely record service user and carers' communication and information needs on RiO (our patient record system). This helps us to flag where translated information and access to interpreters is required in line with the Accessible Information Standard.

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During the Covid-19 pandemic, we offered video and telephone appointments across the majority of our services. We conducted a large scale survey of over 5,000 service users between March and July 2020 and found that whilst many had a satisfactory experience, new inequalities were identified for child and adolescent and community adult mental health, people with Autism Spectrum Disorders and Attention Deficit Hyperactivity Disorder. New approaches to face to face and additional technology were developed for these groups and we continue to examine ways to mitigate digital exclusion through our Infrastructure Committee.

The world events of 2020 highlighted that issues of culture and race remain complex and pressing.

Oxleas recognises that access to our services must be responsive to the range of differences within the communities we serve. We aim to increase our sensitivity to these issues and have instigated Equality and Diversity Training for our staff and offer support through a number of staff networks based on protected characteristic. Leadership is essential to how an organisation becomes equitable. Oxleas uses an Equality Analysis and Equality Impact Assessment on policies, organisational changes and strategies. All papers that come before the Board and Committees ask for the implications of the recommendations in terms of an Equality Analysis. Middle managers support their staff to work in culturally competent ways within a work environment free from discrimination.

Evidence from our 2020 staff survey shows 29.3% of Oxleas staff have experienced harassment, bullying or abuse at work from patients/service users, families or members of the public. We have found the figures are higher for Black, Asian and Minority Ethnic members of staff. We do not believe this situation should be tolerated. We have instigated the use of body worn cameras in specific contexts and are working in partnership with our local police forces to support staff.

We recognise that some of our healthcare is delivered in a context of crisis and high distress which sadly can involve the need to restrain patients when they are an immediate risk to themselves or others. From September 2020, we have been recording the ethnicity of patients when restraint or rapid tranquilisations have been used. We aim to triangulate this information with overall patient numbers in order understand whether restraint is disproportionately used for any particular ethnic group and then understand why. A quality improvement project, which pioneered the use of the “Broset tool”, was able to reduce violence and aggression on the wards by 40%. Our “keep me safe” campaign aims to hold and spread the gains of this approach to other relevant care areas.

We recognise the need to increase our understanding of, and communication with, the communities we serve. Whilst we have a number of outreach initiatives, such as our community development workers who supporting access to health services for Black, Asian and Minority Ethnic communities and independent mental health advocates who advocate for individual and groups of forensic patients on a range of issues, we recognise the need to do more. We have an ambitious programme to bolster our service user, patient, carer involvement and co-production as a key building block in our new Oxleas strategy. The Care Quality Commission had previously observed that whilst we have pockets of excellence in inclusion, we needed to focus on joining up our endeavours so that that excellence can spread. Consequently, we plan

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to develop an infrastructure, called "Involved", both to increase the way we engage with, and include, the community we serve. We aim to develop a carer and support network lead to support these important partners in care. We wish to link this post to our volunteering services and our trust membership community, which includes our partner organisations, so that more opportunities for co-production can be facilitated. We will continue with our lived experience practitioner training and employment programme but increase the professional support structures. An Involved steering group will oversee the engagement and involvement activity and link with the Oxleas Executive Team. New leadership training opportunities will equip our staff to engage in learning activity from our service users and carers. We anticipate this infrastructure will benefit our governors in their role in representing our communities.

Supporting our workforce

We know that we will only deliver the best quality of care to our patients if we provide the right support to our staff. The last year has put our staff under extreme pressure and we have implemented a range of measures to ensure that our staff are well cared-for and supported.

We have undertaken risk assessments for all staff to ensure that we have the right protections against Covid-19 in place for our staff. We have introduced dedicated support for our clinically vulnerable staff, including virtual drop-in sessions, newsletters and tailored approaches for return to work. We have created safe-spaces for staff to talk through their concerns and we have introduced new channels to ensure that dispersed staff feel supported and heard during this challenging time.

We have introduced a substantial programme of work to improve the experience of staff with protected characteristics. Following the tragic events of the last year, we have focused on improving the experience of our Black, Asian and Minority Ethnic staff and are focusing on improving cultural intelligence and the fairness of our recruitment and progression. We have dedicated well-being sessions where Black, Asian and Minority Ethnic staff are able to share their concerns in a safe space. We are committed to 'Building a Fairer Oxleas' and have detailed plans in place to improve the experience of our staff, including a detailed Workforce Race Equality Standard action plan and a Workforce Disability Equality Standard action plan.

We have introduced local staff assemblies to increase the focus on wellbeing within Directorates. Staff Assemblies have been allocated charitable funds to tackle the issues that will make a biggest difference to local wellbeing.

We have a pay differential for women (excluding medical staff) but this is decreasing. Our Race Pay Gap report shows that Black, Asian and Minority Ethnic staff are paid slightly more than White staff. This appears to be due to the length of time people stay on a pay band. Oxleas is a member of the Disability Confident scheme, Level 1. This includes a guaranteed interview for disabled applicants that meet the essential criteria. Oxleas is signed up to the Mindful Employer Charter. We are developing Lived Experience Practitioners supporting people with mental health issues and have developed a new Mental Health Staff Network.

There are a number of programmes of work in place to reduce violence and aggression against our staff. Quality Improvement projects with six of our wards have resulted in a 40% reduction in violence and aggression. We have

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also seen improvements in our Staff Survey in the experiences of our staff of violence and aggression. We have worked closely with the Metropolitan Police and other police services as part of 'Operation Cavell' to ensure that acts of violence, aggression and hate crime against our staff are taken seriously and pursued. We celebrated the outstanding work and achievements of colleagues at our annual recognition awards in the Autumn. This was held virtually and also marked the long-service of colleagues from across the organisation.

Our staff networks continue to thrive and we have recently introduced a new Women's Network and a Mental Health Staff Network, which includes our previous Lived Experience Network. All of our networks played an active role in supporting staff throughout the pandemic.

We work in partnership with The Guardian Service which is an externally provided, independent and confidential service to support all colleagues in all roles and at all levels within the organisation to report a concern in the workplace. This service reports regularly to our workforce board sub-committee chaired by a non-executive director and the Audit and Risk Assurance Committee undertake an annual review.

We are committed to promoting equality and human rights across our services and our workforce. Equality, diversity and human rights is led by our Head of Equality and Human Rights and our quarterly Equality and Human Rights Governance Group, which reports to the workforce board sub-committee. The role of the group is to lead on equality work and projects, to oversee compliance, to communicate priorities to staff and ensure that plans and actions are implemented.

We have an Equality and Human Rights policy which sets out our expectations for the organisation and a reasonable adjustments policy which sets out the expectations for adjustments in the workplace. We publish an Equality Report, which includes workforce data and examples of our equality work, providing evidence of compliance against the three main headings of the General Duty, which are set out in the Equality Act. We were pleased to be highlighted in the NHS Workforce Race Equality Standard reports for being a leading NHS organisation for the diversity of our Board of Directors.

Our Financial Health

Introduction

Our accounts have been prepared in accordance with the accounting requirements of the 2020/21 NHS Foundation Trust Annual Reporting Manual agreed with HM Treasury and issued by the NHS Improvement (NHSI), our regulator. We have also ensured that any supplementary guidance, specifically in relation to the Covid-19 pandemic, has been addressed. Any changes in the reporting manual have not had a material impact on the accounting policies of the trust and these have, therefore, remained largely unchanged. We have taken the decision to deconsolidate the accounts for 2020/21 and consequently the annual accounts no longer include Oxleas Prison Services Limited (OPS - our wholly owned subsidiary) or the Oxleas Charitable Fund. This decision was based on the immaterial nature of the above two entities on the overall accounts.

Overview

This section sets out the financial performance for the year ended 31 March 2021.

2020/21 has seen the on-going Covid-19 pandemic affecting the financial regime of the

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NHS. There has been an increased focus on organisations working together in response to the pandemic and as such an increase in the importance and impact of Integrated Care Systems (ICS). In South East London (SEL) we have worked together with the other NHS providers and SEL Clinical Commissioning Group to meet the clinical, operational and financial challenges the pandemic has brought. NHS planning was split into the first six months (Half 1 (H1)) planning regime and the second six months (Half 2 (H2)) planning regime. The H1 arrangements reflected the initial April to July arrangements, outlined in the 2019/20 annual report:

- block funding arrangements based on Month 9 expenditure 2019, prorated and adjusted for 2.8% inflation, giving a monthly block payment of c£20m plus adjustments
- monthly retrospective top up arrangements to cover actual costs incurred in any given month.

The arrangements were managed directly via NHS England/Improvement with all NHS contracting arrangements with clinical commissioning groups and NHS England suspended. Normal income and expenditure arrangements were in place for all non-NHS contracts and services as well as transactions between providers. This process ensured a breakeven position was reported every month in H1.

A planning cycle was initiated for H2 in September 2020. This planning cycle was managed on an ICS basis. It again featured block payments but required ICS partners to work together firstly to forecast H2 expenditure and then distribute ICS funding for forecast H2 Covid-19 payments as well as top up payments. The H2 Covid-19 distribution was based on the H1 retrospective Covid-19 payments. The pandemic significantly impacted on other income payments and this impacted variably on different organisations with private patients, research and development and specialist income streams being the most adversely impacted. Oxleas received the full funding for our forecast expenditure outturn for H2 resulting in a forecast breakeven position. The trust received the full year allocation of 2020/21 Mental Health Investment Standard funding in H2 as well as taking on the forensics adult secure provider collaboratives for the South London Partnership from October 2020 onwards. Lastly, the South London Partnership took on the NHS-funded element of complex care from South London clinical commissioning groups from November 2020 onwards.

The outcome of the above H1 arrangements was a break-even position for H1, including retrospective top ups for Covid-19 spend of £5.2m. The outcome for H2 was a £3m surplus prior to any impairments.

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Statement of comprehensive income	2020/21 £m	2019/20 £m
Income	396.3	297.3
Expenditure (excluding impairment)	(364.7)	(290.5)
Net gains on disposals	1.0	0.5
Net finance income	0.0	0.5
Finance expense	(1.0)	(1.0)
PDC dividend	(1.7)	(3.3)
Surplus before impairments	**3.0**	**3.5**
Impairment	(10.8)	(5.7)
Deficit for the year - as per accounts	**(7.8)**	**(2.2)**
Other comprehensive income		
Impairment charged to revaluation reserves	(8.8)	(6.6)
Revaluation gains charged to revaluation reserves	2.6	7.3
Other reserve movements		0.0
Total comprehensive expense for the period	**(14.0)**	**(1.4)**

PDC - public dividend capital

The table above sets out the actual income and expenditure performance as at 31 March 2021, including comparative information for 2019/20. Last year, we were working towards an NHS England/Improvement control total whereas this year all NHS organisations were set a break even forecast outturn at ICS level. As stated above, the trust element of the SEL ICS forecast outturn was a breakeven position.

The favourable position was attained as the forecast assumptions for H2 were not realised in all areas. The key favourable movements from the H2 forecast were:

- the final Capital charges being £1.7m better than forecast due to higher cash balances and the year end revaluation of assets based on our full five year revaluation report, received March 2021.
- Profit on Disposal of Asset c£1m
- £0.9m of H2 financial regime additional income received from NHS England/ Improvement at year end which was not originally in the trust forecast.

The above favourable movements were partially offset by a series of adverse movements across a range of different areas; including Unplanned Emergency Admissions and increase in the acuity of illness experienced by patients on our wards. Forecasting in the pandemic year was difficult as the progress of infections and subsequent increasing and easing of restrictions and lockdowns had differential impacts on service delivery. Oxleas, like other providers of mental health services, has seen an increased impact on services as restrictions eased and patients and clients have sought help. The physical community aspects of trust services have also seen changes as we supported acute hospital discharges as well as seeing increased

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caseloads in community with supporting shielding patients as well as those impacted in the medium to long term by Covid-19. Most services remained open throughout the pandemic, but others were impacted by lockdowns at various points in time.

We saw an increase in waiting times, particularly during the first lockdown, but this was exacerbated by further lockdowns and infection control measures. We forecast addressing these with additional resources but, in certain instances, there were no additional temporary staff available and as such the issue of bringing down waiting times, and the additional resources required to address these, will be carried forward into 2021/22. Oxleas also saw changes in the form of delivery ie face to face vs non face to face clinical interactions. We instituted a New Ways of Working programme looking at these changes across both clinical and non-clinical areas.

Every five to six years, the trust makes a full assessment of the valuation of its assets and commissioned an independent external specialist to undertake this review. The impact of the valuation exercise can result in impairment or a revaluation gain; this has been accounted for accordingly in the accounts. In 2020/21, the revaluation resulted in a £10.8m impairment of asset values that was required to be recorded in the Statement of Comprehensive Income as expenditure, with an associated £6.2m net decrease in the balances held in the revaluation reserve. When these are considered, the total surplus for the year remained at £3m before impairment.

The above funding arrangements meant that the pre-pandemic Cost Improvement Programme (CIP) of £13.5m was covered using non recurrent funding. CIP delivery was put on hold nationally for H1 recognising the need for the NHS to concentrate on responding and delivering services during the pandemic. We did however institute a Transformation Programme Executive Group covering all aspects of financial transformation allowing key transformation agendas such as Mental Health, Community Physical Health, New Ways of Working and any other CIPs to be progressed and governed. Underlying the 2020/21 position, the pre-existing cost pressures continued; principally the ongoing usage of additional mental health beds when capacity was not available within the trust. In April 2020, due to staff sickness leading to staffing cover issues, the trust closed three adult working age wards, one of which was reopened in May 2020. Although in totality, ie Oxleas and non Oxleas beds, we used 14,179 fewer occupied bed days. These beds cost £1.7m more due to the more expensive nature of private beds. The issue of Oxleas beds and the reduced usage of private beds will be a major focus in 2021/22.

Our partnership working means the role of the trust is far wider than that which is reflected in the financial statements. In 2020/21, we and our partner organisations, South London and Maudsley NHS Foundation Trust (SLaM) and South West London and St Georges NHS Trust (SWLSG), in the South London Mental Health and Community Partnership (SLP), have continued to embed the New Models of Care programmes, which have now transitioned into Provider Collaboratives; investing a significant share of the savings generated to both develop new care pathways and support improvements in patient care that would otherwise have not been possible. Oxleas is the lead for the Provider Collaboratives on the Adult Secure Forensic Services within South London. Our partners, SLaM and SWLSG, are the leads on Child and Adolescent Mental Health Services (CAMHS) and Adult Eating Disorders respectively. All three partners took over Provider Collaboratives budgets and contracts

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from NHS England in relation to specialist services for the residents of South London on 1 October 2020, the transfer was delayed due to the pandemic. The SLP H2 contract values were £53.9m (Adult Secure Forensic Provider Collaboratives was £39.8m) and through the continued focus of SLP partners a surplus of £2.2m was generated, all of which was deferred for future investment. SLP also took over management of the NHS funded only complex care cohort of patients from the South London clinical commissioning groups in November 2020 and was able to generate a surplus of £1.5m which was also deferred for future investments in 2021/22. The SLP trusts share equally in any surpluses or losses and therefore Oxleas share of the deferred surplus was £1.2m.

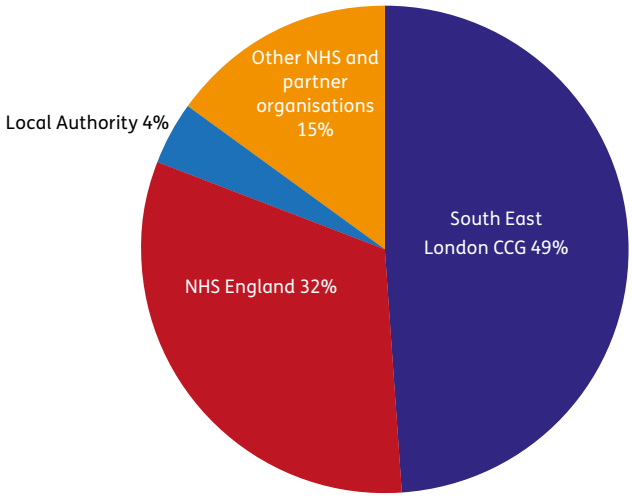
Income

We can confirm that for 2020/21, in accordance with Section 43(2A) of the NHS Act 2006, the income from the provision of goods and services for the purposes of the health service in England was greater than the income from the provision of goods and services for any other purposes. The work required to receive the non-health care income has had no adverse impact on the provision of goods and services for the purposes of the health care.

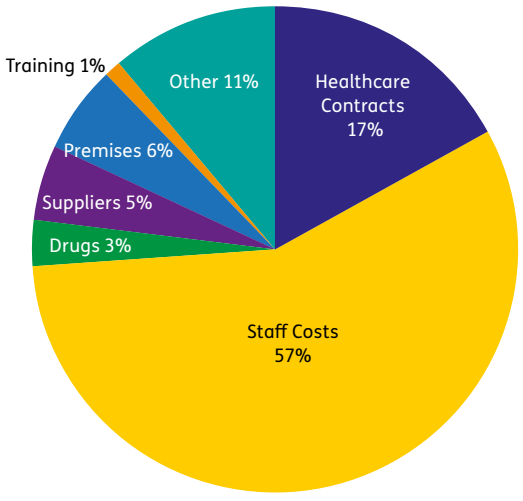
Our total income amounted to £369.3m for 2020/21 (2019/20 £297.3m). The majority of this was generated from block and top up funding with NHS England, Local Clinical Commissioning Groups and Local Authorities for the provision of clinical services. There are a number of other income sources and these include: education and training income which supports the costs of training doctors, nurses and other healthcare professionals and in doing so supports the quality of care provided within the trust; rental income; non-contracted activity; and a small sum for research and development. See income chart for the breakdown split.

The availability of Mental Health Investment Standards funding continues to provide us with the opportunity to transform our mental health crisis pathway by expanding a varied number of services including: Improving Access to Psychological Therapies (IAPT); Perinatal services; Autistic Spectrum Disorder (ASD); Children and Young People (CYP) and CAMHS

2020/21 Income



2020/21 Expenditure



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services as well as in support of Health-Based Places of Safety (HBPoS). We were also in receipt of Service Development Funding for CYP and Crisis services.

Expenditure

Our total expenditure for 2020/21 was £375.5m (2019/20 £296.2m) with staff costs accounting for circa 57% of this spend. This is a reduction of 13% from last year due to an increase in non-pay spend driven by the transfer of Provider Collaboratives budget from NHS England to Oxleas, as the lead provider of adult forensic secure services.

Cash

The trust's cash balances continued to improve through last year, increasing from £77.5m at the start of the year to a total of £98.0m in cash as at 31 March 2021. Most of our cash balance results from surpluses achieved in previous years and the increase reflects the concerted efforts in improving our working capital, including:

- additional funding from the Complex Care and Provider Collaborative
- slippage in planned capital spend in the year; and
- higher accruals due to disruption from the Covid-19 pandemic.

Our cash holdings ensure we do not encounter difficulties in paying our staff and creditors and can afford the funding required to deliver our capital programme of circa £55m over the next three years.

Capital Investment Programme

The national capital funding regime changed in 2020/21, with ICSs now being allocated a local capital spending limit which they needed to stay within. This meant that all NHS organisations within the ICS needed to ensure their internally generated and approved capital plans would stay within their ICS negotiated capital limits. We worked with other SEL ICS partners to agree a capital limit for the trust within the overarching SEL ICS limit of £175.7m and were allocated a £20.1m capital limit. We delivered a capital programme of £17.5m during 2020/21. The table below provides a summary of the main themes of the capital spend during the year.

Surplus	**2020/21 £m**
Queen Mary's Hospital redevelopment	8.7
Health and safety	0.1
Environment sustainability	0.0
IT infrastructure	3.4
GDE fast follower	0.4
Clinical transformation	0.6
Informatics	1.0
Agile working	1.8
Small projects	1.3
Performance against control total	**17.5**

The shortfall against plan was due to a combination of late notification of the agreed trust spending limit, delays with works using PFI (Private Finance Initiative) contractors at other hospital sites and Covid-19 delays with availability of contractors and infection control requirements.

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Better payment practice code	2020/21 £m	2020/21 Number	2019/20 £m	2019/20 Number
Non-NHS				
Total bills paid in the year	165.4	40,752	134.2	46,350
Total bills paid within target	146.2	36,766	121.7	41,246
Percentage of bills paid within target	**88.4%**	**90.2%**	**90.7%**	**89.0%**
NHS				
Total bills paid in the year	32.4	1,642	15.6	1,549
Total bills paid within target	28.5	1,422	8.0	1,124
Percentage of bills paid within target	**87.7%**	**86.6%**	**51.4%**	**72.6%**
Total				
Total bills paid in the year	197.8	42,394	149.8	47,899
Total bills paid within target	174.7	38,188	129.7	42,370
Percentage of bills paid within target	**88.3%**	**90.1%**	**86.6%**	**88.5%**

Better payment practice code and our compliance

We continue to monitor our performance against the Better Payment Practice Code that requires payment of all trade creditor invoices within 30 days of receipt of a valid invoice (unless other terms have been specifically agreed with the supplier). The target set is 95% for both value and volume of invoices. The table above sets out our performance.

No late interest charges were incurred by the trust. We continue to work towards the Government's initiative to pay small and medium enterprises within 10 working days and as a result of Covid-19 we have also adopted the revised prompt payment guidance:-

- Payment of all invoices within 7 days of receipts of goods and service;
- Process part payments on the undisputed elements of all invoices currently on hold;
- Ensure that all invoice queries are resolved within a further seven days.

External Audit

Grant Thornton are our appointed external auditors and the 2020/21 expenditure on external audit fees for statutory audit work was £61.5k excluding VAT (2019/20 £59.4k). The quality accounts fee, excluding VAT was £1k (2019/20 £1k) and the charitable independent examination fee, excluding VAT was £4k (2019/20 £4k).

Internal Audit

Our internal audit function is provided by KPMG. KPMG provides us with a comprehensive internal audit service based on our strategic internal audit plan; underpinned by the annual operational audit plan to meet the mandatory standards for NHS internal audit and the reviews linked to our risk register. KPMG also meets the requirements for the provision of the Head of Internal Audit Opinion on our system of internal control and provide advice on meeting our corporate governance requirements whilst maintaining the necessary level of professional independence.

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Our internal auditors report to our Board of Directors via the Audit and Risk Assurance Committee and have responsibility to our members as well as the wider public in the case of public interest reports.

Local Counter Fraud and Anti-bribery Measures

We are committed to providing and maintaining an absolute standard of honesty and integrity in dealing with our assets. We are committed to the elimination of fraud and illegal acts within the organisation and ensure rigorous investigation and disciplinary or other actions are taken as appropriate. We adopt best practice procedures to tackle fraud, as recommended by the NHS Counter Fraud Authority (NHSCFA) and KPMG, who provide us with specialist counter-fraud services.

Over the year, we have widely published our policies and procedures for staff to report any concern about potential fraud and this has been reinforced by a programme of awareness training. Any concerns are investigated by our local counter fraud specialist or the NHSCFA, as appropriate, with all investigations reported to the Audit and Risk Assurance Committee.

Statement as to disclosure to auditors

So far as the Directors (who held office at the date of approval of this report) are aware, there is no relevant audit information of which our auditors are unaware. They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that our auditors are aware of that information.

Future Financial Plans

NHS England/Improvement has confirmed the rollover of the 2020/21 H2 regime into H1 2021/22 with a 0.5% uplift (plus an additional 2% uplift on the Provider Collaboratives budget to cover for growth). There is an expectation that all ICSs will deliver a breakeven position with this funding. SEL ICS has submitted a breakeven position and all NHS organisations within the ICS are committed to delivering that position. As yet there has been no national guidance on the funding regime for H2 2021/22. There is a national expectation that organisations will start to deliver cost improvement programmes (CIPs) from quarter two of this financial year although there will be a gradual build up. The SEL ICS has set internal CIP targets for organisations in H1 to ensure that we are able to live within our financial funding and also to ensure the organisations have time to reinvigorate their programmes ready for more substantial delivery in H2. Delivery is likely to be a mixture of recurrent and non-recurrent CIPs and Oxleas has been set a 2.6% target, £5.1m, for H1.

Oxleas has submitted a plan for mental health covering the whole of 2021/22 as part of an overall SEL ICS mental health plan. This plan has included significant additional investments in mental health (£12.0m, £4.4m, £4.4m and £3.2m covering Service Development Fund (SDF), Spending Review (SR) and Mental Health Investment Standard (MHIS) respectively) which the trust is working hard to deliver in 2021/22. The majority of these investments come with nationally specified outcomes.

As part of the Oxleas strategy 2021-24, we outlined the key areas of focus for the financial strategy and we will be developing the detailed strategy in 2021. We will need to work closely with SEL ICS, SLP and our other partnerships to deliver these strategies. Our financial focus remains on long term financial sustainability. To support this vision, our financial key priorities include:

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- generating sufficient income and cash reserves to support on-going operations, fund future capital investment requirements and business development opportunities, and maintaining liquidity
- working in partnership with others to develop integrated care systems to improve care and extract greater value from the resources invested
- meet the needs of operating in a pandemic, including addressing the impacts on waiting times and increased mental health and physical health needs into the medium and long term
- bidding for new work eg Prisons
- delivering sustainable efficiencies over future years
- drive a refreshed trust-wide focus on avoiding overspends
- invest in our key priorities of progressing further improvements in our patient environments and use of technology
- delivering of transformational programmes
- improving our costing capability and understanding of productivity levels to support future sustainability and delivery
- working with commissioning and acute hospital colleagues to shift resources into community health services that not only benefit the patient but can be delivered more efficiently.

Working in partnership

We have worked closely with our partners in response to the Covid-19 pandemic both in delivering services and rolling out the vaccination programme. In particular, we have worked in partnership with colleagues at Lewisham and Greenwich NHS Trust in response to increased demand on emergency services and the pressures created by Covid-19. We hold regular joint meetings to support further collaboration between our organisations.

Our collaboration with South London and Maudsley NHS Foundation Trust and South West London and St Georges NHS Trust in the South London Partnership is also part of this wider integration. This partnership continues to flourish and during the year our provider collaborative programmes in adult secure mental health services, child and adolescent mental health services and eating disorder services have developed.

To support our partnership working, we established a Partnership Board Sub-committee in Autumn 2020. This meets in common with other Partnership Committees from the South London Partnership organisations to streamline joint decision-making.

We are part of the South East London Integrated Care System which involves a clinical commissioning group covering six boroughs, six local authorities and five provider trusts. It aims, through partnership working, to improve the health of the two million people living in south east London. During the year, our local clinical commissioning groups have integrated further as part of the Integrated Care System and this system will continue to develop as proposals to change NHS legislation are introduced in the coming year. For more information on the South East London Integrated Care System, visit www.ourhealthiersel.nhs.uk

We also work with local voluntary sector organisations to ensure that the people who use our services have access to a wide range of support within the community.

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Performance statement from Chair and Chief Executive

Risks to achieving our priorities

To help us put our priorities into action, we use a Board Assurance Framework to identify key risks and implement plans to mitigate these risks. This is discussed at every board meeting and we have an active process through our committee structure to raise significant risks. During 2020-21, the key risks to which we were exposed were:

- Risks relating to Covid-19 including staff illness and resilience, service delivery including remote working and financial impact.
- Pressures on services including district nursing and acute and community mental health services
- Pressures on local authority funding
- Prone restraint and ligature management
- Responding to service delivery concerns
- Staff experiencing violence and aggression from service users, carers or members of the public
- Inability to achieve recurrent savings
- Compliance with s136 of the Mental Health Act

Further details of our major risks and how they are mitigated are described in the Annual Governance Statement later in this document. In response to Covid-19, we established an Incident Command Centre and, supported by an ethics group and clinical senate, reviewed our service delivery to support the pandemic response.

For 2021-22, we will continue to face many of these risks and we will need to work in partnership across the Integrated Care System to reduce the pressure on health services and ensure local people get the healthcare they need, where and when they need it.

Going concern assessment

Oxleas NHS Foundation Trust has prepared the 2020/21 accounts on a going concern basis. After making enquiries, the directors have a reasonable expectation that Oxleas has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the accounts. The directors are responsible for preparing the annual report and accounts and have considered the report and accounts as a whole to ensure that they are fair, balanced, understandable and provide the information necessary for patients, regulators and other stakeholders to assess our performance and strategy.

We are so proud of the way our staff have faced the challenges created by Covid-19. Their resilience, compassion and commitment to provide the best possible care for the most vulnerable in society is outstanding. We have been encouraged by the way our colleagues have cared for each other during these past months. From team quizzes on-line to pick-me-up gifts, they have looked out for each other whether continuing to work together in person or virtually. We have also been inspired by the generosity and support of the public. Feats by individuals such as Captain Tom Moore fundraising for charity alongside caring actions and words from local people have helped to keep staff going. On behalf of the Board of Directors, we would like to thank colleagues across the whole organisation and recognise the need to continue to support you over the months ahead as we start to recover from the pandemic.

Signed by:

Andrew Trotter
Chair
28 June 2021

Matthew Trainer
Chief Executive
28 June 2021


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Board of Directors

Our Board of Directors continued to develop during the year with Neil Springham being appointed in January 2021 as the new Director of Therapies following the retirement of Dr Michael Witney. We also appointed Azara Mukhtar as our substantive Director of Finance in February 2021, following a year when she had been interim Director of Finance.

As part of the London response to Covid-19, Chief Executive Matthew Trainer went on secondment to NHS Nightingale in April 2020 returning in June 2020. During this time, Dr Ify Okocha was Acting Chief Executive.

Our Board meetings are held in public and a quorum of seven is required for the meeting to take place. During the Covid-19 pandemic, we have moved to holding virtual meetings and have maintained the principle of holding these in public by broadcasting them via our website.

The members of the Board of Directors during 2020/21 were:

Andrew Trotter OBE QPM
Chair
Andy has been Chair of Oxleas since November 2015 and is a highly skilled leader in public services, having over 40 years' experience in policing.

His most recent role was a Chief Constable of the British Transport Police and he has also worked with both the Metropolitan and Kent Police Services.

Steve Dilworth
Deputy Chair
Steve has extensive experience in financial services, marketing and communications having held senior executive positions in Foresters, Bank of Ireland and Leeds Permanent. Steve has a first class honours degree in economics and history and a degree in financial services. He is a Fellow of both the Chartered Institute of Banking and the Chartered Institute of Marketing. In a voluntary capacity, Steve chairs the Bromley Neighbourhood Police Panel. In 2012, Steve was elected as a Community Champion for the London Borough of Bromley and has been selected as one of Manchester University's Volunteers of the Year. He is married with three children and lives in Bromley.

Steve James
Non-Executive Director
Following 18 years in local authority social work, Steve James was Chief Executive of the Avenues Group for 20 years and retired from the role in April 2020. Avenues is a charity which pioneers specialist social care supporting people facing significant disadvantage through illness and disability so they can live full lives in their local communities. Previous to his appointment on Oxleas' Board, Steve spent eight years working as a non-executive director for NHS Greenwich. He has an interest in community health services and particularly how they can integrate with social care. Steve has lived in Greenwich for 30 years and is married with two adult children. Steve became our Senior Independent Director in May 2016. In June 2020, Steve became a Non-Executive Director for Lewisham and Greenwich NHS Trust.

Jo Stimpson
Non-Executive Director
Jo joined Oxleas Board of Directors on 1 May 2016. She is a law graduate and recently completed an Open University degree in Health Sciences. Jo is a chartered accountant with senior finance and board level experience gained in the technology and utility sectors, most recently as Finance Director of South East Water. In addition to her role at Oxleas, Jo chairs the South East Water-sponsored pension

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schemes and the Law Society Audit Committee and is a governor of Ravensbourne University London. Jo lives in Greenwich with her husband and her two daughters.

Yemisi Gibbons
Non-Executive Director
Yemisi joined Oxleas Board of Directors on 1 January 2017. She has been a consultant pharmacist for 17 years and is also CEO of a London-based domiciliary care company. Having studied Pharmacy at Manchester University before completing an MBA, she then entered the primary care sector in medicines management; working with prescribers to ensure clinical excellence to all patients.

Outside of her business commitments, she is also on the fitness to practice committee within the General Pharmaceutical Council and is a Non-Executive Director at North East London NHS Foundation Trust.

Nina Hingorani-Crain
Non-Executive Director
Nina has had a diverse career in the private, public and charity sectors. After almost a decade in corporate finance and consulting, she joined the financial services regulator. Here she spent a varied ten years, including as the Chairman's Principal Private Secretary during the global financial crisis and subsequently as Chief of Staff leading the creation of the new Financial Conduct Authority. Nina also undertook a 6-month secondment to Age UK to inform the authority's strategy of placing consumer needs at the heart of its regulatory mandate. In 2015, she embarked on a Non-Executive career, and is currently also a Non-Executive Director for the Charity Commission. Nina holds an LL.B. (Hons) degree from King's College London, and a Maîtrise en Droit from the Sorbonne Paris. She also qualified as a Chartered Accountant and has completed the Financial Times Non-Executive Director Diploma. She enjoyed a diverse upbringing with spells living in Africa, the Middle East and Europe.

Suzanne Shale
Non-Executive Director
Suzanne is an independent consultant in health care ethics, patient safety and leadership. She develops ethical guidance, undertakes research and provides education and training for a wide range of public bodies and charities.

Suzanne developed her consultancy after a career as a legal scholar and educational leader at the University of Oxford. She holds a PhD in medical ethics and has further qualifications in conflict resolution and group facilitation. She has worked with publicly funded and private health care providers, the UK General Medical Council, medical defence organisations, medical Royal Colleges, charities, and overseas governments throughout the UK, Europe, Middle East, and Asia.

Suzanne is a Visiting Professor at University College London, a member of the DHSC Independent Reconfiguration Panel, and a member of the Advisory Panel for the Healthcare Safety Investigation Branch. She chairs a patient safety charity, Action against Medical Accidents, and the London Policing Ethics Panel. Suzanne is married and lives in Islington.

Amlan Basu
Non-Executive Director
Amlan is an executive medical director with experience in the NHS and more recently in the independent sector. He is a forensic psychiatrist by background, and a graduate of the Cranfield University General Management Programme and the Windsor Leadership Experienced Leaders programme.

He has a proven track record of effecting, managing and embedding organisational change with a particular focus on clinical care

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and quality. Amlan was one of the founding cohort members of the Q initiative (a joint quality improvement initiative between NHS England and The Health Foundation). He trained in medicine and psychiatry at University College London and the Maudsley, is a Visiting Research Associate at the Institute of Psychiatry, Psychology and Neuroscience and a Member of the Expert Witness Institute (EWI). Amlan is married with two children and lives in the London Borough of Richmond upon Thames.

Matthew Trainer
Chief Executive
Matthew joined us in October 2018 from King's College Hospital NHS Foundation Trust, where he had been managing director of the Princess Royal University Hospital in Bromley since November 2016. He joined King's from NHS England, where he was director of commissioning operations for south London.

Matthew previously held senior positions with the MS Society and the Care Quality Commission.

Ify Okocha
Medical Director and Deputy Chief Executive
Dr Ify Okocha qualified in Medicine in 1985 and, after training in psychiatry, obtained his membership of the Royal College of Psychiatrists in 1992. He was appointed consultant in 1996 and in the same year obtained his Doctor of Philosophy (Ph.D) degree from the Institute of Psychiatry and King's College, London where he did his doctorate and post-doctorate research in psychosis and psychopharmacology respectively. He has received commendations and won many national awards for the high quality care that is delivered by clinical teams working for him. These include: the National Association of Psychiatric Intensive Care and Low Secure Units (NAPICU) Team of the Year award; the Care Services Improvement Partnership 'Positive Practice' award; commendation by Hospital Doctors Award Committee; award of the British Association of Medical Managers and the Royal College of Psychiatrist Medical Manager/Leader of the Year (2009). He is on the Roll of Honour of the Royal College of Psychiatrists.

Jane Wells
Director of Nursing
Jane is an experienced registered nurse, district nurse and health visitor. She holds an MSc in Community Health and an MBA with distinction from Henley Business School. Jane's career in nursing began in 1987 at Charing Cross Hospital and she has spent the majority of her working life in community health services. Having been an established director of community health services since 2011, Jane became Director of Nursing for Oxleas in May 2015. She is the Director of Infection Prevention and Control and executive lead for safeguarding and safety. Jane is passionate about empowering clinicians, supporting staff and partnering agencies to work together creatively to improve care and make sure services are responsive to the needs of patients and their families and that they are at the heart of everything we do.

Rachel Evans
Director of Strategy and People
Rachel started her career as a government lawyer and has held a number of senior positions focusing on strategy development, change management and improving staff experience. She has worked across a range of different public sector organisations, including in central government and in Europe.

Rachel joined Oxleas from South London and Maudsley NHS Foundation Trust. She is passionate about improving staff experience and reducing inequalities with a view to

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Directors' report

ensuring that service users, carers and local communities receive the very best care.

Azara Mukhtar
Finance Director (substantive from Feb 2021)
Azara Mukhtar was seconded to Oxleas from Croydon Health Services NHS Trust on 6 January 2020 to take up the position of Interim Director of Finance and she was appointed substantively in February 2021. She had previously been the Director of Finance at Croydon Health Services from March 2013 to September 2019. Thereafter, she worked for three months on integrating the health and care systems in Croydon.

Previously she has held a number of senior finance roles at NHS London, Barts and The London and Guy's and St Thomas' including an 8 month period as the Interim Director of Finance at Barts and The London.

Azara is a CIMA qualified accountant and started her NHS career in April 1995. After graduating from Dundee University, she joined KPMG for a three-year training contract working with a wide range of audit clients.

Iain Dimond
Chief Operating Officer
Having worked at Oxleas since 2009, Iain was appointed as Chief Operating Officer at Oxleas in July 2019 having previously been Service Director for Greenwich Adult Services and Trustwide Learning Disability Services.

His professional background is in occupational therapy and he has nearly 30 years' clinical experience working in adult mental health, older peoples' mental health and adult learning disability services. He is a member of the NHS England Adult Mental Health Steering Group.

Michael Witney
Director of Therapies (retired in August 2020)

Having qualified as a clinical psychologist in South Africa, Michael has worked in a range of clinical settings both in the UK and abroad. Michael was the first psychologist in London to become an approved clinician under the Mental Health Act. He was in the role of Director of Therapies since 2011, joining the Board of Directors at Oxleas as an Executive Director in 2019.

Neil Springham
Director of Therapies (from January 2021)
Since training in the 1980s, Dr Neil Springham has worked in adult mental health, addictions and now specialises in services for people diagnosed with personality disorder. He was a course leader at the Unit of Psychotherapeutic Studies, Goldsmiths College, co-founded the UK Art Therapy Practice Research Network and was twice elected chair of British Association of Art Therapists.

He has a PhD in Psychology and founded ResearchNet, a service user and provider collaboration which develops co-produced research in mental health. He has published and lectured internationally on a wide range of issues.

All non-executive directors are considered to be independent as they have not been employed by the trust and do not have any financial or other business interest in the organisation. None has close family ties with Oxleas' advisers, directors or senior employees and none has served on the Board of Directors of the foundation trust for more than nine years. A register of directors' interests is available from the Trust Secretary and is published on our website.

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Directors' report

Re-appointments of non-executive directors are considered at the end of every three-year term to a maximum of nine years in total. There were no significant changes in the external commitments of the Chair over the year.

We ensure that the balance of skills, expertise and experience of the Board of Directors provides effective and proactive leadership. The Nominations Committees review skills, capacity and capabilities when appointing to vacancies on the Board. The performance evaluation of the Board is by self-assessment and individual appraisal of directors including governor feedback. The Senior Independent Director conducts the annual appraisal of the Chair while the Chair leads on the appraisal process for the non-executive directors and Chief Executive. The Chief Executive conducts the appraisal process for Executive Board members. We have a well-established and effective process of governors holding non-executive directors to account and a robust re-appointment process for non-executive directors by the Council of Governors. The Board of Directors and its sub committees are regularly reviewed to ensure they are effective and well balanced.

NHS Improvement's Well Led Framework

During the Care Quality Commission (CQC) inspection in 2019, the inspectors completed a well led review using the well-led framework that brings together the CQC key lines of enquiry and NHS Improvement's framework for leadership and governance. The overall well-led rating for Oxleas is Good which was based on their inspection of trust management taking into account what they found about leadership in individual services. During 2020/21, we have been implementing one of the recommendations from the 2019 CQC report to develop a longer-term strategy articulating the ambitions of the organisation. This started in November 2019 with an extensive engagement process to gather feedback from colleagues, patients, members and the local community. Although slowed down by the Covid-19 pandemic, we have developed our strategy based on this feedback. An overview is shared earlier in this document and the full strategy is available on our website. We were also in the process of commissioning an external well-led review but had to suspend this due to the Covid-19 pandemic. Once it is possible, we will commission an external well-led review. However, we do review our performance against the well-led framework to ensure we are taking forward all elements effectively and regularly undertake internal audits on key governance areas particularly quality governance.

Our annual governance statement on page 76 describes in more detail the approaches we take to identify and manage risk within the organisation, our internal control processes and how we work to maintain and improve the quality of our services and meet key health care targets.

Statutory statements required within the Directors' Report

The directors are responsible for preparing the annual report and accounts and have considered the report and accounts as a whole to ensure that they are fair, balanced, understandable and provide the information necessary for patients, regulators and other stakeholders to assess our performance and strategy.

We have complied with the cost allocation and charging guidance issued by HM Treasury and we follow the better payment practice code and performance details are included in financial performance analysis.

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Directors' report

We comply with Section 43 (2A) of the NHS Act 2006 requiring that income from the provision of goods and services for the purposes of the health service in England is greater than income from the provision of goods and services for any other purpose.

So far as any of the members of the Board of Directors are aware, there is no relevant audit information of which our auditor is unaware. All directors have 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 Oxleas' auditor is aware of that information.

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Remuneration report

Annual statement on remuneration

Changes to pay are considered against the national pay context particularly with the NHS. The Remuneration committees aim to balance the need to attract and retain suitably qualified and experienced staff alongside the need for economic efficiency.

Senior managers' remuneration policy

The remuneration policy for executive directors is based on that established for employees under Agenda for Change and provides an incremental salary scale and pay range for each executive director. Progression through the incremental points is subject to the delivery of appropriate performance targets. As with staff subject to Agenda for Change terms and conditions, incremental progression can be denied where there is sub-standard performance. Performance against agreed objectives is monitored via the annual appraisal process. The Remuneration Committees include representation from our governors, including a staff governor, and chair of staff side, to ensure that views of employees in relation to executive pay are considered. Increases in executive pay are made in line with recommendations by the National Pay Review bodies for agenda for change.

Consideration is given to compensation commitments that director's terms of appointment would give rise to in the event of early termination. We regularly benchmark executive pay in line with other NHS trusts and foundation trusts with a view to ensure a median position. An opinion is also sought via NHS Improvement in any instances where executive pay may exceed £150,000.

The only non-cash elements of executive director remuneration are pension related benefits accrued under the NHS pension scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which is open to all NHS employees. All contracts for executive directors are substantive NHS contracts and are subject to the giving of six months' notice by either party.

The trust's normal disciplinary and performance management policies apply to senior managers, including the sanction of gross misconduct. The trust's redundancy policy is consistent with the NHS redundancy terms for all staff.

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Remuneration report

Future policy tables

Policy for components of remuneration packages for senior managers

	Salary and fees	Taxable benefits	Annual performance related bonus	Long term related bonus	Pension related benefits	Clinical excellence awards
How the component supports the short and long term strategic objectives of the trust	Ensure the recruitment / retention of directors of sufficient calibre to deliver the trust's objectives	None	Not applicable	Not applicable	Ensure the recruitment / retention of directors of sufficient calibre to deliver the trust's objectives	Recognition of clinical quality and leadership
How the component operates	Standard monthly pay.	None	Not applicable	Not applicable	Contributions paid by both employee and employer, except for any employee who has opted out of the scheme	Standard monthly
Maximum payment	Basic pay, High Cost Area supplement	None	Not applicable	Not applicable	Contributions are made in accordance with the NHS Pension Scheme	Standard national rate
Framework used to assess performance	Trust appraisal system	None	Not applicable	Not applicable	Not applicable	Advisory Committee on Clinical Excellence Awards framework
Performance measures	Based on individual objectives agreed with line manager	None	Not applicable	Not applicable	Not applicable	Following Advisory Committee framework
Performance period	Concurrent with the financial year	None	Not applicable	Not applicable	Not applicable	Following Advisory Committee framework

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Remuneration report

Future policy tables (continued)

Policy for components of remuneration packages for senior managers

	Salary and fees	Taxable benefits	Annual performance related bonus	Long term related bonus	Pension related benefits	Clinical excellence awards
Amount paid for minimum level of performance and any further levels of performance	No performance related payment arrangements	None	Not applicable	Not applicable	Not applicable	Standard rate
Explanation of whether there are any provisions for recovery of sums paid to directors, or provisions for withholding payments	Any sums paid in error may be recovered	None	Not applicable	Not applicable	Not applicable	Not applicable

Annual report on remuneration (of which some elements are subject to audit)

Non-Executive Directors

The remuneration of the Chair and non-executive directors of the trust is reviewed by the Non-Executive Director Remuneration Committee. The Council of Governors makes a decision on the recommendation of the committee. Guidance in the setting of non-executive director salaries is taken from NHS Improvement and benchmarking with other NHS foundation trusts. Levels of remuneration also take into account non-executive directors' time commitments and responsibilities. For example, the senior independent director and deputy chair receive a higher level of remuneration. The Chair's remuneration reflects his time commitment which from November 2019 has been 3.5 days a week.

Given the pressures of the pandemic, the scheduled meeting of the Non-Executive Director Remunerations Committee for 2020/21 did not take place.

Executive Directors

Remuneration of Executive Directors is decided by the Executive Remuneration Committee. The following are members of the Remuneration committee:

- Andrew Trotter, Chair
- Stephen Dilworth, non-executive director
- Nina Hingorani-Crain, non-executive director
- Wendy Lyon, Head of Partnership and Chair of Staff side
- Lesley Smith, elected governor

The remuneration committee includes the Chair of Staff side and a publicly elected governor to ensure that its processes are transparent and open to scrutiny.

There was one meeting of the remuneration committee in 2020/21. This was attended by all members of the committee. The committee was supported by Rachel Evans, Director of Strategy and People.

2 Accountability report

Remuneration report

A) Salaries and allowances (subject to audit)

Chairman and Non-Executive Directors	APRIL 2020 TO MARCH 2021					APRIL 2019 TO MARCH 2020				
	Salary and Fees (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000	**Salary and Fees** (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000
Andy Trotter Chair	45-50				45-50	50-55				50-55
Steve Dilworth Acting Chair	-				-	5-10				5-10
Steve Dilworth Non Executive Director	15-20				15-20	15-20				15-20
Seyi Clement Non Executive Director (Until 30th June 19)	-				-	0-5				0-5
Stephen James Non Executive Director	15-20				15-20	15-20				15-20
Joanne Stimpson Non Executive Director	10-15				10-15	10-15				10-15
Yemisi Gibbons Non Executive Director	10-15				10-15	10-15				10-15
Nina Hingorani Crane Non Executive Director	10-15				10-15	10-15				10-15

2 Accountability report

Remuneration report

A) Salaries and allowances (subject to audit), continued

Chairman and Non-Executive Directors	APRIL 2020 TO MARCH 2021					APRIL 2019 TO MARCH 2020				
	Salary and Fees (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000	**Salary and Fees** (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000
Amlan Basu Non Executive Director	10-15				10-15	5-10				5-10
Suzanne Shale Non Executive Director	10-15				10-15	5-10				5-10
Board Directors										
Matthew Trainer Chief Executive	175-180			-	175-180	160-165			-	160-165
Iain Dimond Chief Operating Officer	135-140			90-92.5	225-230	125-130			37.5-40	165-170
Jane Wells Director of Nursing	130-135			65-67.5	195-200	125-130			12.5-15	135-140
Rachel Evans Director of Strategy and People	120-125			27.5-30	155-160	40-45			37.5-40	80-85

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Remuneration report

A) Salaries and allowances (subject to audit), continued

Board Directors	APRIL 2020 TO MARCH 2021					APRIL 2019 TO MARCH 2020				
	Salary and Fees (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000	**Salary and Fees** (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000
Dr Ify Okocha Medical Director; Deputy Chief Executive	160-165			-	160-165	140-145		15-20*	-	155-160
Meera Nair Director of Workforce and Quality Improvement (To 17 September 2019)	-				-	55-60			27.5-30	85-90
Michael Witney Director of Therapies (Until 30 November 2020)	60-65			122.5-125	180-185	65-70			20-22.5	90-95
Azara Mukhtar Interim Director of Finance; Director of Finance (From 1 February 2021)**	130-135			62.5-65	195-200	30-35			5-7.5	35-40

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Remuneration report

A) Salaries and allowances (subject to audit), continued

Board Directors	APRIL 2020 TO MARCH 2021					APRIL 2019 TO MARCH 2020				
	Salary and Fees (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000	**Salary and Fees** (bands of £5000) £000	**Taxable Benefits** Rounded to the nearest £100	**Clinical Excellence Awards** (bands of £5000) £000	**Pension Related Benefits** (bands of £2500) £000	**Total** (bands of £5000) £000
Jazz Thind Director of Finance (Until 5 January 2020)	-				-	95-100			15-17.5	115-120
Neil Springham Director of Therapies (From 4 January 2021)***	25-30			10-12.5	35-40	-	-	-	-	-

*This relates to an award under the national clinical excellence reward scheme for consultants. This is an award under the terms of the scheme and relates only to medical staff.

**On 6 January 2020 Jazz Thind joined Imperial College Healthcare NHS Trust on secondment as Interim Chief Finance Officer, before leaving to take up the permanent role at Imperial College Healthcare NHS Trust on 31 January 2021. Azara Mukhtar joined as Interim Director of Finance on secondment from Croydon Health Services NHS Trust on 6 January 2020, before being appointed Director of Finance on 1 February 2021.

***Neil Springham was employed by Oxleas prior to 4 January 2021 however not as a Director. Remuneration since becoming a member of the Executive Board only has been included in respect of 20/21.

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Remuneration report

	2020/21	2019/20
Band of Highest Paid Director's Total Remuneration (bands of £5,000) £'000	175-180	160-165
Median Total Remuneration £	£35,690	£33,393
Ratio	4.9	4.9

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 Oxleas NHS Foundation Trust in the year ended 31 March 2021 was £175,000-£180,000. This was 4.9 times the median remuneration of the workforce which was £35,690 (this figure excludes pension related benefits).

In the year ended 31 March 2021, no employee received remuneration in excess of the highest paid director. Remuneration of the highest paid employees, who were senior consultants, ranged from £165,000 to £170,000 in the year ended 31 March 2020 (bands of £5,000).

Total remuneration includes salary and fees, performance-related bonuses, taxable benefits, severance payments and pension related benefits. It does not include employer's national insurance and superannuation contributions.

For the year ended 31 March 2021, the methodology for calculating the median remuneration involved a detailed analysis of total staff costs which was reconciled to payroll records. Total remuneration figures including salary and allowances were extracted for the year for permanent staff and bank staff. Staff on maternity pay or sick pay were excluded as they were not deemed to be employed at year end. Where a staff member fulfilled more than one role, the total remuneration received by the employee was apportioned to each role on the basis of the actual total cost incurred for this employee by the Trust.

Amounts were annualised for permanent and bank staff according to their whole-time equivalents and total paid hours respectively. The 2020/21 median pay amount was calculated in accordance with these annualised total remuneration figures.

Taxable Benefits are expenses allowances that are subject to UK income tax and paid or payable to the person in respect of qualifying services.

For defined benefit schemes the pension-related benefits figure is the annual increase in pension entitlement determined in accordance with the 'HMRC' method.

Compensation for loss of office paid to senior managers in the year was nil.

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Remuneration report

B) Pension Benefits (subject to audit)

Board Directors	Real increase in pension (bands of £2500) £'000	Real increase in pension lump sum (bands of £2500) £'000	Total accrued pension at 31 March 2021 (bands of £5000) £'000	Lump sum related to accrued pension at 31 March 2021 (bands of £5000) £'000	Cash Equivalent Transfer Value at 31 March 2020 £'000	Cash Equivalent Transfer Value at 31 March 2021 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Employer's contribution to shareholder pension £'000
Iain Dimond Chief Operating Officer	5-7.5	2.5-5	55-60	75-80	771	877	73	19
Jane Wells Director of Nursing	2.5-5	2.5-5	50-55	135-140	944	1046	66	19
Michael Witney Director of Therapies (until 30 November 2020)	5-7.5	2.5-5	40-45	115-120	909	-	-	5
Rachel Evans Director of Strategy and People	0-2.5	-	5-10	-	84	12	28	17
Azara Mukhtar Director of Finance (From 1 February 2021)	2.5-5	0-2.5	45-50	100-105	806	885	61	19
Neil Springham Director of Therapies (From 4 January 2021)	0-2.5	5-7.5	30-35	95-100	704	790	64	4

Pension related benefits and CETVs have not been adjusted for a potential future legal remedy as a result which may be required as a result of the McCloud judgement. The reason for this is that NHS Pensions systems have not adjusted for this in the information that they have provided.

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Remuneration report

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-2005 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

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

As a part of the NHS, Oxleas offers all staff the opportunity to be part of the NHS Pension Scheme. The terms and conditions and levels of payment for this scheme are determined nationally by the Department of Health in consultation with relevant trade unions.

During the year there were 4 early retirement on the grounds of ill-health (year ended 31 March 2020 - 2). The estimated additional pension liabilities of this ill-health retirement will be £182,969 (year ended 31 March 2020 £122,012). The cost of the ill-health retirement will be borne by NHS Pensions.

Directors and Governors expenses (not subject to audit)

Mileage re-imbursement for directors' travel expenses is processed at: 45 pence per mile where an individual utilises their own car (the HMRC advisory rate); 50 pence per mile where the individual has taken up a lease car via the Trust salary sacrifice scheme; and 24 pence per mile for motorcycles. Payments for travel claims above the HMRC advisory rate is classed as a benefit-in-kind. For 2019/20 some director's travel expense claims processed did exceed the HMRC advisory rates and therefore were classed as benefit-in-kind. The number of directors who claimed travel expenses during 2020/21 was 3 – total value of £1,300 rounded to the nearest £100. The number of governors who claimed travel expenses during 2020/21 was 4 – total value of £600 rounded to the nearest £100. A summary of the information in relation to the expenses of the governors and directors is presented in the table below.

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Remuneration report

	Directors	Governors	Directors	Governors
	2020/21	2020/21	2019/20	2019/20
Total number in office	8	41	10	42
Total number receiving expenses	3	4	7	3
Aggregate sum of expenses paid (to the nearest £100)	£1,300	£600	£5,800	£400

Off-Payroll arrangements (not subject to audit)

As part of the remuneration report, NHS Foundation Trusts are mandated to report the following data on their highly paid and/or senior off-payroll engagements. This information is presented in the Table 1 and table 2 below.

Table 1: For all off-payroll engagements as of 31 March 2021 for more than £245 per day and that last for longer than six months

	2020/21
	No of engagements
No. of existing engagements as of 31 March 2021	0
Of which:	
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0
Confirmation: The Trust confirms that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.	Yes

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Remuneration report

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months

	2020/21
	No of engagements
Number of new engagements, or those that reached six months in duration between 1 April 2020 and 31 March 2021	0
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested	0
Of which:	
Number for whom assurance has been received	0
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

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Remuneration report

Exit packages (subject to audit)

During the year there were two exit packages (31 March 2020, nil) at a cost of £90k (31 March 2020, nil).

Year ended 31 March 2021

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed *	Total number of exit packages by cost band
<£10,000	0	1	1
£10,001-£25,000	2	0	2
£25,001-£50,000	0	0	0
£50,001-£100,000	2	0	2
£100,001-£150,000	0	0	0
£150,001-£200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	**4**	**1**	**5**
Total resource cost £'000	**177**	**0**	**5**

** of which*	Number agreed	Total value of agreements (£'000)
Contractual payments in lieu of notice	0	0

Year ended 31 March 2020

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed *	Total number of exit packages by cost band
<£10,000	0	0	0
£10,001-£25,000	0	0	0
£25,001-£50,000	0	0	0
£50,001-£100,000	0	0	0
£100,001-£150,000	0	0	0
£150,001-£200,000	0	0	0
> £200,000	0	0	0
Total number of exit packages by type	**0**	**0**	**0**
Total resource cost £'000	**0**	**0**	**0**

** of which*	Number agreed	Total value of agreements (£'000)
Contractual payments in lieu of notice	0	0

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Remuneration report

Signed by:

Matthew Trainer
Chief Executive
28 June 2021

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Staff report

Analysis of staff costs (subject to audit)

Year ended 31 March 2021

	Total £000	Permanently Employed £000	Other £000
Salaries and wages	162,918	161,994	924
Social security costs	16,894	16,894	0
Apprenticeship levy	789	789	0
Pension cost – employer contributions to NHS pension scheme	19,297	19,297	0
Pension cost – employer contribution paid by NHSE on provider's behalf (6.3%)	8,461	8,461	0
Pension cost - other	25	25	0
Temporary staff – agency/contract staff	6,899	0	6,899
Total	**215,283**	**207,460**	**7,823**

Year ended 31 March 2020

	Total £000	Permanently Employed £000	Other £000
Salaries and wages	153,448	152,728	720
Social security costs	15,663	15,663	0
Apprenticeship levy	726	726	0
Pension cost – employer contributions to NHS pension scheme	18,186	18,186	0
Pension cost – employer contribution paid by NHSE on provider's behalf (6.3%)	7,949	7,949	0
Pension cost - other	36	36	0
Temporary staff – agency/contract staff	7,730	0	7,730
Total	**203,738**	**195,288**	**8,450**

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Staff report

Summary of average staff numbers (subject to audit)

The table below gives a summary of the average staff numbers at Oxleas and is based on whole time equivalent staffing figures.

	2019/20			2020/21		
Staff Group	**Fixed term**	**Permanently employed**	**Total**	**Fixed Term**	**Permanently employed**	**Total**
Healthcare Assistants and other support staff	1	550	551	1	565	566
Administrative and Estates	44	730	774	43	742	785
Social care staff	10	96	106	10	94	104
Medical and Dental	13	179	192	14	183	197
Nursing, midwifery and health visiting staff	291	1,107	1,398	303	1,102	1,405
Scientific, Therapeutic and Technical staff	27	803	830	31	876	907
Total	**386**	**3,465**	**3,851**	**402**	**3,562**	**3,964**

Staff gender analysis

At 2020/2021 year end
(Figures related to individual people)

	Female	Male	Total
Directors[1]	3	4	7
Other senior managers[2]	23	9	32
Employees[3]	3108	854	3962

1 Defined as Chief Executive Officer and Executive Directors with voting rights
2 Defined in accordance with HSCIC's Occupational Code Manual (employees who have been coded in electronic staff record under the Senior Managers G0 occupational code)
3 Those with a permanent contract excluding those already counted in Director and Senior Manager figures.

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Staff report

Consultancy expenditure

This is set out in note 4.1 of the accounts

Details of our staff turnover are available at **https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics**

Diversity and inclusion

At Oxleas, we subscribe to a number of initiatives aimed at addressing disability equality in the workplace:

- Mindful Employer – this promotes good mental health in the workplace
- Disability Confident Committed – this is a commitment to the employment, retention, training and career development of disabled employees
- Time to Change Pledge – this is a commitment to change how we think and act about mental health in the workplace, making sure staff facing these problems feel supported.

We also have a Mental Health Network for staff with experience of mental health issues and a Disability Network for staff with disabilities or long-terms conditions.

Oxleas reports annually on progress against the Workforce Disability Equality Standard (WDES). The WDES provides a framework to assess the experience of disabled applicants and staff in a comprehensive and measurable way and identify areas that are working well and those for improvement.

Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period

Oxleas has a Reasonable Adjustments Policy which sets out how we will support both new staff and existing staff who have a disability or long-term condition. This is supported by a 'Health and Wellbeing Passport' and guidance for managers. The passport supports the employee and manager to agree reasonable adjustments and to review these as needed. If there is a change in line-management the passport can be used to reduce the need for renegotiating adjustments.

Policies applied during the financial year for the training, career development and promotion of disabled employees

We have clear policies to support disabled staff accessing learning and development opportunities. We ask all to share any reasonable adjustment needs in confidence in advance of participating in our learning, enabling us to work with each individual to put these in place, to achieve maximum benefit from each learning episode. This is reflected in our learning management system, with consideration prompted at the point of each event booking. The same principles are enshrined in our supervision, appraisal (Personal Development Review) and continued professional development (CPD) policies, to ensure that all staff benefit from appropriate development.

We examine non-mandatory and CPD learning uptake patterns, to check the effectiveness of our approaches. Taking the same approach as the Workforce Race Equality Standard (WRES) assessment, our data shows disabled staff were slightly more likely (likelihood = 0.32) than others (likelihood = 0.27) to access non-mandatory learning and CPD in 2020/21.

Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees

Oxleas has a weekly staff bulletin – One Oxleas – and fortnightly broadcasts – Oxwide – that

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are available live and via a number of social media platforms. During the Covid-19 pandemic, we introduced additional regular information bulletins to keep colleagues updated on the latest guidance and to provide access to a wide-range of wellbeing resources and support. Our intranet – The Ox – has comprehensive information on every aspect of working at the trust. In early 2021, we introduced a monthly Team Briefing with key messages to be delivered by managers in their team meetings. Dedicated support was put in place to support our clinically extremely vulnerable staff during the pandemic, including newsletters on key elements of concern.

Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests

We have five staff networks (BAMEx, Disability, LGBTQ+, Mental Health and Women) who are regularly involved and consulted on policies and practice that affect employees with protected characteristics. Network representatives are members of the Equality and Human Rights Governance Group, which reports to the Workforce Committee.

New policies are taken to Staffside and to Staff Partnership Committee to ensure that the implications for staff of new decisions are taken into account. Our Directorate Staff Assemblies also play an active role in shaping our approach.

We have a new Shadow Executive who receive papers from the Executive Committee. Feedback from the Shadow Executive papers is fed back to the Chief Executive and the Director of Strategy and People and this feeds into the decision-making at the formal Executive meetings.

The new Oxleas Strategy 2021 – 2024 responds to the extensive feedback from staff and stakeholders during the 'Our Next Step' large-scale engagement exercise during 2019 and 2020.

Actions taken in the financial year to encourage the involvement of employees in the NHS foundation trust's performance

Staff played an active role in shaping the Oxleas Strategy 2021 – 2024 and the priorities for improvement, as part of the 'Our Next Step' engagement exercise. This included the development of new values for Oxleas. Throughout the pandemic, staff were asked to contribute their views about how best to support their wellbeing and performance and this led to changes of approach, including around Building a Fairer Oxleas. Colleagues have been actively involved in measures to deliver service improvements, including to reduce the waiting times pressures that have escalated over the last year and other initiatives.

How policies and activities undertaken in the year have or will improve the diversity and inclusiveness of the workforce

We established the Building A Fairer Oxleas work programme, overseen by an Action Plan Group chaired by the Deputy Chief Executive with membership of 42 staff volunteers and Executive and Non Executive members. The programme is designed to support fairer recruitment and career progression and improved cultural understanding for our workforce, particularly Black, Asian and minority ethnic staff. The programme is linked to on-going work related to the Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES).

43% of Oxleas' workforce are from Black, Asian or Minority Ethnic backgrounds. The diversity of

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our workforce has increased year on year. Our data shows that in 2020-21 there were some improvements in diversity at Bands 8a and above.

Barriers to improving the diversity of our workforce

Feedback from staff and the results of our NHS Staff Survey shows that staff who are Black, Asian or Minority Ethnic or Disabled colleagues have a poorer experience working at Oxleas. This includes experience of harassment, bullying and abuse from patients, public, colleagues and managers, opportunities for career progression and likelihood of entering a formal disciplinary or capability process.

We have comprehensive action plans to address these issues. In 2020-21, this included working with our local police to address incidents of violence and aggression towards staff from patients, providing staff access to cultural competency E-learning, reviewing recruitment practices and updating E-learning for recruiting managers and adopting new organisational values along with a behaviours framework.

The use of Just Culture reviews has avoided 40 cases going to a formal disciplinary and we've carried out quarterly reviews of disciplinary cases to identify wider learning.

Changes in staff composition impacting on the diversity and inclusiveness of our workforce

Our workforce is slightly more diverse in 2020/21 than it was in the previous two years, with 43 % Black, Asian and Minority Ethnic staff and 53% White (with 2% unknown and 2% not stated), compared to 41% Black, Asian and Minority Ethnic staff in 2019/20 and 39% in 2018/19.

Performance against internal targets set in relation to diversity and inclusiveness

The trust has aspirational goals to increase representation of Black, Asian and minority ethnic staff at Bands 8a and above.

There has been an increase in the number of Black, Asian and minority ethnic staff in Bands 8a to 8c.

Currently the trust is on track to deliver equity by 2028 for Bands 8a to 8d

Staff in post compared to 2021 aspirational goals for Oxleas NHS Foundation Trust

	2017/18 actual	2018/19 actual	2019/2020 actual	2020/21 aspiration	2020/21 actual	Gap 2021/21	% BAME staff
Band 8a	55	63	70	65	82	+17	31%
Band 8b	11	10	15	16	20	+4	21.3%
Band 8c	8	11	13	12	13	+1	19.1%
Band 8d	4	4	3	5	5	-	23.8%
VSM (includes Band 9, but not Medical Consultants)	3	3	2	4	3	-1	20%

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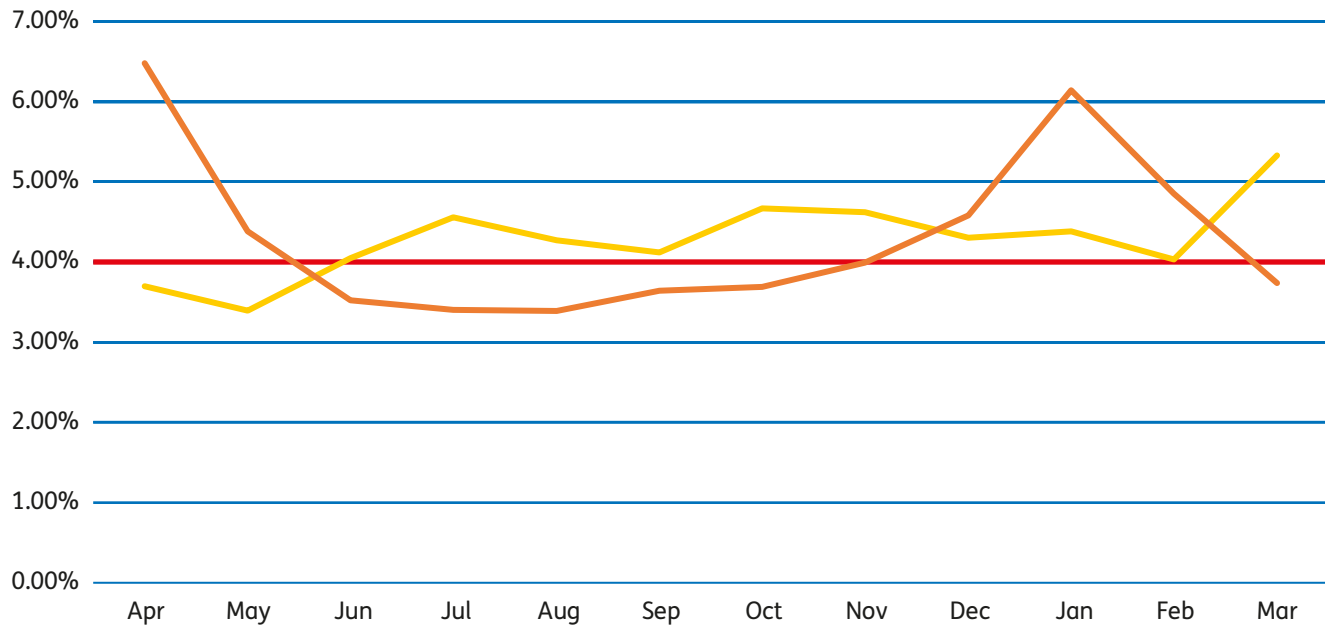
Future priorities

The priorities for the year continue to be based on areas requiring improvement from our Workforce Race Equality Scheme and the Workforce Disability Equality Scheme results and our plans to Build a Fairer Oxleas. Improving the cultural intelligence in Oxleas and the fairness of our recruitment and progression processes, will continue to be a key focus as part of our work to Make Oxleas a Great Place to Work. Monitoring implementation of these action plans and tracking the performance against and monitoring of targets will be undertaken by the Equality and Human Rights Governance Group and the Workforce Committee.

Sickness absence

It is our aim to keep sickness absence across Oxleas below 4%. This year, performance has been affected by Covid-19. The chart below tracks our performance across the year with the increase compared to 2019/20. We continue to perform well in comparison to our comparator trusts in London.

Sickness AbsenceTrust (Target = 4%)



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2019/20	3.70%	3.39%	4.05%	4.56%	4.27%	4.12%	4.67%	4.62%	4.30%	4.38%	4.03%	5.33%
2020/21	6.48%	4.38%	3.52%	3.40%	3.39%	3.64%	3.69%	3.99%	4.58%	6.14%	4.85%	3.74%

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We have procedures in place to manage short, medium and long term absence. Our policy identifies clear points for short term absence that 'trigger' a review of absence and allow for targets for improvement to be set and support to be put in place if there are underlying health concerns. The policy also outlines mechanisms to support staff who are absent for extended periods of time with chronic or long term health conditions, with advice from Occupational Health regarding reasonable adjustments, phased return to work or redeployment, where required.

In addition, our Employee Assistance programme offers confidential support to staff both online and via the telephone. The service is available to staff 24/7, and also provides a range of additional support including legal advice. There is also a fast-track referral process for staff who suffer from musculoskeletal issues.

Oxleas workforce key performance indicator dashboard includes detail on levels of absence within the organisation and is reported on a monthly basis. Data is available by ward/team/department to ensure that all instances of absence are reviewed and supported with appropriate interventions, with a focus on preventative absence management and a range of options that enables staff to return to work in a supported way.

Helping our people stay healthy and safe

There has been an increased focus on wellbeing through 2020/21 and we have significantly increased our support options for staff, working closely with our Occupational Health team to ensure individual risks assessments are in place for all staff members, with personalised support plans for all. Colleagues in our higher risk categories have been redeployed into lower risk areas and we have been working creatively to ensure our Clinically Extremely Vulnerable colleagues have been able to shield, whilst maintaining close contact with their teams and continuing to be involved in service delivery, where possible. The introduction of our support network for staff who are shielding has been well-received and is featured as a case study on the NHS Employers website.

Our focus on mental, physical and emotional wellbeing has continued and will be supported by the introduction of our Wellbeing Guardian (a Non-Executive Director who looks at the organisation's activities from a health and wellbeing perspective and acts as a critical friend, to ensure wellbeing is given the same weight as other aspects in organisational performance assessment). We are also introducing Health and Wellbeing Champions across the Trust, who will promote, identify and signpost ways to support the wellbeing of their colleagues, together with Wellbeing Conversations for all.

Our Health and Safety Committee continues to meet regularly to provide a forum for managers and staff to work together to promote the safety, health and welfare of staff, patients and visitors.

We are implementing our Health and Safety Strategy and associated five year work plan to ensure we maintain a positive health and safety culture, respond to concerns and incidents, and focus on identified risks to maintain a safe working environment. We have had a particular focus this year on infection control and ensuring that our colleagues are as safe as possible during the Covid-19 pandemic. This has included individual and workplace risk assessments and discussions with colleagues to ensure they are able to work in the safest way possible, including shielding, depending on their individual circumstances.

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We have implemented a software-based health and safety auditing system that will greatly enhance our ability to analyse and report on health and safety compliance and identify areas of necessary focus.

The progress of our Health and Safety Strategy is monitored by the Workforce Committee.

Engaging with our colleagues

Staff engagement is a key part of our new Oxleas strategy. Staff engagement at Oxleas is underpinned by the Partnership agreement which sets out the framework by which we work with trade unions for the best interests of the organisation. This agreement has been extended to recognise and include our staff networks including the Black and Minority Ethnic network, LGBTQ network, Disability Forum, Mental Health Staff Network and Women's Network. The Chair of the Black and Minority Ethnic network, in partnership with the Head of Employment Relations, scrutinises outcomes of all trust disciplinary processes to ensure that there is no discrimination in either process or outcome. Their conclusions are reported to the Board.

We systematically provide employees with a range of information on matters that are of concern and/or interest to them as employees:

- Leaders are invited to attend the regular Senior Staff sessions to receive briefings of key issues and developments. Messages are then cascaded towards wider teams
- A regular e-bulletin 'One Oxleas' updating staff on all key matters is circulated to all employees on email
- Monthly team briefing which provides an update from the executive team
- Our fortnightly Oxwide broadcasts enable staff to hear directly from the Chief Executive and senior leaders on key issues
- The 'Ox', our intranet, pages are updated and curated on a daily basis
- Professional executives to communicate with all professional leads across Oxleas
- Opportunities for staff in the first year of employment to meet with the Chief Executive and provide feedback on their experience within the trust.
- Targeted programmes of collaborative work to address areas of concern for staff, e.g., violence and aggression and bullying and harassment, ensuring that staff views are fully considered and included within solution design
- Several ways for staff to raise concerns, including the independent Freedom to Speak Up Guardian service
- Directors including non-executive directors regularly spend time with colleagues in services, providing the opportunity to find out more about the issues that matter most to our colleagues
- The chair of staff side is also the Head of Partnership working for the trust. She acts as an advocate for all staff irrespective of union membership ensuring that their views are heard and considered, through regular feedback sessions across Oxleas.

Our new Oxleas strategy builds on the Our Next Step programme which engaged with colleagues across the whole organisation in the development of our strategy. More than 1,000 members of staff and teams from all directorates have been involved. As a result of this, we have established staff assemblies in

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each directorate, introduced new values and agreed three new big priorities for Oxleas.

As part of our reaction to Covid-19, staff engagement has been an important part of our response. We have run an extensive communication programme to keep our staff informed and respond to their queries and concerns. This has included during the height of the pandemic, daily questions and answers, staff briefings three times a week and weekly webcasts as well as a programme of virtual board visits to services.

2020 Staff Survey - summary of key findings

The annual Staff Survey was completed by 42.9% of Trust staff (1,615 responses). The aim is to capture the views of our employees on their experience at work, focusing on key areas including health and wellbeing, quality of care, equality and diversity and line management. This was below the average 48% achieved by Trusts in our benchmarking comparator pool (made up of 26 Combined Mental Health and Learning Disability Trusts, Mental Health Trusts, Learning Disability Trusts and Community Trusts) and less than our 2019 rate. However, this

The table below presents the results of significance testing conducted on this year's theme scores and those from last year*. It details the organisation's theme score for both years and the number of responses each of these are based on.

The final column contains the outcome of the significance testing ↑ indicates that the 2020 score is significantly higher than last year's whereas ↓ indicates that the 2020 score is significantly lower. If there is no statistically significant difference, you will see 'Not significant'. When there is no comparable data from the past survey year, you will see 'NA'.

Theme	2019 score	2019 respondents	2020 score	2020 responents	Statistically significant change?
Equality, diversity and inclusion	8.8	1857	**8.8**	**1599**	Not significant
Health and wellbeing	6.1	1876	**6.3**	**1613**	↑
Immediate managers †	7.3	1877	**7.4**	**1612**	Not significant
Morale	6.3	1819	**6.4**	**1610**	↑
Quality of care	7.6	1651	**7.6**	**1337**	Not significant
Save environment - Bullying and harassment	8.0	1833	**8.1**	**1606**	Not significant
Save environment - Violence	9.4	1845	**9.5**	**1610**	↑
Safety culture	7.0	1855	**7.0**	**1607**	Not significant
Staff engagement	7.2	1915	**7.3**	**1613**	Not significant
Team working	7.1	1894	**7.2**	**1594**	Not significant

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response rate was reflective of the lower results seen across London trusts this year.

2020 was an unprecedented year for the NHS and by far the most challenging year that our teams have ever faced. The survey tells a clear story of the difficulties faced this year, but also of pride and positivity among the workforce and identifies areas of particular success as well as areas that we can continue to develop.

We remain above average in five of the key domains, whilst mirroring the progress others are making nationally across another two. We are lower than average on Equality, Diversity and Inclusion, Health and Wellbeing and Safe Environment – Bullying and Harassment. However, these results show that we have made significant progress in some of these areas, reflected in the answers to the specific questions asked, but have further work to do on the others.

The number of staff looking forward to coming to work has risen for the fifth year running, taking us from 58.4% in 2016 to 63.6% in 2020. 70.7% of staff would recommend Oxleas as a place to work, up from 62.8% in 2016. Alongside this the number of people considering leaving Oxleas dropped from 30.6% to 24.7% in just two years.

70.5% of our staff said they were happy with the standard of care Oxleas provide and would recommend to a friend or relative, up from 65.3% in 2016.

Considerable improvements have been made with our staff witnessing less violence and aggression at work from patients and their families (dropping from 16.7% to 12.3%), as well as from managers and colleagues. Staff are positive that we will address concerns when they raise these, as well as treating our staff members fairly when mistakes are made. Our Just and Learning Culture focuses on preventative measures and learning from incidents, rather than apportioning blame or taking punitive action.

82.6% of staff (compared to 73.6% in 2019) felt that the organisation had made reasonable adjustments to allow them to carry out their work, putting us slightly above the comparator average and reflective of the considerable work we have completed over the past 12 months to support our workforce through the challenges the pandemic has bought as we embrace these new ways of working.

Discrimination from patients and their families has decreased but we remain slightly higher than last year with individuals feeling discrimination from their manager or colleagues. We have launched our 'In Each Other's Shoes' campaign to raise awareness and our Building a Fairer Oxleas Programme aims to address and improve the relationships between people at work. We continue to review and make improvements to our recruitment and selection processes to ensure we act fairly in regards to career progression and promotion and are committed to promoting opportunities for all.

Our directorates are working with their teams on specific local concerns and action plans. We will continue to embark on our strategy for Making Oxleas a Great Place to Work.

Trade Union Facility Time

From 1 April 2017, public sector organisations are required to report on trade union facility time. Facility time is paid time off for union representatives to carry out trade union activities.

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Table 1
Relevant union officials

Number of employees who were relevant union officials during the relevant period	Whole time equivalent
19	17.77

Table 2
Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	19
51% - 99%	0
100%	0

Table 3
Percentage of pay bill spent on facility time

Total cost of facility time	£35,572.96
Total pay bill on employees who were relevant union officials	£600,894.66
% of pay bill spent on facility time	5.92%

Table 4
Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	6.4%

Information to and consultation with employees

Oxleas continues to work in partnership with local trade union representatives on a range of issues. The trust has agreed a formal statement of partnership working with its trade unions which regularises the input and inclusion of staff in the decision making of the trust. This agreement formally recognises the role of the staff networks and their contribution to the trust. Major changes to service provision and roles and responsibilities of staff are accompanied by a formal consultation process, to which all affected staff and their trade union representatives are encouraged to contribute. Feedback from staff is used to inform the outcome of these change programmes and ensure there is ownership of and engagement with the proposals. Staff are also able to raise issues and ask questions via the elected staff governors. The staff governors are part of the Council of Governors and also attend the Staff Partnership Forum along with trade union stewards and representatives of the staff networks.

Equal Opportunities and Occupational Health

Oxleas has met all of its duties under the 2010 Equality Act and has set and published its objectives to improve equality for those who use our services and those who work in them. We have fully implemented the NHS Equality Delivery System (EDS) which provides a robust assurance framework that allows the trust to identify areas of strength and weakness in relation to how it supports all groups protected under the Act. The framework is used to self-assess progress against 4 goals and 18 outcomes, related to health inequalities, patients, staff and leadership.

For several years, we have jointly reviewed all of the outcomes of disciplinary hearings with

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the chair of the Black, Asian and Minority Ethnic network, the Head of Equality and Human Rights and the Head of Employee Relations and Staff Engagement. This is to ensure transparency and fairness in our approach. In 2020, these reviews were undertaken on a quarterly basis, to ensure any areas of concern could be addressed in a timely manner. Additional support mechanisms have also been introduced for staff members who are involved in these formal processes. The introduction of Just Culture panels has ensured that alternative options are considered, where possible, focusing on restorative, rather than punitive interventions. We have also introduced deep dives for formal capability cases, with the chair of our Disability Network, to ensure our staff with disabilities or long term health conditions are being appropriately supported.

We have actively supported the development of the National Workforce Race Equality Scheme and the Workforce Disability Equality Scheme and have published this data along with our action plans in line with the national requirements.

Oxleas is committed to giving full and fair consideration to applications from disabled people. We have been awarded the 'two tick' symbol by Job Centre Plus in recognition of our commitment to the employment of disabled people. We have 'Mindful Employer' status in recognition of our commitment to supporting people with mental health issues into employment. The trust employs a dedicated occupational therapist to support the employment of service users as either employees or via volunteer placements and to further our work as a Mindful Employer.

We support staff who become disabled during their employment and commission an occupational health service. This service has specialist knowledge in supporting staff working in our settings and helps to facilitate disabled employees return to work, either in their own job or alternative employment elsewhere in the organisation. In addition, the service also provides fast track access to physiotherapy and a consultant psychiatrist. We provide an Employment Assistance Programme which gives employees direct and confidential access to a dedicated 24-hour telephone counselling service as well as access to more specialist psychological therapeutic support as required. We have established a staff led Disability Network and a Lived Experience Network for staff with personal experience of mental health issues. These groups are actively involved in supporting us to improve how we support our staff.

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

The Board of Directors uses the NHS Foundation Trust Code of Governance as best practice advice to improve our governance practices. We follow the code guidance apart from the maximum term of office for non-executive directors. In 2011, our membership voted for the extension of the non-executive maximum term of office to 3 x 3 year terms to provide greater continuity through times of change within Oxleas and the wider NHS.

The Board of Directors manages the business of Oxleas NHS Foundation Trust by setting strategy and overseeing performance. The Executive team manages the day to day operational running of the organisation and regularly reports on activity to the Board. The Board also works closely with the Council of Governors and both groups regularly meet and attend each other's meetings. A meeting between governors and non-executive directors is held before every Board meeting to ensure that non-executive directors understand governors' views and any issues of concern.

The Council of Governors have a range of roles and responsibilities. Their general duty is to hold the non-executive directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of our members and the public.

The governors' statutory duties are to:

- Appoint or remove the Chair and non-executive directors (as laid out in the trust constitution)
- Approve the appointment of the Chief Executive
- Decide the remuneration and terms and conditions of non-executives
- Appoint our financial auditor
- Receive the annual accounts
- Provide a view on forward planning
- Approve significant transactions
- Approve mergers and acquisitions
- Approve separations or dissolutions
- Approve an increase or more than 5% of non-NHS activities
- Approve changes to our Constitution (unless it is around the powers and duties of the Council of Governors).

The governors put these duties into action this year as needed and made full use of meeting virtually to ensure they were able to carry out their duties. A film giving an overview of the governors' year has been produced and is available on our website.

Our governors also have the right to:

- Propose a vote on the organisation's or director's performance
- Require one or more directors to attend a meeting to obtain information about the organisation's or director's performance and
- Refer a question to NHS Improvement's advisory panel as to whether the trust has failed or is failing to act in accordance with the Constitution.

None of these rights has been used in 2020/21.

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Should any disagreements arise between our Council of Governors and our Board of Directors, we would follow the procedures laid down in our Constitution. Members of the Board of Directors and Council of Governors both attend our members' meetings to learn members' views on what our future priorities should be and to gather feedback on our current performance. They also both take part in strategy development days, alongside clinical leaders in the trust.

Attendance at Board meetings

The table below shows the number of meetings attended out of a maximum of seven. There have been several changes mid-year, so not all Board members had the opportunity to attend all meetings.

Name	Meetings attended
Andrew Trotter Chair	7/7
Steve Dilworth Non Executive Director	7/7
Steve James Non Executive Director	6/7
Jo Stimpson Non Executive Director	7/7
Yemisi Gibbons Non Executive Director	7/7
Nina Hingorani-Crain Non Executive Director	6/7
Suzanne Shale Non Executive Director	7/7
Amlan Basu Non Executive Director	5/7
Matthew Trainer Chief Executive	6/7
Dr Ify Okocha Deputy Chief Executive and Medical Director	7/7
Iain Dimond Chief Operating Officer	7/7
Azara Mukhtar Director of Finance	6/7
Rachel Evans Director of Strategy and People	7/7
Jane Wells Director of Nursing	7/7
Michael Witney Director of Therapies (to November 2020)	4/4
Neil Springham Director of Therapies (from January 2021)	3/3

Audit and Risk Assurance Committee

The members of this committee during the year were:

Steve Dilworth – Non-Executive Director and Chair

Stephen James – Non-Executive Director

Jo Stimpson – Non-Executive Director

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There were seven meetings between 1 April 2020 and 31 March 2021. An additional meeting was convened in June 2020 for final approval of the Annual Report and Accounts as the timetable had been extended due to Covid-19.

Member	Attendance
Steve Dilworth	7/7
Steve James	7/7
Jo Stimpson	7/7

The Audit and Risk Assurance Committee provides the Board of Directors with an independent review of financial and corporate risk management and governance including clinical and non-clinical risks.

With a membership of non-executive directors, the committee uses independent external and internal audit to provide assurance to the Board. The executive lead for the Audit and Risk Assurance Committee is the Director of Finance.

The committee monitors the integrity of our financial statements and ensures we have the right policies and procedures in place to make sure our organisation is run effectively and legally. The committee reviews the adequacy of all risk and control related disclosure statements together with Head of Internal Audit Opinion, External Audit Opinion and other appropriate assurances. It approves the internal audit strategy and considers all the internal audit reports and ensures that the recommendations are put into action. The committee also has oversight of our local counter fraud arrangements. The committee discusses with our external auditors their local evaluation of audit risks and reviews all external audit reports. The committee has oversight of our Board Assurance Framework linking with other board sub-committees to ensure that key risks are identified and plans actioned in response. Each sub-committee presents its risk register annually to the Audit and Risk Assurance Committee. In addition, the committee receives a thematic analysis of risks to highlight trends across the trust. During this year, we have revised the format of our Board Assurance Framework to include greater trend analysis.

Significant areas that have been considered by the Audit and Risk Assurance Committee during the year include:

- Covid-19 risks and governance arrangements
- Internal audit findings
- Fraud detection and prevention
- Care planning and risk management
- Legal claims
- Charitable funds
- Trust 'whistleblowing' processes and Freedom to Speak Up arrangements
- Fit and Proper Persons test arrangements
- Risk appetite statement
- Preparation for trust well led review both internal and external
- Thematic risks and board sub-committee risk registers

KPMG provide internal audit and counter fraud services to Oxleas and Grant Thornton UK LLP were appointed by our Council of Governors as our provider of external audit services from 1 July 2018 for a period of three years. In September 2020, the Council of Governors approved an extension of this contract for a further two years.

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Our internal and external auditors attend our Audit and Risk Assurance Committee meetings as well as relevant trust staff. At these meetings, outcomes of internal and external audits and actions taken as a result were reviewed. Also, financial controls, action to reduce fraud and our whistle-blowing and conflict of interest processes were discussed as well as changes we have needed to make in response to the Covid-19 pandemic.

Our internal audit and counter fraud plan includes a number of projects that are designed to review processes and controls where we believe there to be risk and to give appropriate assurance to the Board via the Audit and Risk Assurance Committee that these risks are being addressed. The plan is discussed by the Executive Team and approved by the Audit and Risk Assurance Committee. KPMG present the work they have carried out and provide an update of actions completed. Details of the internal audit report work carried out this year are included in our annual governance statement.

At our Audit and Risk Assurance Committee, Grant Thornton, our external auditor, present updates regarding accounting and business matters that are relevant to our organisation, including their audit plans and reports, for discussion by the committee. As part of this, the committee considers our accounting policies, the implications of new accounting guidance, and whether our financial statements are compliant with the relevant financial reporting standards.

Grant Thornton are required to make the case to the committee that they are objective and comply with the technical and ethical standards that apply to them as auditors. Part of the audit cycle includes an assessment by the committee of the effectiveness of the audit process. Audit fees are reported in the Financial Performance Analysis section.

The Committee engages regularly with the external auditor over the course of the financial year, including private sessions, at which executive management is not represented. The subjects covered include consideration of the external audit plan, matters arising from the audit of the trust financial statements and accounts, national changes and guidance relating to audit and corporate governance, and any recommendations on control and accounting matters proposed by the auditor. Where adjustments are proposed by the auditors, the Audit and Risk Assurance Committee considers both their nature and their materiality to the accounts in deciding whether to record them.

The Audit and Risk Assurance Committee reviews the effectiveness of the external audit process and the quality of its function through a variety of routes. Key aspects include: a review of audit presentations and communications, the planning and scope of the audit and identification of the areas of audit risk; review of the quality of staff and sufficiency of resources provided; execution of the audit; and matters raised in relation to the independence, objectivity and reputation of the firm. Based on this, the Audit and Risk Assurance Committee considers that the performance of the trust's external auditors (including the quality and value of the work, the timeliness of reporting and the external audit fee) is and has been appropriate over the past year.

NHS foundation trusts should appoint an external auditor for a period of time that allows the auditor to develop a strong understanding of the finances, operations, quality of services and forward plans of the NHS foundation trust.

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Current best practice recommends a three-to-five-year period of appointment and our regulator, NHS England/Improvement, recommends that foundation trusts undertake a market-testing exercise for the appointment of an auditor at least once every five years.

Further detail on our risk and control arrangements are described in our Annual Governance Statement.

Nominations Committees

Executive Nominations Committee

During 2020/21, two new Executive Directors were appointed to our Board of Directors

Membership

- Chair
- Non-Executive Directors
- Lead Governor

The committee met four times during 2020/21 to appoint to our Director of Therapies and Director of Finance roles. It was supported by our Director of Strategy and People and Trust Secretary.

NED Nominations Committee

Membership

- Andrew Trotter, Chair
- Richard Diment, Lead Governor
- Joseph Hopkins, Elected Governor
- Janet Kane, Elected Governor
- Stephen Dilworth, Non-Executive Director

The committee did not meet during 2020/21 as none of the Non-Executive Directors' terms of office ended during the year.

Other committee attendance

The membership of the Board sub-committees is detailed below (as the board membership changed during the year, the number of meetings attended differs).

Business Committee

Name	Attendance
Jo Stimpson (Chair)	11/11
Steve Dilworth	11/11
Nina Hingorani-Crain	11/11
Matthew Trainer	9/11
Iain Dimond	10/11
Ify Okocha	9/11
Azara Mukhtar	11/11

Performance and Quality Assurance Committee

Name	Attendance
Yemisi Gibbons (Chair)	11/11
Steve James	10/11
Suzanne Shale	11/11
Jane Wells	9/11
Ify Okocha	11/11
Iain Dimond	11/11
Michael Witney (to November 2020)	6/6
Neil Springham (from January 2021)	3/4

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Quality Improvement and Innovation Committee

Name	Attendance
Amlan Basu (Chair)	5/5
Yemisi Gibbons	4/5
Steve James	1/1
Suzanne Shale	3/5
Ify Okocha	4/5
Jane Wells	5/5
Rachel Evans	5/5
Michael Witney (to November 2020)	0/3
Neil Springham (from January 2021)	2/2

Workforce Committee

Name	Attendance
Nina Hingoraini-Crain (Chair)	6/6
Yemisi Gibbons	5/6
Jo Stimpson	6/6
Rachel Evans	6/6
Jane Wells	5/6
Iain Dimond	3/6
Michael Witney (to November 2020)	4/4
Neil Springham (from January 2021)	2/2

Infrastructure Committee

Name	Attendance
Suzanne Shale (Chair)	8/8
Steve Dilworth	8/8
Steve James	7/8
Azara Mukhtar	8/8

Partnership Committee

Name	Attendance
Jo Stimpson (Chair)	7/8
Andy Trotter	8/8
Steve Dilworth	8/8
Matthew Trainer	8/8
Iain Dimond	3/8
Ify Okocha	4/8
Azara Mukhtar	7/8

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Council of Governors

The Council of Governors has 38 governors. They represent:

10 public governors (three each for Bexley, Bromley and Greenwich boroughs, and one for Rest of England borough)

11 service user/carer governors

10 appointed governors

7 staff governors

The number of appointed governors was increased during 2020/21 to include a representative of the NHS South East London Clinical Commissioning Group to support partnership working with local health service and other bodies.

The process to end a governor's term of office early is laid out in the trust constitution. The reasons for ending a governor's term of office include:

- Resignation
- Failure to attend meetings
- No longer being eligible to represent the constituency
- Breaching the code of conduct.

This process is overseen by the Governors' Standards Committee.

Service user/carer constituency

Current Governors

Name	Term start	Term end
Lesley Smith	Re-elected 11 September 2018	September 2021
Raja Rajendran	26 September 2018	September 2021
Steve Pleasants	Re-elected 11 September 2018	September 2021
Tina Strack	11 September 2018	September 2021
Claire Wheeler	11 September 2018	September 2021
Frances Murray	26 September 2018	September 2021
Marc Goblot	25 September 2019	September 2021
Fola Balogun	Re-elected 25 September 2019	September 2022
Simon Hiller	25 September 2019	September 2022
Ruvimbo Mutyambizi	19 November 2020	September 2021

There is one vacant seat in the Service User/Carer constituency in the special interest group of Forensic and Prison.

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Public constituency

Current Governors

Name	Borough	Term Start	Term Ends
Sue Hardy	Bexley	26 September 2018	September 2021
Joseph Hopkins	Bexley	26 September 2018	September 2021
Liz Moss	Bromley	26 September 2018	September 2021
Steven Turner	Greenwich	26 September 2018	September 2021
Sue Sauter	Bexley	8 March 2019	September 2021
Margaret Cunningham	Bromley	25 September 2019	September 2021
Michael Earnshaw	Bromley	19 November 2020	September 2023
Leslie Clark	Greenwich	19 November 2020	September 2023
John Crowley	Greenwich	Re-elected 19 November 2020	September 2023
Raymond Warburton	Rest of England	19 November 2020	September 2021

Governors whose term has ended in year

Name	Borough	Term Start	Term Ends
Frazer Rendell	Bromley	Re-elected 9 September 2017	19 November 2020
Janet Kane	Rest of England	26 September 2018	19 November 2020
Anoop Sekhon	Greenwich	25 September 2019	19 November 2020

There are no vacant seats.

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Staff constituency

Current Governors

Name	Constituency	Term starts	Term ends
Surajsing Persand	Forensic and Prison Health Services	Re-elected 26 September 2018	September 2021
Rebekah Marks-Hubbard	Greenwich Adult	11 September 2018	September 2021
Sharon Rodrigues	Learning Disability	26 September 2018	September 2021
Janice Algar	Bexley Adult	19 November 2020	September 2021
Margaret Adedeji	Bromley Adult	19 November 2020	September 2021
Stacy Washington	Corporate and Partnership	19 November 2020	September 2023

Governors whose term has ended in year

Name	Constituency	Term starts	Term ends
Sue Read	Bexley Adult	Re-elected 11 September 2018	30 September 2020
Christine Kapopo	Bromley Adult	25 September 2019	1 October 2020
Victoria Smith	Corporate and Partner	9 September 2017	19 November 2020
Jo Linnane	Children's Services	26 September 2018	31 March 2021

There is one vacant seat in the Children's constituency.

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Appointed governors

Current Governors

Name	Organisation
Richard Diment	Bexley Council – Local Authority (Lead Governor)
Yvonne Bear	Bromley Council – Local Authority
Averil Lekau	Greenwich Council – Local Authority (to May 2020)
Miranda Williams	Greenwich Council (from May 2020)
Cassandra Myer	Bridge – Forensic
Mark Ellison	Age UK – Older Adult
Carl Krauhaus	Charlton Athletic Community Trust – Young People
Dominic Parkinson	Mind – Adult Mental Health
Mary Mason	Bromley Mencap – Learning Disabilities (Mencap colleagues sharing a vote) (to May 2020)
Eddie Lynch	Bromley Mencap – Learning Disabilities (Mencap colleagues sharing a vote) (from May 2020)
Terri Looker	Greenwich Mencap – Learning Disabilities (Mencap colleagues sharing a vote)
Kara Lee	Bexley Mencap – Learning Disabilities (Mencap colleagues sharing a vote)
Kate Heaps	Greenwich & Bexley Community Hospice – Adult Community
Sid Deshmukh	South East London Clinical Commissioning Group – Clinical Commission Group (from November 2020)

Public, staff and user/carer governors are elected by members of their own constituency using the single transferable vote system. Governors are appointed for a fixed term of three years unless they are replacing a governor who has stepped down mid-term.

For appointed governors, our partner organisations as defined in our constitution were asked to nominate a representative. Appointed governors are appointed for a fixed term of three years.

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During 2020/21, one election was held. The details are outlined below.

Public

	Number of nominations at deadline of 14 September 2020	Outcome of voting (5 October 2020 to 29 October 2020)	When announced	When took up position
Bromley 1 vacancy	4	1 elected	29 October 2020	19 November 2020
Greenwich 2 vacancies	4	2 elected	29 October 2020	19 November 2020
Rest of England 1 vacancy	4	1 elected	29 October 2020	19 November 2020

Service User/Carer

	Number of nominations at deadline of 14 September 2020	Outcome of voting (5 October 2020 to 29 October 2020)	When announced	When took up position
Bromley Adult 1 vacancy	3	1 elected	29 October 2020	19 November 2020

Staff

	Number of nominations at deadline of 14 September 2020	Outcome of voting (5 October 2020 to 29 October 2020)	When announced	When took up position
Staff: Corporate and Partner 1 vacancy	4	1 elected	29 October 2020	19 November2020
Bromley Adult 1 vacancy	1	Unopposed 1 elected	14 September 2020	19 November 2020
Bexley Adult 1 vacancy	1	Unopposed 1 elected	14 September 2020	19 November 2020

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Attendance at Council of Governors' meetings

The table below shows the number of meetings attended out of a maximum of four. Several governors changed mid-year, so did not have the opportunity to attend all meetings.

Service user carer

Name	Attendance
Lesley Smith	4/4
Fola Balogun	2/4
Raja Rajendran	3/4
Steve Pleasants	3/4
Tina Strack	4/4
Claire Wheeler	3/4
Frances Murray	2/4
Marc Goblot	4/4
Simon Hiller	4/4
Ruvimbo Mutyambizi	2/2

Public

Name	Attendance
Frazer Rendell	2/2
Sue Hardy	4/4
Joseph Hopkins	4/4
Liz Moss	2/4
Steven Turner	4/4
Janet Kane	1/2
Sue Sauter	4/4
Anoop Sekhon	2/2
John Crowley	4/4
Margaret Cunningham	4/4
Michael Earnshaw	2/2
Leslie Clark	2/2
Ray Warburton	2/2

Staff

Name	Attendance
Victoria Smith	2/2
Surajsing Persand	1/4
Sue Read	2/2
Rebekah Marks-Hubbard	4/4
Sharon Rodrigues	4/4
Jo Linnane	4/4
Christine Kapopo	2/2
Janice Algar	2/2
Margaret Adedeji	1/2
Stacy Washington	2/2

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Appointed	
Richard Diment	4/4
Yvonne Bear	4/4
Averil Lekau	0/0
Miranda Williams	3/4
Mark Ellison	3/4
Carl Krauhaus	3/4
Dominic Parkinson	3/4
Mary Mason	0/0
Eddie Lynch	0/4
Kara Lee	1/4
Terri Looker	0/4
Kate Heaps	2/4
Cassandra Myer	3/4
Sid Deshmukh	0/2

Unfortunately, due to work commitments, our partnership governors are not always able to attend Council of Governor meetings but do receive all papers for the meetings.

The table below shows attendance by Directors at Council of Governors meetings. Directors attend the Council of Governors in response to the topics under discussion. There have been several changes mid-year, so not all Board members had the opportunity to attend all meetings.

Name	Meetings attended
Andrew Trotter Chairman	4/4
Steve Dilworth Non Executive Director	4/4
Steve James Non Executive Director	4/4
Jo Stimpson Non Executive Director	2/4
Yemisi Gibbons Non Executive Director	4/4
Nina Hingorani-Crain Non Executive Director	4/4
Suzanne Shale Non Executive Director	4/4
Amlan Basu Non Executive Director	4/4
Matthew Trainer Chief Executive	4/4
Dr Ify Okocha Deputy Chief Executive and Medical Director	4/4
Iain Dimond Chief Operating Officer	1/4
Azara Mukhtar Director of Finance	4/4
Rachel Evans Director of Strategy and People	4/4
Jane Wells Director of Nursing	4/4

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Michael Witney Director of Therapies (to November 2020)	2/2
Neil Springham Director of Therapies (from January 2021)	1/1

Oxleas maintains a register of directors', staff and governors' interests. This is available on our website or from the Trust Secretary.

Membership

Our membership constituencies are:

Service users/carers: this is open to people aged 14 years and over, who are current service users or carers, or who have been service users or carers within the past five years.

Public: this is open to people aged 14 years and over, living in England.

Staff: this is open to individuals who are employed by us. Staff working in services contracted by us are also eligible to join.

Constituency	31/3/21	31/3/20
Staff	5175*	4871*
Public	4606	4769
Service user/carer	1305	1361
Totals	11,086	11,001

* includes substantive and Bank staff plus partner organisation staff

Membership Strategy

In the second year of our Membership Strategy (2019-2021), the membership activities of the trust have focused on recruitment, communication and engagement. Our activities have been restricted by the Covid-19 pandemic and we increased our attention on maintaining wellbeing.

We have been developing strategies to recruit service user/carer members to represent forensic and prison healthcare services and to increase our younger membership. Two governor-led Membership Committee working groups have been established to take this work forward.

The trust has continued to actively engage with governors and our membership. At the start of the pandemic, we adapted our methods of communication, swiftly moving our Council of Governors' meetings and our Annual Members' Meeting (AMM) online. Governors continue to report on the work they have been doing at each Council of Governors and through their Council of Governors Review – Our Year which was a virtual offer this year. Over 400 people engaged with our AMM, 91 live and 323 post-event.

Our governors have continued to observe both the Board of Directors and all its sub-committees virtually to enable them to hold the trust's Non- Executive Directors to account for the performance of the Board.

Our governor development programme has continued throughout the pandemic, with a programme of virtual 'visits' facilitated by our Service Directors and their management teams. Governors have also participated in virtual sessions on service user involvement, volunteering including mainstream, Volunteer to Work and Lived Experience Practitioners, Informatics and Finance training.

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A panel of governors judged nominations for the Governors' Award as part of our 2020 Recognition Awards, choosing Gemma Duffy and Steve Cooksley as joint winners. Gemma has helped maintain our Clozapine and Depot clinics and supported colleagues whose clients found lockdown particularly difficult. Gemma also ensured carers were contacted and offered a carers' assessment and contacted clients who may be isolated to ensure they were well and delivered food parcels. The second winner, Steve Cooksley, has always been a helpful and supportive member of the Communications Team but, since the outbreak of Covid-19, has been instrumental in enabling us to maintain contact with our communities. Using different digital tools, Steve has helped staff to provide care virtually through films and on-line workshops. He has also managed broadcasts to colleagues across the organisation which have maintained vital contact and sources of information during the pandemic. Steve has made a significant difference to how staff have been able to adapt in these challenging times.

The feedback from the extensive Our Next Step engagement programme from November 2019 to March 2020 and learning from the pandemic helped to inform our new values and strategy for the trust.

We have continued to provide profiles for all governors on our website.

During the past year we have engaged with members in a number of ways, including:

- A virtual Annual Members' Meeting which included a mix of recorded and live presentations and a live question and answer session with our Executive team and Lead Governor.
- During the year, members were invited to participate in a number of internal and external virtual opportunities open to people living in local boroughs. These included training for Lived Experience Volunteers; South London Listens, listening events to tackle the looming mental health crisis caused by the Covid-19 pandemic; Let's talk Mental Health and Wellbeing – an evening event to talk about mental health and wellbeing organised by Bexley Mind, Bexley Voluntary Service Council and Bexley Clinical Commissioning Group; an opportunity for service user involvement with researchers from King's College London who are working on a study of the use of Body Worn Cameras on inpatient mental health wards; individuals with lived experience of mental illness were invited to join a Mental Health Network online focus group on the government's proposals to reform the Mental Health Act;
- Local Covid-19 communications and information on the vaccination programme were shared with members.
- The Membership Committee has been well supported by governors and reported back into the Council of Governors.
- Two new Membership Committee working groups have been established to develop a membership base for our Service User/Carer Constituency interest group representing Forensic and Prison Services and to look at ways to increase the number of young people joining our membership and how their interest may be gained and maintained.
- Our member e-bulletin Oxleas Engage continues to keep members up-to-date with what is happening at the trust in addition to publications including Oxleas Exchange and this year's virtual governor review.
- Web-based information including www.oxleas.nhs.uk

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- Social media such as Facebook and Twitter and emails.
- Voting and governor nomination opportunities.

You can contact a governor to ask a question or raise an issue by writing to:

Freepost Plus RTTR-GBLX-ASJZ
Membership Office
Oxleas NHS Foundation Trust
Pinewood House
Pinewood Place
Dartford
Kent DA2 7WG

Telephone
0300 123 1541

Email
Oxl-tr.governors@nhs.net

Staff governors can be contacted at:
Oxl-tr.staffgovernors@nhs.net

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NHS oversight framework

NHS England and NHS Improvement's NHS 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

Oxleas NHS Foundation has been placed by NHS Improvement in segment 1. Segment 1 means that providers have maximum autonomy and no identified support needs. This segmentation information is the trust's current position as at May 2021. Current segmentation information for NHS trusts and foundation trusts will be published on the NHS Improvement website.

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Accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Oxleas NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Oxleas 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 Oxleas 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 t he Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements,
- and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation 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 them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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.

Signed by:

Matthew Trainer
Chief Executive, 28 June 2021

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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 Oxleas 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 Oxleas NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Specific risk leadership arrangements for responding to Covid-19 are covered elsewhere in this statement, but throughout the pandemic, oversight of clinical and non-clinical risk remained with the Audit and Risk Assurance Committee. This committee has delegated responsibility for monitoring the integrity of the financial statements, assisting the Board in its oversight of risk management and the effectiveness of internal control, oversight of compliance with corporate governance standards and matters relating to the external and internal audit functions.

Membership of the committee comprises of three non-executive directors only. In attendance at the committee are the Chief Executive, Director of Finance, Director of Strategy and People; Trust Secretary and Associate Director of Corporate Affairs, Associate Director of Quality Assurance and Improvement, Associate Director Financial Services and Assurance and the Risk and Governance Manager. Clinical representation is provided by the Director of Therapies and one of the service directors. Representatives from internal audit, external audit and local counter fraud services also attend the meeting. The executive lead for the Audit and Risk Assurance Committee is the Director of Finance.

In relation to the operational response to Covid-19, specific leadership arrangements were put into place. As soon as Covid-19 was declared a pandemic in March 2020, the trust established an Incident Command Centre (ICC), which provided a command structure to ensure that Covid-19 decisions could be made quickly, whilst at the same time allowing other decisions to be made through the usual governance arrangements. The Chief Operating Officer and the Director of Estates and Facilities were appointed as Gold Command, with the Director of Nursing and Director of Strategy and People acting as reserve Gold. Other members of the ICC included the Health and Safety Manager and Emergency Planning Liaison Officer (Silver Command) and the Head of Infection Prevention

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and Control (Bronze Command). During the pandemic phase, other senior managers were re-deployed into to the ICC as additional Silver Command support. At the height of each the pandemic phases, the ICC met daily, with meetings being stepped down when the level of risk reduced.

In addition to the ICC, a wider group consisting of all the executive team plus other senior managers met regularly according to need. This group discussed service delivery and safety issues relating to Covid-19, including business continuity, infection prevention and control, and the provision of personal protective equipment (PPE). The group also had oversight of the trust testing and vaccination programmes.

During the first phase of the pandemic, an Executive Team and Task Force was established. Instead of the Executive Team meeting twice monthly, the trust combined the Executive Team meeting with the Covid-19 Taskforce, and this meet weekly between April 2020 and June 2020. From June 2020, the Executive Team and Task Force was stood down. The ICC and wider engagement group arrangements remain in place, with meetings being stood up or stood down according to need.

In addition, the trust established an Ethics Group and Clinical Senate in recognition of the fact that some risk issues had difficult ethical and clinical implications which required input from clinical leaders. The Ethics Group and Clinical Senate debated any such issues and make recommendation to the Executive Team for their approval.

Any decisions made by the ICC, the wider engagement group or the Executive Team and Task Force were recorded in a formal decision log and this arrangement remains in place.

All the sub-committees of the Board of Directors continued to meet virtually throughout the pandemic period, although the agendas were reduced so as to focus on essential and urgent matters only.

The responsibilities of all staff in relation to risk management are set out in the Risk Management Framework, which is reviewed at least once a year to ensure that is reflects the operational and governance structure of the trust. Our Mandatory and Essential Skills Programme covers risk management training appropriate to the grade, role and location of staff. Examples include safeguarding adults, safeguarding children, resuscitation skills and prevention and management of violence and aggression. All staff, regardless of role or grade, are required to complete health and safety, fire safety, infection control and information governance (data security) training. Compliance with training and updating standards is monitored centrally and reviewed through the workforce update to the Board of Directors. Training compliance is also monitored at team level on an on-going basis through live reports in the Oxleas Learning Centre. We also report trends to directorate management teams on a monthly basis to maintain focus and support senior staff oversight.

During 2020/21, our approach to delivering learning was adapted in response to the Covid-19 pandemic. We recognised that teams were challenged by additional pressures or reduced staffing levels, and some staff were anxious about attending face-to-face training. We needed to balance existing risks with new Covid-19 risks. Many of our courses have always been available on-line, and this continued to be the case throughout the year. Where it was possible to achieve the same learning outcomes, for instance in relation to safeguarding, different

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ways were found to deliver learning previously provided face-to-face. Some practical skills training – such as prevention and management of violence and aggression, or resuscitation – continued to be delivered face-to-face, to ensure that staff had the skills and knowledge to fulfil their risk management responsibilities. Practical skills competency sign-off is a fundamental component of all these programmes. All courses were provided in a Covid-19 safe manner and staff were re-assured on the steps we took to achieve this. This included: stepping up routine cleaning of training equipment, providing personal protective equipment (PPE), reducing the number of attendees, and re-designing sessions to minimise contact, for instance through set pairing of delegates for the duration of training where previously they may have practiced with different partners.

Our overall training update compliance reduced by less than 1% across the year compared with the pre-pandemic position (Q4 of 19/20) and there were no incidents or requirements for self-isolation associated with practical training participation on our programmes.

The trust maintained its commitment to learning from experience and sharing good practice. The Patient Safety Group, Serious Incident Performance and Assurance Group, Patient Experience Group and Mortality Committee continued to meet virtually to share learning. The programme of peer review visits – re-named to Improving Lives visits – continued to be are used to check that team meetings are used for reflection and learning.

In order to assess how patients felt about the transition to remote appointments, a survey was developed by the Patient Experience Team. A total of 35,933 surveys were administered to patients and 5,054 responses were received from patients across a range of services. Across all the services, a 90% of patients responded "yes" or "somewhat" when asked if they were happy with the care and treatment received in their remote appointment and 79% of patients responded "yes" or "maybe" when asked if they would like to have remote appointments in future. The survey is to be repeated in 2021/22 and the feedback will be used to inform future service provision.

The trust continued to encourage the use of reflective practice through team meetings and individually through clinical supervision and personal development reviews. Although the pandemic meant that these meetings could not always take place face-to-face, the trust was clear that the expectations for regular supervision and an annual PDR were unchanged and should be provided through telephone or video conferencing.

The uptake of supervision is monitored at team level through NHS Learn, and at Board level through the Integrated Dashboard Report, which is a standing item at every Board meeting. All mangers can view training, supervision and PDR compliance data for their direct reports via the Oxleas Learning Centre.

Actions and recommendations from incidents and complaints are recorded on the trust safety management system, Datix. Directorates have responsibility for monitoring progress against the actions and are held to account by the Patient Safety Group and the Patient Experience Group. Oxleas NHS Foundation Trust also works with partner trusts to share learning and good practice.

The Internal Audit Programme and the Clinical Audit Programme are also used to evidence that changes in practice have been implemented.

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The risk and control framework

The trust's Risk Management Framework describes how risk and change in risk is identified, evaluated and controlled. It sets out the responsibilities for individuals and sub-committees in terms of how risks are reported and escalated through the governance structure. The Risk Management Framework is reviewed at least annually to ensure that it aligns with and changes to the governance and operational structures, and also to take account of national guidance and best practice.

The trust has a single automated system (Datix) for the management of all risks registers across the trust.

We may decide to tolerate certain risks. Patient and staff safety, availability of resources and the impact on the trust's reputation will inform the decision of when to tolerate a risk.

In September 2020, the trust completed the work to approve a formal risk appetite framework. This was developed through sessions with the Board of Directors and the Executive Team and took account of how the Covid-19 pandemic had impacted on our appetite for risk. The outcome of this work was that with the with the exception of safety, there was no single consensus for attitudes to risk across the various risk domains. The framework will be kept under review, as the trust recognise that appetite for risk is not static and will change over time in response to the level of organisational stress and other operational and strategic pressures.

The presentation and format of the Board Assurance Framework and risk registers was revised to as to give more transparency on themes and trends.

The risk and control framework was a key part of the trust's response to the Covid-19 pandemic.

As the committee with delegated responsibility for clinical and non-clinical risk, the Audit and Risk Assurance Committee reviewed the Board Assurance Framework as a standing item at every meeting, including an overview of new and emerging risks, plus recommendations on risks to be escalated or de-escalated from the Board Assurance Framework. During 2020/21, the report to the Audit and Risk Assurance Committee included a separate register of Covid-19 risks. By the end of the year, many of the Covid-19 risks had been fully mitigated, with residual risk issues being subsumed into existing risks.

A review of the Board Assurance Framework is undertaken at the start of every meeting of the Board of Directors and each risk on the Board Assurance Framework is referenced to the relevant agenda item to provide assurance that the risk is discussed in context at the meeting. All Board papers include a cross-reference to the relevant Board Assurance Framework risk.

Each board sub-committees holds its own risk register, and these are reviewed regularly at these meetings, where new and emerging risks are also discussed. Each of our service directorates also has its own risk register. Review of service directorate risk registers is taken forward through local governance structures and support is provided centrally by the Risk and Governance Manager. During 2020/21, all risk registers were updated to reflect the challenges presented by the Covid-19 pandemic, and this continues to be the case.

The Audit and Risk Assurance Committee receives a thematic analysis of risks at every meeting to highlight themes and trends across all services and directorates. Topics covered in 2020/21 included the Annual Risk Management and Legal Services Report, risk appetite, a review of Covid-19 risks, and a review of the longevity of risks on the risk register.

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In addition, the Audit and Risk Assurance Committee receives a risk report from each of the Board sub-committees on a rotational basis. The report includes an update on new risks, changes to existing risks and an opportunity to reflect on any emerging risks. Highlights and exceptions from these reports are reported to the Board of Directors as a standing item.

The board sub-committee with primary responsibility for monitoring the quality of performance information is the Performance and Quality Assurance Committee. The remit of the committee includes agreeing the annual quality and patient safety priorities and monitoring achievement against those priorities. The committee also provides assurance that systems are in place to collect performance data and action plans are in place to address any data quality concerns. The Committee is chaired by a non-executive director and the executive lead is the Chief Operating Officer.

The Integrated Dashboard Report is a standing item on Board of Directors' agenda, with key exceptions and mitigation plans discussed in detail at the meeting. Any data quality issues, including plans to resolve these, are also discussed as part of this item.

Whilst the trust was unable to conduct the usual programme of on-site board visits to teams, these continued to take place virtually, as means of assessing quality and obtaining feedback from teams. Feedback was reported to the board, and completion of actions monitored, as it was pre-pandemic.

The quality impact of savings plans are regularly reviewed through meetings with the Director of Nursing, Medical Director and Director of Therapies who are required to provide assurance to the Board of Directors that saving plans do not impact on the quality of services.

Assurance of compliance with CQC registration requirements is obtained through the work of the Performance and Quality Assurance Committee described above. In addition, the trust undertakes Improving Lives (peer review) visits to all teams as part of routine Quality Assurance activities. These visits are used to check that teams are compliant with the CQC Key Lines of Inquiry, identify areas of good practice for wider sharing and provide assurance that teams are prepared for inspection from the CQC. Whilst the programme of visits was initially scaled down due to the Covid-19 pandemic, the Quality Assurance Team continued to support teams through virtual means, unless an on-site visit was essential. As restrictions were lifted, on-site visits to teams were conducted in a Covid-19 safe manner.

During the year, the trust was subject to three CQC inspections:

- **Community-based mental health services for adults of working age (August 2020):** the overall rating for this service was 'requires improvement'. The trust was required to take action in relation to care planning, monitoring physical health needs and timely access to neurodevelopmental and psychological therapy. A care planning group has been established and the actions are in progress.
- **Eltham Community Beds (August 2020):** the overall rating for this service was 'requires improvement'. The trust was asked to take action in relation to pressure ulcer documentation and escalating deteriorating patients. The actions are in progress.
- **Wards for older people with mental health problems (October 2020):** the overall rating for this service was 'inadequate'. A detailed action plan was put into place; the concerns relating to ligature management

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were added to our risk register as described elsewhere in this statement. A re-inspection was conducted in April 2021 and the CQC published their report in June 2021 giving an overall rating of good and rating the services for safe and well-led as good.

The overall rating for the trust remained good overall and good across all five of the CQC domains.

Complementary to the quality assurance workstream is the Quality Improvement (QI) programme. This is overseen by the Quality Improvement and Innovation Committee which provides assurance to the Board of Directors that a culture of continuous improvement and innovation is embedded across the trust. This committee is chaired by a non-executive director and the executive lead is the Medical Director. Further detail on our Quality Improvement Programme has been provided elsewhere in this report.

The trust has a robust framework for managing risks to data security. Our Information Governance Group meets every two months to discuss issues and concerns relating to data security. The group is attended by the trust's Caldicott Guardian, a Senior Information Risk Owner, Data Protection Officer and head of ICT. The group reports to the Infrastructure Committee. We are compliant with the NHS Digital Data Security Protection Toolkit which incorporates the ten National Data Security Standards. We have a broad suite of information governance and data security policies and annual data security training is mandatory for all our staff; this is monitored on a monthly basis. All our IT devices, including our servers are encrypted. All data security incidents are reported and investigated on the trust's incident management system. The incident is reported up to NHS Digital within 72 hours of it being reported, and NHS Digital report any significant breaches to the ICO for them to investigate further. The trust has published privacy statements for our service users, staff and members explaining the use of their personal information and the lawful basis we rely on for processing. We conduct Data Protection Impact Assessments for all new systems, apps, and new ways of working. We ensure we have robust contracts in place with any organisation we use to process data for us. Our Information Asset Register is up to date and regularly reviewed.

We continue to develop and enhance our cyber security and technology. During 2020/21 we have:

- updated our entire desktop and server estates to take advantage of the latest security protection
- purchased new storage devices which allow us to encrypt our data at rest to prevent our data backups becoming victim to malware attacks.
- linked our **security information and event management** (SEIM) product to actively monitor our network devices and critical systems which detect and alert us to any potential threats.
- **invested in new firewalls** for added protection from any potential threats.
- **upgraded patching software on our server, PC environments and firewalls to ensure** all software patches are always up to date and effective.
- Our server environment is monitored and protected using latest Microsoft security monitoring platform.

The trust took action to mitigate against potential cyber security threats posed by the

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increase in staff remote working due to Covid-19. Staff are allowed to use approved video conferencing platforms only, and we increased the availability of trust devices and virtual private network (VPN) tokens to ensure security of data for staff working remotely.

The trust continues to be part of the national Care Cert Programme led by NHS Digital. We receive regular updates from them informing the trust of the latest cyber security threats. These are reviewed by our IT department and acted on where required. To date we have received nine highly critical alerts in the last 12 months which have been resolved and reported back centrally to NHS Digital.

We have taken advantage of a number of NHS Digital national schemes that are available to enhance our security. These systems are:-

- **Internet Web traffic proxy**: This is a system that scans all our internet traffic and allows us to define what is or isn't allowed. This is connected to the national SOC (Security Operation Centre) for added security.
- **Internet facing systems proxy**: This is a system that sits in front of our internet accessible systems such as Datix and protects the system from cyber attacks. Again this is connected to the national SOC.
- **National Cyber Security Centre website**: We have signed up to the National Cyber Security Centre web checker service which scans our internet facing services to make sure everything is safe and secure.

The major risks faced by Oxleas NHS Foundation Trust are recorded on the Board Assurance Framework. Risks escalated to the Board Assurance Framework in year are:

- **Covid-19 finance risk:** The finance risk was split over time periods of initial outbreak, recovery period and long term. By 31 March 2021, phases 1, 2 and 3 had been fully mitigated through block funding arrangements. The mitigations for 2021/22 will be driven by the phase 4 planning guidance, which is block funding for April to September (Half 1) and likely to be block funding for October to March (Half 2), although Half 2 planning guidance is still to be issued. Long term, the new integrated care system (ICS) arrangements will impact on the trust finances along with any future funding settlements.
- **Reduced staff levels dues to Covid-19:** The trust recognised that reduced staffing levels arising from Covid-19, self-isolation, protections for clinically vulnerable staff and new demands meant that there was a risk that we were not able to maintain the continuity of essential services. We put in place a range of well-being initiatives to encourage and support staff to stay well at work and ensure that robust processes are in place to match available resources to the areas of greatest need.
- **Local authority funding:** There is a risk that local authorities will pull back some of the historic funding, in order to mitigate the shortage in funding. This means that there may be a risk to delivery of some of our services particularly where services were reconfigured in the past and posts were integrated; and this will also create a cost pressure for the trust. Plans are in place to renew the contracts with local authorities.
- **Prone restraint:** As one of our quality priorities, the trust set a target to ensure that prone (face down) restraint was an exceptional circumstance, as this can result in dangerous compression of the chest. A trustwide Reducing Restrictive Practice Group

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has been established, with workplan focused on cultural and behavioural change, and learning from national initiatives.

- **Pressure on district nursing teams:** District nurses are at the centre of our response to Covid-19. Service directorate have local plans in place to monitor and manage caseloads, and ensure that staff have psychological support, as the additional workload is having an emotional toll. We are also working with the third sector partners such as Greenwich and Bexley Hospice so as to ensure that our services complement each other.
- **Wait times in community services:** The concerns are due to a combination of historical factors, the impact of Covid-19 plus the usual winter pressures. Mitigations have been agreed at directorate level and are being monitored through the operational report, operational dashboard and the quarterly directorate operational review meetings.
- **Service delivery in Greenwich Health Visiting:** This risk was specific to the Children and Young People Directorate in the period when the health visiting service was transferring to a new provider, as there were concerns about the staffing levels and the availability of agency staff. By year end, the risk was closed, as the operational issues were no longer a risk to the trust, and any residual risks regarding safeguarding were reflected in separate risks.
- **Addressing service delivery concerns:** This was added to the Board Assurance Framework in recognition of the need to ensure that learning was shared, to enable the trust to improve the quality of care, patient experience and outcomes. We have developed an overarching CQC improvement plan as a process for ensuring that QQC actions and SI actions are followed up and implemented. A Quality Assurance groups has been established to monitor progress.
- **Ligature risk management:** This risk was opened in response to the CQC inspection of older adult wards. A Ligature Management Group was established, with an action plan focusing on revising the methodology and protocol for ligature risk audits, with training and briefing sessions to ensure that staff are aware of their responsibilities.

In addition to these risks, a number of Covid-19 specific risks were raised in year, which were treated as an addendum the Board Assurance Framework. By the end of the year, these had been fully mitigated, with any residual risk issues being incorporated into current risks. The major Covid-19 risks that the trust faced were:

- The impact of Covid-19 on staff well-being. This was mitigated through a constant communication rhythm including a dedicated page on our intranet, frequent bulletins to staff, a well-being hub and specific communications to BAME staff. This remain an area of focus, and the mitigations have been incorporated into our current workforce risks described elsewhere in this statement.
- Service delivery, safety and quality risks arising from scaling down some services, which meant that some teams moved to providing services virtually and a small number of services were temporarily stood down. Any such decisions were made with regard to our business continuity processes and were discussed through the Covid-19 governance arrangements described earlier in this report. Services that required face-to-face contact continued to be delivered in line with infection prevention and control guidance.

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- Supply and distribution of PPE has remained a key area of focus for the trust. This was mitigated by centralising the PPE function with a dedicated team. The trust issues clear guidance on which PPE was to be used in each setting, and this was frequently reviewed in line with national guidance.
- Information governance risks relating arising from staff working remotely. A number of technical controls were put in place, which have been described elsewhere in this statement. There have been no incidents or breaches that could be solely attributed to remote working.

Other risks that remain on the Board Assurance Framework at year end are:

- **Workforce risks** relating to recruitment, retention and staff well-being, including the impact of violence, aggression and discrimination on staff. A comprehensive programme of work is place to mitigate these risks, including the launch of our new strategy and values, and initiatives such as Building a Fairer Oxleas, which are covered elsewhere in this report.
- **Financial risks** relating to meeting cost improvement plans on a recurrent basis and the impact of the Integrated Care System (ICS) financial regime. These risks are kept closely under review by the Business Committee with regular updates to the Executive Team and the Board of Directors.
- **The quality and financial impact of using non-Oxleas beds** remains a priority for the trust. We now have a centralised patient flow team and remain focused on looking at alternatives to in-patient admission by enhancing the offer in community mental health services.
- **Demand on CMHTs** remains higher than capacity and this risk has been heightened by Covid-19. During the year a CMHT Forum was established with a workplan focused on workforce, clinical effectiveness and quality assurance.

During the year, the trust de-escalated one risk from the Board Assurance Framework, in recognition of the work undertaken to reduce and mitigate this:

- **Expiring detentions under Section 136 of the Mental Health Act:** It was acknowledged there may be occasions when a risk based decision is made to detain a patient beyond 24 hours in order to ensure that the patient, staff and the public are protected. The trust has a comprehensive escalation policy, which sets out the process for identifying and managing potential breaches, including desk-top reviews of all breaches. Oversight of s136 presentations will continue through the Mental Health Legislation Oversight Group, the Board and the Executive Team.

During 2020/21, the trust was not subject to any formal reviews under the NHSI well-led framework and procurement of an external provider was deferred due to Covid-19 pressures. Plans are now in place to take this forward with the South London Partnership (SLP) trusts in 2021/22. In preparation for this the trust is undertaking a self-assessment against the well-led framework to identify area of good practice and areas for development.

There are no principal risks to compliance with NHS Foundation Trust condition 4 (FT Governance), other than the risks described elsewhere in this report. The governance structure of the trust is designed to ensure that each of the Board sub-committees has a specific remit. The reporting lines and accountabilities

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between the board, its subcommittees and the executive team are set out in the terms of reference for each of the committees. The scope of the work includes the identification and monitoring of risks relevant to the work of each Committee. The changes made to our governance arrangements to enable us to respond rapidly to Covid-19 priorities have been described earlier in this statement. The responsibilities of individual directors are set out in job descriptions and are monitored through the trust Performance Development Review (PDR) process.

We have effective systems in place to ensure the timely and accurate collection of information to provide assurance that we are complying with our licence. The Board has oversight of the trust's performance through the Operational Performance Dashboard and the Operational Report, which are standing items at every Board meeting. The responses to concerns or challenges raised by the Board are monitored through an action tracker, which is also a standing item at every Board meeting.

In addition to our usual performance indicators, additional Covid-19 metrics were added during 2020/21. These included staff absences due to Covid-19, in-patient testing and PPE supply. The presentation of standard indicators such as admissions, discharges and referrals was updated to clearly differentiate the pre-Covid-19 period and the Covid-19 period. This enabled the trust to have focus on how the pandemic impacted on performance.

We are able to assure ourselves of the validity of our Corporate Governance Statement through the systems of oversight and scrutiny described in this statement.

Risk management is embedded into the activities of the organisation through a range of processes. The trust openly encourages incident reporting and continues to achieve high levels reporting low-harm incidents and near misses, which is a widely recognised indicator of a positive safety culture.

The trust has robust process for the oversight and management of patient safety. The Serious Incidents Team focuses on investigation and monitoring of serious incidents, and managing inquests, whilst the Patient Safety Team focuses on training, committee support and operational matters such as medical device management. The trust Patient Safety Group meets monthly, alternating between a focus on learning from serious incidents and patient safety strategy.

The Mortality Surveillance Group ensures that there are robust systems in place to identify, clinically review and learn from all deaths, not just those reported as serious incidents. This group is chaired by the Director of Nursing. Membership includes a non-executive director and clinical leaders from all service directorates. Thematic reviews undertaken in 2020/21 included, learning from the deaths of people with learning disabilities, learning from the deaths of older people, sudden unexpected death in infancy, national child mortality and deaths due to Covid-19.

Safety risks are identified and managed though the programme of environmental risk assessments overseen by the Health and Safety Team. All sites are required to complete risk assessments in key areas including ligature risk management, violence and aggression, security, falls and manual handing; and completion of these is routinely monitored by the Health and Safety Committee. These assessments continued throughout the pandemic, and teams were expected to review these in line with original timescales. The use of i-auditor was further embedded during 2020/21, as the

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system for teams to record the results of their safety assessments. Adaptations were made to the system to enable it to be used virtually. In previous years, the trust has participated in regular emergency planning exercises. No such exercises were undertaken in 2020/21 due to the Covid-19 pandemic, but the pandemic provided us with the opportunity to test our arrangements in real time. At the end of the first wave of Covid-19, a thorough systematic review of our response arrangements was undertaken, by surveying selected staff for their views our performance. The findings and learning from this process were used to inform and develop our response for subsequent waves. The trust will continue to learn from this experience, particularly with regard to our business continuity arrangements.

Our arrangements for ensuring that equality and human rights are integrated into core trust business is described elsewhere in this report.

The trust has continued to actively engage with governors, members and key stakeholders in reporting on our performance and planning for the future including managing risks during 2020/21. We adapted our methods of communication, swiftly moving both our Board of Directors and Council of Governors' meetings on-line. Our Annual Members' Meeting was also held on-line. Our governor development programme has continued throughout the pandemic, with a programme of virtual visits facilitated by our service directors and their management teams. Our governors have continued to virtually observe both the Board of Directors and all its sub-committees.

Our Strategy 2021-24 has been developed based on feedback from the extensive 'Our Next Step' programme of internal and external engagement which started at the end of 2019 and continued into 2020. Progress was slowed due to Covid-19 but the new ways of working in response to the pandemic also contributed to the new direction of travel as described in Our Strategy.

Our partnership working through the South London Partnership collaborative with South London and Maudsley NHS Foundation Trust and South West London and St George's NHS Trust has benefitted from the input of service user involvement in service developments.

We are also involved in regular meetings with local partners in health and social care including Health and Wellbeing Boards, Overview and Scrutiny Committees, Healthwatch and the wider voluntary sector. Our service directorates regularly meet with their local Healthwatch and our Director of Therapies has met each Healthwatch to discuss our involvement and patient experience agenda.

Our quality and safety targets are designed to focus on areas of clinical risk. Our performance against these indicators is described in more detail in our Quality Report which will be published separately to our annual report and will be available on our website.

We have robust mechanisms in place to ensure that there are high levels of collaboration and engagement between professional leads, services, finance teams and workforce teams. Where there are shortages across the sector for particular staff groups, we explore collectively the opportunities for alternative roles, such as advanced clinical practitioners and approved clinicians. We are also increasing the use and maximising apprenticeship programmes to develop the skills we need for the future.

We are guided by the principles in the NHS Improvement "*Developing Workforce Safeguards*" (October 2018) and keep this under regular review.

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By monitoring vacancy levels at both a directorate and staff group level, we can ensure that we are maintaining levels of staffing which are safe, sustainable and effective. By developing alternative roles, we can support new ways of working as well as integrated care solutions, allowing any possible risks to be anticipated and mitigated. Our use of Temporary Staff allows us to meet these levels of safe staffing, and whilst verifying that they have appropriate skill levels, we can confirm our clear processes ensuring patient care is prioritised at all times. Our development of the apprenticeship programme allows us to train new and existing staff ensuring everyone has the training they need to advance their career. Furthermore, our rigorous induction, supervision and appraisal processes are tracked on a monthly basis, allowing our staff to feel supported within their roles.

We are constantly finding new ways to adapt our systems and processes in order to improve our efficiency within our workforce, including with the Healthroster Improvement Plan and the introduction of Healthroster 11. This will increase productivity across the organisation, allowing targets to be met when inputting and collating data for reports and supporting with the safe staffing reviews. The trust has worked extensively to support working via a multi-disciplinary team roster with considerable success in terms of the increase in visibility and ability to manage care to patients in a more holistic way across professions. By publishing our rosters six weeks in advance, we are able to assure managers and staff of the staffing requirements and service needs on an operational level and is reported to the board to review.

Outside of the formal safe staffing reviews, we regularly monitor staffing levels by triangulating a range of quantitative and narrative sources of information that are tracked over time. Information from benchmarking data, average fill rates for RNs and HCAs, turnover, sickness, bank and agency staff usage, incidents, compliments and complaints, roster KPIs, supervision and PDR reviews and professional judgement reviews are reviewed and shared with the Workforce Committee on a regular basis.

We responded promptly to the challenges of the pandemic, ensuring that staff were quickly redeployed to areas of most need. Staffing issues were raised as part of the Covid-19 response systems described elsewhere in this statement. as well as through the regular meetings with all operational senior leaders.

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

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the organisation's obligations under equality, diversity and human rights legislation are complied with.

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

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

Directorate performance is monitored through the Executive Team and the Board of Directors through the Operational Report and Operational Performance Dashboard. These reports identify service developments and achievements, as well as the key challenges for each directorate management team.

During 2020/21, the trust continued with the programme of quarterly Operational Review Meetings with each directorate to give each directorate the opportunity to highlight achievements, challenges and risk; during this year, there was a clear focus on Covid-19 risks and pressure. These meetings are chaired by the Chief Operating Officer and are attended by operational managers, clinical leaders and the executive team. In addition, financial performance is monitored through the Business Committee and quality performance is monitored through the Performance and Quality Assurance Committee.

The Director of Nursing, Director of Therapies and the Medical Director formally review proposals for cost reducing efficiencies to ensure that saving plans do not adversely impact on quality and safety. Service directors are asked to review plans where concerns are identified.

Internal audits are undertaken throughout the year to test the robustness of financial and non-financial systems and processes. The Internal Audit Plan is risk based and focuses on the areas where the most benefit is to be gained from Internal Audit input. During 2020/21, the topics covered in our Internal Audit Plan were:

- **Complaints management** (significant assurance with minor improvements)
- **Clinical audit** (partial assurance with improvements required)
- **Core financial systems** (significant assurance)
- **Freedom to Speak Up** (significant assurance with minor improvements)
- **Risk maturity** (significant assurance)
- **Quality governance** (significant assurance with minor improvements)
- **Health and safety** (research underway)
- **Data Security and Protection (DSP) toolkit** (significant assurance with minor improvements)

Some audits have been delayed due to the Covid-19 pandemic. We received an overall Head of Internal Audit Opinion of significant assurance with minor improvements.

Monitoring progress against recommendations made in these reports is overseen by the Audit and Risk Assurance Committee to ensure there is an on-going focus on setting of realistic and timely completion dates and closing actions within the agreed timescale.

For the clinical audit review, which received an outcome of partial assurance, one high priority and four medium priority recommendations were made. The main findings were gaps relating to document retention and delivery

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of the audit plan. An action plan has been developed with a target to complete all actions by 30 September 2021. The Audit and Risk Assurance Committee noted that many members of the Quality Assurance Team were re-deployed to support the Covid-19 response and this impacted on capacity.

As at 31 March 2021, there was one overdue recommendation which has now been implemented. This related to the development of a clinical audit strategy which is now part of the trust Quality Management Framework.

The trust has a contract with counter-fraud services for the proactive prevention and detection, and reactive investigation of fraud. Work undertaken in 2020/21 has included a patient monies review, attending virtual meetings and issuing material as part of fraud awareness week and responding to reactive referrals. No significant concerns have been identified the year.

The Business Committee, a formal committee of the Board of Directors, is responsible for the consideration of financial and investment risk and review of financial planning in advance of formal approval by the Board of Directors. The Business Committee is chaired by a non-executive director and membership includes non-executive and executive directors. The executive lead is the Director of Finance. Alongside this, the Infrastructure Committee has a focus on the capital programme, ICT infrastructure development and estate development. Significant investment decisions are agreed by the Board of Directors and Council of Governors, in line with the trusts approval limits policy. These processes continued throughout the Covid-19 pandemic.

Information governance

For the period 1 April 2020 to 31 March 2021, a total of 354 information governance incidents were reported, and of these 59 (16.5%) were identified as data security breaches reportable to NHS Digital. None of these data security incidents were significant enough for NHS Digital to report to the Information Commissioners Office (ICO).

The trust monitors all information governance incidents daily and these are discussed every two months at the Information Governance Group, which is has representation from every service directorate, and is chaired by our Caldicott Guardian and Senior Information Risk Officer.

All staff are required to complete annual mandatory data security training. The is trust is on course to be compliant with the NHS Digital Data Security and Protection Toolkit 2020/21, which is due for submission at the end of June 2021.

Data quality and governance

1) Governance and Leadership

The trust has clear governance and leadership arrangements in place. As described earlier, the Performance and Quality Assurance Committee is chaired by a non-executive director and has a specific remit to assess and review the quality of our performance, and this is reported to the Board of Directors. The Performance and Quality Assurance Committee ensures that the indicators used within our quality report present a balanced view of the quality of the services provided. Our service directorates also review local clinical quality measures and provide additional assurance to the committee.

2) Policies

There is comprehensive guidance for staff on data quality, translating the corporate commitment into practice; these are available as policies, guidance or operational procedures,

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covering data collection, recording, analysis and reporting, and are available to staff on the trust intranet. Where new guidance is required such as meeting our CQUIN targets (Commissioning for Quality and Innovation), the trust Quality Assurance Team provides implementation guidance and process pathways to ensure all staff are aware of the accurate process for recording and reporting.

3) Systems and processes
There are systems and processes in place to ensure collection, recording, analysis and reporting of data is accurate, valid and reliable. Mechanisms and processes have been put in place to ensure inputs are reported back to staff responsible as well as their supervisors where required to allow for consistent reviews of the quality of the data collected. Mechanisms include reviews by the trust business managers, quality assurance leads and the informatics team to ensure the validity of the data and reports being reviewed. All areas of business development, the annual plan, the quality objectives and management of services are underpinned where possible by information reports provided on a monthly or quarterly basis at team, directorate and at trust level. When new areas of improvement are agreed a robust monitoring method is also agreed to enable us to utilise appropriate information to monitor progress on a regular basis either within a team or throughout the trust.

4) People and skills
Roles and responsibilities in relation to quality are clearly defined and documented and incorporated where appropriate into job descriptions and is integrated to staff appraisal. When new ways of collecting, monitoring or reporting data are agreed within Oxleas, this is circulated to all staff and logged within guidance with essential training provided to ensure that staff have the necessary capacity and skills to implement new ways of working that will improve the quality of our services

5) Data use and reporting
We ensure that all quality indicators chosen internally by the Board, and those agreed with our commissioners, are linked clearly back to the trust's Annual Plan priority objectives, national requirements and areas of business development. Data used for reporting to NHS Improvement, commissioning groups and used to populate the Quality Report is taken through an approval process with the Board and Executive before it is submitted. Clear information about the source of information, data quality and analysis is undertaken. Data used to specifically monitor improvements to the quality of our business is agreed within the Performance and Quality Assurance Committee. We also take part in national clinical audits which utilises verified data collection tools. These reports are presented to the Clinical Effectiveness Group for approval.

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

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Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The processes that have been applied in maintaining and reviewing the effectiveness of the system of internal control has been supported by:

- Regular review of economy, efficiency, effectiveness, strategic risks and the Board Assurance Framework by the Board of Directors.
- The work of the Covid-19 Incident Co-ordination Centre, the Executive Team and Task Force, the Ethics Group and the Clinical Senate.
- The Audit and Risk Assurance Committee completing its audit plan, the results of which are described elsewhere in this report.
- The Audit and Risk Assurance Committee and other Board committee evaluation and monitoring of the organisation's risks and mitigation plans including regular review of the operational risk registers from each service directorate.
- Evidence to verify compliance with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010, and the Care Quality Commission (Registration) Regulations 2009.
- The regular assessment and monitoring of the quality of services provided by Oxleas NHS Foundation Trust, through the Performance and Quality Assurance Committee.
- The Clinical Effectiveness Group's review of the annual clinical audit programme. This review encompasses agreement of action plans and ensures implementation of recommendations across the trust's various services.
- The Business Committee's review of new business opportunities, contract performance and business planning.
- The Infrastructure Committee's review of the capital investment programme, ICT infrastructure development and estates development.
- The Workforce Committee's review of recruitment, retention, staff development, workforce health and safety and staff engagement and communication.
- The Performance and Quality Assurance Committee's review of performance against key quality indicators for patient safety, patient experience and clinical effectiveness.
- The Quality Improvement and Innovation Committee's work in implementing quality improvement and sharing and embedding good practice.

Conclusion
No significant internal control issues have been identified.

Matthew Trainer
Chief Executive, 28 June 2021

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

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Oxleas NHS Foundation Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services

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provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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 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.

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.

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2020/21 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider 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 this regard.

Opinion on other matters required by the Code of Audit Practice

- In our opinion, based on the work undertaken

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in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accountable Officer, the Chief Executive, as Accountable Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2020/21, 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 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The Audit and Risk Assurance Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

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

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fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit and Risk Assurance Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, Internal Audit and the Audit and Risk Assurance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries posted which met a range of large and unusual criteria determined during the course of the audit
  - expenditure recognition given the challenges of operating during the pandemic.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing;

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- challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuation, expenditure accruals and deferred income;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations, expenditure accruals and deferred income.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS Improvement's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for

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securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer
The Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources
We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Oxleas NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency, and effectiveness in its use of resources.

Use of our report
This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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

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law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah L Ironmonger

Sarah Ironmonger, Key Audit Partner
for and on behalf of Grant Thornton UK LLP,
Local Auditor
London

28 June 2021

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

Issue of auditor's opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 28 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Report on other legal and regulatory requirements - the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in respect of the above matter.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets

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out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements - Certificate

In our auditor's report dated 28 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out above.

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

We certify that we have completed the audit of Oxleas NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah L Ironmonger

Sarah Ironmonger, Key Audit Partner
for and on behalf of Grant Thornton UK LLP,
Local Auditor
London

20 July 2021

Our new values

Oxleas NHS

We're connecting **hearts** and **minds** through our new organisational values

we're kind

We show consideration, concern and thoughtfulness towards everyone

we're fair

We embrace difference, treat everyone with respect and promote diversity, equity and inclusion

we listen

We always seek to understand, learn and improve

we care

We work together and innovate to put our service users at the heart of everything we do


Living our values summary
kind
listen
fair
care
Emma
we're kind
we're fair
we listen
we care


NHS

Foreword to financial statement

These accounts, for the year ended 31 March 2021, have been prepared by Oxleas NHS Foundation Trust selected in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed by **Matthew Trainer**, Chief Executive, 28 June 2021

Statement of comprehensive income

for the year ended 31 March 2021

	NOTE	31 March 2021 £000	31 March 2020 £000
Operating income from patient care activities	3	315,666	259,459
Other operating income	3	53,592	37,792
Operating expenses	4	(375,478)	(296,163)
Operating (deficit)/surplus from continuing operations		**(6,220)**	**1,088**
Finance income	6	21	461
Finance expenses	7	(972)	(967)
PDC dividends payable		(1,655)	(3,300)
Net finance costs		**(2,606)**	**(3,806)**
Gain from asset disposals	8	1,022	543
(Deficit) / Surplus for the year		**(7,804)**	**(2,175)**
Other comprehensive (expenses)/income *			
Impairments		(8,781)	(6,577)
Revaluations		2,604	7,338
Total comprehensive (expenses) / income for the period		**(13,981)**	**(1,414)**

The notes on pages 106 to 136 form part of these accounts.

* There are no parts of other comprehensive (expenses)/income hat will be reclassified subsequently to income and expenditure.

Statement of financial position

for the year ended 31 March 2021

	NOTE	31 March 2021 TRUST £000	31 March 2020 TRUST £000
NON-CURRENT ASSETS			
Intangible assets	9	3,661	3,860
Property, plant and equipment	10	144,990	150,273
Total non-current assets		**148,651**	**154,133**
CURRENT ASSETS			
Inventories	11	270	346
Receivables	12	21,949	24,503
Non-current assets for sale and assets in disposal groups	10	450	850
Cash and cash equivalents	13	98,003	77,487
Total current assets		**120,672**	**103,186**
CURRENT LIABILITIES			
Trade and other payables	14	(73,114)	(52,623)
Borrowings	14.1	(455)	(427)
Provisions	16	(2,802)	(3,645)
Other liabilities	14.2	(25,145)	(18,937)
Total current liabilities		**(101,516)**	**(75,632)**
		167,807	181,687
NON-CURRENT LIABILITIES			
Borrowings	14.1	(6,710)	(7,164)
Other liabilities	14.2	(4,989)	(5,897)
Total non-current liabilities		**(11,699)**	**(13,061)**
TOTAL ASSETS EMPLOYED		**156,108**	**168,626**
FINANCED BY			
Public dividend capital		115,610	114,147
Revaluation reserve		43,543	50,063
Other reserves		1,218	1,218
Merger reserve		141	141
Income and expenditure reserve		(4,404)	3,057
TOTAL TAXPAYERS' EQUITY		**156,108**	**168,626**

The financial statements on pages 103 to 136 were approved by the Board on 28 June 2021 and signed on its behalf by:

Matthew Trainer, Chief Executive, 28 June 2021

Statement of changes in equity

for the year ended 31 March 2021

	Public Dividend Capital £'000	Revaluation reserve £'000	Other reserves £'000	Merger reserve £'000	Income and expenditure reserve £'000	**TRUST £'000**
Taxpayers' and others' equity at 1 April 2020 - brought forward	**114,147**	**50,063**	**1,218**	**141**	**3,057**	**168,626**
Surplus/(deficit) for the year	0	0	0	0	(7,804)	(7,804)
Impairments	0	(8,781)	0	0	0	(8,781)
Revaluation gains	0	2,604	0	0	0	2,604
Transfers to retained earnings on disposal of assets	0	(343)	0	0	343	0
Public dividend capital received	1,463	0	0	0	0	1,463
Taxpayers' equity as at 31 March 2021	**115,610**	**43,543**	**1,218**	**141**	**(4,404)**	**156,108**

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

Taxpayers' and others' equity at 1 April 2019 - brought forward	**113,226**	**49,856**	**1,218**	**141**	**4,678**	**169,119**
Surplus/(deficit) for the year	0	0	0	0	(2,175)	(2,175)
Impairments	0	(6,577)	0	0	0	(6,577)
Revaluations	0	7,338	0	0	0	7,338
Transfers between reserves	0	(554)	0	0	554	0
Public dividend capital received	921	0	0	0	0	921
Taxpayers' equity as at 31 March 2020	**114,147**	**50,063**	**1,218**	**141**	**3,057**	**168,626**

Public dividend capital

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

Revaluation reserve

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

Other reserves

Other reserves reflect property, plant and equipment written into the accounts on 1 April 2000 resulting from the revaluation exercise carried out by the District Valuer on 1 April 2000. The revaluation adjustment was accounted for as a restatement of the 1998/99 Trust Accounts which was included in the 1999/2000 as a prior period adjustment.

Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

Statement of cash flows

for the year ended 31 March 2021

	NOTE	Year ended 31 March 2021 TRUST £000	Year ended 31 March 2020 TRUST £000
Cash flows from operating activities			
Operating surplus from continuing operations		(6,220)	1,088
Non cash income and expense:			
Depreciation and amortisation	4.1	6,057	5,588
Net impairments	4.1	10,763	5,656
(Increase) / decrease in receivables and other assets		3,446	(4,169)
Decrease / (increase) in inventories		76	27
Increase in payables and other liabilities		25,047	18,961
Increase/(decrease) in provisions		(843)	411
Movements in charitable fund working capital		0	0
Other movements in operating cash flows		0	0
Net cash flows from operating activities		**38,326**	**27,562**
Cash flows from investing activities			
Interest received		21	461
Sales of financial instruments and investments		53	0
Purchase of intangible assets		(477)	0
Purchase of PPE and investment property		(16,294)	(14,275)
Sales of PPE and investment property		1,368	859
Net cash flows used in investing activities		**(15,329)**	**(12,955)**
Cash flows from financing activities			
Public dividend capital received		1,463	921
Capital element of finance lease rental payments		(81)	(77)
Capital element of PFI, LIFT and other service concession payments		(344)	(323)
Interest paid on finance lease liabilities	15	(45)	(50)
Interest paid on PFI, LIFT and other service concession obligations	15	(927)	(915)
PDC dividend paid		(2,547)	(2,681)
Net cash flows used in financing activities		**(2,481)**	**(3,125)**
Increase in cash and cash equivalents		**20,516**	**11,482**
Cash and cash equivalents at 1 April 2020 - brought forward	**13**	**77,487**	**66,005**
Cash and cash equivalents at 31 March 2021	**13**	**98,003**	**77,487**

Notes to the financial statements

for the year ended 31 March 2021

1 Accounting Policies

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

1.1 Accounting convention

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

1.2 Going Concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual. Key assurances on the Going Concern basis adoption include:

- The Trust does not have any plans to apply to the Secretary of State for dissolution.
- The Trust has finalised the financial envelopes with both NHSE/I and SEL CCG for M1-6 and there is high likelihood that M7-12 envelopes will be similar.
- The Trust is forecasting a cash balance of £98.0m at the 31 March 2021 and is forecasting a cash balance of £83.3m for 31 March 2022.

1.2.1 Revenue from contracts with customers

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

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

The Trust applies a credit term of 30 days from the invoiced date, which should be when the performance obligation has been met and can be verified. Contract balances over 30 days are overdue.

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.

2020/21

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 Integrated Care System 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.

1.2.1 Revenue from contracts with customers (continued)

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 benefited 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. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time."

Revenue from Local Authority contracts

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

1.2.2 Other income and non protected income

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

1.3 Short-term employee benefits

Salaries, wages and employment-related payments, such as social security costs and the apprenticeship levy, are recognised in the period in which the service is received from employees. The Trust policy normally allows employees to carry forward twodays of annual leave into the following year. However due to covid pandemic, the following amendments to the Trust's policy was made:

- For the year ending 31 March 2020, staff were allowed to carry over up to 20 days over the next 2 financial years, in line with nationally issued guidance;
- For the year ending 31 March 20201, staff were given a longer period in which they could sell unused leave and were given the option of carrying forward up to 5 days into the 2021/22 financial year.

The values recognised in the Trust accounts reflects the cost of annual leave entitlement earned but not taken by employees at the end of the period.

1.4 Pension costs

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

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

1.4 Pension costs (continued)

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

b) Full actuarial (funding) valuation

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

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

1.5 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.

1.6 Pooled Budgets

The Trust also has pooled budget arrangements with the London Boroughs of Greenwich, Bexley and Bromley. These arrangements are hosted by the London Boroughs of Greenwich, Bexley and Bromley respectively. Under the arrangement funds are pooled under section 75 of the NHS Act 2006 for adult mental health activities.

Payments for services provided by the Trust are accounted for as income from Local Authorities. The Trust accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budgets, identified in accordance with the pooled budget arrangements.

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:
– it is held for use in delivering services or for administrative purposes;
– it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
– it is expected to be used for more than one financial year;
– the cost of the item can be measured reliably;
– each item individually has a cost of at least £5,000; or
– form a group of assets which collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
– collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control; and
– form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost; or
– 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."

Measurement

Valuation

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

All assets are measured subsequently at revaluation. Equipment assets are valued using depreciated replacement cost as proxy.

Land and buildings are valued by an independent registered chartered surveyor on a regular basis and in accordance with Royal Institution of Chartered Surveyors' Valuation Standard as required under IAS16 to reflect current value. At 31 December 2020 the land and building assets were revalued.

Current values are determined as follows:
– Land and non-specialised buildings are valued at market value. Non-specialised residential buildings are valued at market value, Land and buildings are not separately valued.

– Specialised buildings are valued at depreciated replacement cost based on modern equivalent assets.

Leasehold improvements are not subsequently revalued.
HM Treasury adopts a standard approach to depreciated replacement cost valuations using a modern equivalent asset basis, and, where it would meet the location requirements of the service being provided, an alternative site can be valued.
Assets in the course of construction are valued at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.
Revaluations are reviewed regularly to ensure that the carrying amounts are not materially different from those that would be determined at the statement of financial position date. This review is undertaken by external professional valuers and consists of an annual desktop valuation with a full valuation at least every 5 years.

Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the Statement Of Comprehensive Income in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in a probable increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

1.7 Property, plant and equipment (continued)

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis over their estimated useful economic lives. Freehold land is considered to have an infinite life and is not depreciated.

The useful economic lives of buildings are assessed by the Trust's professional valuers. At 31 December 2020 the useful economic lives were assessed as between the range 1-56 years.

Leasehold property, plant and equipment are depreciated over the primary lease term, leasehold improvements are depreciated over the remaining lease term.
Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:
Furniture and fittings - 5 years
Transport equipment - 3 years
IT equipment - 9 years
Mobile tablets - 3 years
Plant and machinery - 10 years

If the residual value of an asset is zero at the Statement of Financial Position date, the asset's life will be reviewed annually.

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:
- the 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 dropped or significant changes made to it.

1.7 Property, plant and equipment (continued)

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.

Private finance initiative (PFI) transactions

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

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

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

1.8 Intangible assets

Recognition

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

Internally generated intangible assets

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.

Measurement

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

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

1.8 Intangible assets (continued)

Useful economic life of intangible assets

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

– Development expenditure 7 Years
– Licences 9 Years

1.9 Cash and cash equivalents

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

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM 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 DHSC.

1.11 Financial instruments

Recognition

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

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.

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 classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

1.11 Financial instruments (continued)

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

Impairment of financial assets

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

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses (stage 3).

Lifetime expected credit losses (stage 3) are calculated by assessing historic loss rates adjusted for forward looking macro-economic factors to conclude on appropriate loss rates. The Trust's receivables balances are all judged to have similar risk characteristics and are considered as one group.

1.12 Leases

Finance leases

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

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit rate to the outstanding liability and is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses on a straight- line basis over the life of the lease.

As part of the measures put into place to help DHSC bodies respond to the Covid-19 outbreak, the DHSC has postponed implementation of IFRS 16 Leases until 1 April 2022. Consequently, the Trust will continue to account for Operating Leases under IAS 17 Leases until that date.

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. Leased land is treated as an operating lease.

1.13 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.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution, 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 16. This is not recognised in these accounts.

Non-clinical risk pooling

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

1.14 Contingencies

Contingent liabilities are not recognised, but are disclosed in Note 18, 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.

1.15 Public Dividend Capital

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

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

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

(i) donated assets (including lottery funded assets),

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and

(iii) any PDC dividend balance receivable or payable.

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

1.16 Value Added Tax (VAT)

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

1.17 Corporation Tax

The Trust has reviewed its operating activities and determined that it has no liability for corporation tax.

1.18 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 24 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.19 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 NHS Foundation Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

1.20 Accounting judgements and estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates (see below) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The Trust has previously chosen to consolidate the results of its wholly owned subsidiary Oxleas Prison Services Ltd (OPS Ltd) as well as the Oxleas NHS Foundation Trust Charitable Funds, for which the Trust was a corporate trustee. However the Trust has decided that as these results are not material in relation to those for the Trust, that it would cease consolidation from 1 April 2020.

The Trust is required to undertake valuations of its land and buildings under IAS 16 Land and Buildings with sufficient regularity to ensure that their carrying value is not materially different from their valuation at year end. No set frequency is prescribed by the standard, however the DHSC Group Accounting Manual (GAM) proposes a number of possible approaches. The Trust has decided that a full valuation at least every 5 years with an annual desktop review in the intervening years offers the most efficient method of ensuring that the amounts shown within the Statement of Financial Position provide as true and fair view of the value of the assets at the reporting date.

As at 31 March 2021, the Trust has included £46m in respect of accrued expenses within the total amount of trade and other payables. These accruals are a timing adjustment to cover instances where the Trust believes that it has incurred a liability but has not yet received an invoice from the supplier. In arriving at this total the Trust is required to make a judgement as to whether a liability does in fact exist at the reporting date and if so the Trust uses a number of information sources to estimate the value of that liability.

Key sources of estimation uncertainty

The following are the 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 a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Trust's estate is valued according to appropriate indices as applied by the Trust's external valuers.

The useful economic lives (UEL) of buildings are assessed by the Trust's professional valuers in line with guidance provided by RICS and BCIS. In assessing a building's UEL, it is assumed that all buildings have a maximum life expectancy from new of 60 years, with the buildings depreciated on a straight line basis from 100% at completion of construction to zero, once their life span has been met. As the UEL's are only estimates, it is possible for deteriorate at a faster or slower rate than suggested by the UEL. This in turn could affect the recoverable amount and the carrying value for the affected assets, resulting in additional impairments should buildings deteriorate at a faster rate or reversals of past impairments in the case of a slower rate. To mitigate the impact of such variances, the UEL's are reassessed by the valuers on an annual basis.

In valuing the Trust's specialised properties, the valuers have used a Modern Equivalent Asset (MEA) approach. Under this method the value of the asset held by the Trust is determined by the cost of providing a replacement, excluding site preparation or construction finance costs in accordance with guidance provided by RICS. As at 31 March 2021, the Trust had assets valued in this way amounting to £98.8m. When undertaking the valuation, the Trust's professional valuers have relied on the Trust's opinion that a smaller land area could be appropriate for providing services at a number of the Trust's sites. The Trust has also assumed that services could be provided on alternative sites, and have valued land having regard to prevailing land values in Outer London. As the size and location are key drivers of the value of any MEA, any assumptions with regards to either size or location can lead to variations in the carrying value of the specialised assets.

1.20 Accounting judgements and estimation uncertainty (continued)

Of the £125.0m net book value of land and buildings subject to valuation, £98.8m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced. It is possible that the valuation could be affected by any changes to the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

As the valuation exercise was carried out in December 2020 with a valuation date of 31 March 2021, the valuers have made an assessment as to whether there is any material uncertainty with regards to the valuation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'). In undertaking this assessment, the valuers have analysed BCIS indices and are of the opinion that any changes are within than +/-5% of the values stated within their report. To better understand the potential impact of any uncertainty, were the values to be reduced by 1%, then the total value of assets employed by the Trust would fall by £1.25m. This in turn would reduce the PDC dividend due to be paid next year and accrued within these accounts by £22,000.

Having exercised professional judgement in providing the valuation and being of the opinion that changes are within +/-5% of the values stated within their report, the valuers have declared that they believe that is no material uncertainty with regards to the values in the report which are included within these financial statements.

1.21 Accounting standards issued but not yet adopted

The following presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DH group accounts in 2020-21.

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 standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases and to existing leases with more than 12 months remaining lease term and an underlying asset value of at least £5,000. We will continue to assess all other leases under the old standards as to 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 defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable.

1.21 Accounting standards issued but not yet adopted (continued)

IFRS 16 Leases (continued)

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. The PFI imputed lease liability will be remeasured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

IFRS 17 Insurance Contracts

On 17 March 2020, the IASB announced that implementation of IFRS 17 Insurance Contracts will be deferred for 2 years and will now apply to accounting periods beginning on or after 1 January 2023. HM Treasury have subsequently interpreted this delay to mean that the UK public sector will implement IFRS 17 from 1 April 2023. As early adoption is not permitted under the GAM, the Trust will implement this standard from that date.

1.22 Accounting standards issued that have been adopted early

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

1.23 Interests in other entities

In January 2012 the Trust entered into a joint venture (SARD JV Limited) with Mango Swiss Limited. The Trust's original shareholding was reduced from 51% to 24%, following a sale of shares to Mango Swiss in May 2020. The sale of shares also reduced the Trust's share of the voting rights in SARD accordingly so that the Trust no longer has joint control, although it does retain significant influence over SARD's financial and operating polices. As a result, the Trust has reclassified its investment in SARD from a Joint Venture to an Associate. This involved a cash consideration of £53,949 which was agreed that would be paid in instalments and the balance outstanding as at 31 March 2021 was £35,949. SARD's turnover in the year ended 31 March 2021 was £1,409,470 (Year ended 31 March 2020 £1,088,835). The Trust's investment in SARD is not included within these financial statements on the grounds of immateriality.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

On 5 March 2015, Oxleas Prison Services Limited (OPS Ltd) was set up by the Trust as a wholly-owned subsidiary company to provide pharmacy services to prisons in Kent and Greenwich. In year ended 31 March 2021 OPS Ltd's turnover for the period was £5,496,765 (year ended 31 March 2020 £5,077,143). The Trust provided OPS Ltd with £250,213 of funding in 2016/17, which remained unpaid as at 31 March 21. As OPS Ltd's results are not material in relation to those for the Trust, the Trust has decided that it would cease consolidation from 1 April 2020.

In July 2017 the Trust signed a 10 year partnership agreement with Health Innovations Partners (HIP, which is a joint venture between Community Solutions Managment Services Ltd and Arcadis (BAC) Ltd) as its Strategic Estates Partner (SEP). This is a 50:50 joint venture between the Trust and HIP operating under the name The Oxleas Property Partnership (TOPP). The joint venture will work to develop the Trust's estate and surplus assets, helping to reduce costs and maximise revenue for the Trust which can be reinvested into healthcare delivery in South East London. Following the outbreak of the Covid-19 pandemic, a decision was made in September 2020 for TOPP to suspend any trading activity until further notice.

The Trust is the Corporate Trustee of Oxleas NHS Foundation Trust Charitable Funds. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. The Charitable Funds had an income of £301,884 for the year ending 31 March 2021 (31 March 2020: £42,195). As the Charitable Funds are not material in relation to the Trust, the Trust has decided that it would cease consolidation from 1 April 2020.

Notes to the financial statements

for the year ended 31 March 2021

2 Segmental Analysis

On the 1 October 2020, the Trust became the Lead Provider Collaborative for Adult Secure Services for South London, effectively acting as a Commissioner. As the Trust provides separate financial information for this to the Trust's board, the Provider Collaborative has been identified as a distinct segment as defined under IFRS 8 Operating Segments. An analysis of the surplus/deficit attributable to each segment is shown below. Transactions between reportable segments are reported at cost.

	Year Ended 31 March 2021	Year Ended 31 March 2021	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2020	Year Ended 31 March 2020
	Provider Collaborative	Other Operating Segments	Trust	Provider Collaborative	Other Operating Segments	Trust
	£000	£000	£000	£000	£000	£000
Operating income	**39,410**	**329,848**	**369,258**	0	297,251	297,251
Operating expenses	**(39,410)**	**(336,068)**	**(375,478)**	0	(296,163)	(296,163)
Operating (deficit)/surplus from continuing operations	**0**	**(6,220)**	**(6,220)**	0	1,088	1,088
Finance income	**0**	**21**	**21**	0	461	461
Finance expenses	**0**	**(972)**	**(972)**	0	(967)	(967)
PDC dividends payable	**0**	**(1,655)**	**(1,655)**	0	(3,300)	(3,300)
Net finance costs	**0**	**(2,606)**	**(2,606)**	**0**	(3,806)	(3,806)
Gain from asset disposals	**0**	**1,022**	**1,022**	0	543	543
(Deficit) / Surplus for the year	**0**	**(7,804)**	**(7,804)**	0	(2,175)	(2,175)
Other comprehensive (expenses)/ income *						
Impairments	**0**	**(8,781)**	**(8,781)**	0	(6,577)	(6,577)
Revaluations	**0**	**2,604**	**2,604**	0	7,338	7,338
Total comprehensive (expenses) / income for the period	**0**	**(13,981)**	**(13,981)**	**0**	(1,414)	(1,414)

Notes to the financial statements

for the year ended 31 March 2021

3 Operating Income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2.1.

3.1 Operating Income

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Income from Activities		
NHS Foundation Trusts	**945**	474
NHS Trusts	**1,210**	208
CCGs and NHS England	**293,180**	236,459
Local Authorities	**14,442**	21,576
Non NHS	**5,889**	742
Total income from activities	**315,666**	259,459
Being:		
Cost and volume contract income	**0**	1,630
Mental health block contract income	**230,221**	161,326
Clinical partnerships providing mandatory services (including S75 agreements)	**6,036**	5,991
Community services block contract income	**63,611**	60,057
Private patient income	**10**	8
Other non-protected clinical income	**15,788**	30,447
	315,666	259,459
Other Operating Income		
Research and development	**124**	81
Education, training and research	**5,741**	4,932
Provider sustainability fund (PSF)	**0**	2,084
Reimbursement and top up funding	**13,419**	0
Inventories donated by DHSC for Covid response	**4,256**	0
Other income *	**30,052**	30,695
Total other operating income	**53,592**	37,792
Total operating income	**369,258**	297,251
*** Analysis of other operating income: Other**		
PFI support income	**614**	586
Car parking	**519**	678
Estates recharges	**1,566**	1,145
Pharmacy sales	**6,735**	5,334
Catering	**121**	337
Property rentals	**10,940**	9,583
Other	**9,557**	13,032
	30,052	30,695

3.1 Operating Income

Commissioner Requested Services	**299,868**	227,374
Non Commissioner Requested Services	**15,798**	32,085
Total income from activities	**315,666**	259,459

Notes to the financial statements

for the year ended 31 March 2021

4. Operating Expenses

4.1 Operating expenses comprise:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Purchase of healthcare from NHS and DHSC bodies	**20,010**	5,143
Purchase of healthcare from non-NHS and non-DHSC bodies	**42,905**	12,824
Staff and executive directors costs	**215,283**	203,738
Non-executive directors	**108**	100
Supplies and services – clinical (excluding drugs costs)	**5,352**	5,599
Supplies and services - consumables donated by DHSC for Covid response	**4,256**	0
Supplies and services - general	**8,989**	6,560
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	**11,690**	10,215
Consultancy	**380**	303
Establishment	**8,212**	7,151
Premises - business rates collected by local authorities	**1,625**	1,794
Premises - other	**12,994**	12,247
Transport (business travel only)	**509**	923
Transport - other (including patient travel)	**446**	495
Depreciation	**5,381**	4,911
Amortisation	**676**	677
Impairments net of (reversals) *	**10,763**	5,656
Movement in credit loss allowance: contract receivables/assets	**2,221**	14
Provisions arising / released in year	**(621)**	1,101
Audit services - statutory audit	**74**	65
Other auditor remuneration (payable to external auditor only)	**1**	10
Charitable fund audit	**0**	0
Internal audit - non-staff	**89**	73
Clinical negligence - amounts payable to NHS Resolution (premium)	**668**	556
Legal fees	**301**	357
Insurance	**390**	370
Education and training - non-staff	**2,678**	1,638
Operating lease expenditure (net)	**4,390**	3,841
Redundancy costs - non-staff	**84**	0
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	**925**	901
Car parking and security	**343**	317
Hospitality	**8**	7
Other services (e.g. external payroll)	**220**	237
Other NHS charitable fund resources expended	**0**	0
Other *	**14,128**	8,341
	375,478	296,164

* Impairments are a result of changes in market price.

Notes to the financial statements

for the year ended 31 March 2021

4.2 Auditor's remuneration

The Council of Governors appointed Grant Thornton as external auditor of the Trust for the year commencing 1 April 2018. The audit fee for the statutory audit was £62,550 (2019/20, £59,350) excluding VAT.

The engagement letter signed on 7 January 2019, included a liability cap of £2m for Grant Thornton, its members, partners and staff (whether in contract, negligence or otherwise) in respect of all such services.

4.3 Profit on disposal of other property, plant and equipment

Profit on disposal all relates to unprotected assets.

4.4 Operating leases (Trust as lessee)

4.4.1 Arrangements containing an operating lease:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Minimum lease payments	4,390	3,841

4.4.2 Future minimum lease payments due:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Not later than 1 year	**4,087**	3,620
Later than 1 year and not later than 5 years	**8,226**	7,453
Later than 5 years	**16,146**	17,027
Total	**28,459**	28,100

Over 92% of the operating lease commitments are property leases with varying expiring dates.

The Trust also holds a number of operating leases for leased vehicles. The annual commitment for leased vehicles for the year ended 31 March 2020 was £1,463,748 (year ended 31 March 2020, £1,054,256).

5. Employee Benefits

5.1 Employee costs

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Salaries and wages	**162,918**	153,448
Social Security Costs	**16,894**	15,663
Apprenticeship Levy	**789**	726
Employer contributions to NHS Pension Scheme	**27,758**	26,135
Pension cost - other	**25**	36
Agency/contract staff	**6,899**	7,730
Total	**215,283**	203,738

5.2 Retirements due to ill-health

During the year there were 4 early retirements on the grounds of ill-health (31 March 2020, 2 in total). The estimated additional pension liabilities of this ill-health retirement will be £183,000 (31 March 2020, £122,012). The cost of this ill-health retirement will be borne by NHS Pensions

6. Finance revenue

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Interest on bank accounts	**21**	461
	21	461

Interest on bank accounts consists of interest earned on the Trust's bank accounts and treasury deposits.

7. Finance expenditure

	Year ended 31 March 2021 £000	**Year ended 31 March 2020 £000**
Interest obligations under finance leases	**45**	50
Finance costs in PFI obligations-main finance costs	**433**	457
Finance costs in PFI obligations-contingent finance costs	**494**	460
	972	967

8. Other gains and (losses)

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Gains on disposal of property, plant and equipment	**968**	543
Gains on disposal of investments	**54**	0
	1,022	543

9. Intangible assets

	Software Licences	Development Expenditure	**Year ended 31 March 2021 £000**	Year ended 31 March 2020 £000
Valuation / gross cost at 1 April - brought forward	99	5,307	**5,406**	5,406
Additions	60	417	**477**	0
Reclassifications	0	0	**0**	0
Gross cost at 31 March	159	5,724	**5,883**	5,406
Amortisation brought forward 1 April	52	1,494	**1,546**	869
Provided during the year	11	665	**676**	677
Amortisation at 31 March	63	2,159	**2,222**	1,546
Net book value at 31 March	96	3,565	**3,661**	3,860

Notes to the financial statements

for the year ended 31 March 2021

10. Property, plant and equipment

2020/21	Land	Buildings excluding dwellings	Assets under construction	Plant & Machinery	Transport equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	17,031	126,200	3,320	40	86	4,151	2,179	153,007
Additions purchased	0	0	17,038	0	0	0	0	17,038
Reclassifications	0	3,364	(8,365)	0	0	4,696	305	0
Impairments charged to operating expenses	0	(10,763)	0	0	0	0	0	(10,763)
Impairments charged to the revaluation reserve	(134)	(8,647)	0	0	0	0	0	(8,781)
Revaluations	910	(2,956)	0	0	0	0	0	(2,046)
Transfers to/from assets held for sale	0	0	0	0	0	0	0	0
Disposals/derecognitions	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2021	17,807	107,198	11,993	40	86	8,847	2,484	148,455
Accumulated Depreciation as at 1 April 2020	0	0	0	10	86	1,184	1,454	2,734
Provided during the year	0	4,650	0	4	0	436	291	5,381
Revaluations	0	(4,650)	0	0	0	0	0	(4,650)
Accumulated Depreciation as at 31 March 2021	**0**	**0**	**0**	**14**	**86**	**1,620**	**1,745**	**3,465**
Net Book Value								
Owned	16,100	93,613	11,993	26	0	7,227	739	129,698
Finance leased	281	654	0	0	0	0	0	935
PFI contracts	1,426	12,931	0	0	0	0	0	14,357
Total at 31 March 2021	**17,807**	**107,198**	**11,993**	**26**	**0**	**7,227**	**739**	**144,990**

* Impairments are a result of changes in market price.

2019/20								
Cost or valuation at 1 April 2019	19,063	116,366	7,051	40	86	2,668	2,179	147,453
Additions purchased	0	0	15,117	0	0	0	0	15,117
Reclassifications	0	13,013	(18,848)	0	0	1,483	0	(4,352)
Impairments charged to operating expenses	(128)	(5,528)	0	0	0	0	0	(5,656)
Impairments charged to the revaluation reserve	(2,485)	(4,092)	0	0	0	0	0	(6,577)
Revaluations	692	6,646	0	0	0	0	0	7,338
Transfers to/from assets held for sale	0	0	0	0	0	0	0	0
Disposals/derecognitions	(111)	(205)	0	0	0	0	0	(316)
Cost or Valuation at 31 March 2020	**17,031**	**126,200**	**3,320**	**40**	**86**	**4,151**	**2,179**	**153,007**
Accumulated Depreciation as at 1 April 2019	0	0	0	6	86	900	1,183	2,175
Provided during the year	0	4,352	0	4	0	284	271	4,911
Revaluations	0	(4,352)	0	0	0	0	0	(4,352)
Accumulated Depreciation as at 31 March 2020	**0**	**0**	**0**	**10**	**86**	**1,184**	**1,454**	**2,734**
Net Book Value								
Owned	16,015	110,706	3,320	30	0	2,967	725	133,763
Finance leased	0	1,227	0	0	0	0	0	1,227
PFI contracts	1,016	14,267	0	0	0	0	0	15,283
Total at 31 March 2020	**17,031**	**126,200**	**3,320**	**30**	**0**	**2,967**	**725**	**150,273**

10. Property, plant and equipment (continued)

The Trust's estate was revalued at 31 December 2020 by two partners of Montagu Evans LLP. Both valuers were RICS registered valuers. The valuers opinion was that there had been no material change in market conditions between 31 December 2020 and 31 March 2021.

The valuation methods used at 31 December 2020 were as follows: Specialised properties-depreciated replacement cost (DRC); Operational Non specialised assets-existing use value (EUV); Assets held for sale and other assets not required to deliver the Trust's services use market value (MV).

DRC is defined as the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. In general the Trust's valuers have relied upon the floor areas of the existing buildings in assuming modern equivalent assets will require the same floor area, however the Trust has identified that a small number of their existing buildings are inefficient with areas that are not occupied for operational purposes and therefore consider any replacement of those assets would require a reduced floor area. Having derived the modern equivalent replacement cost of the existing buildings the valuers have depreciated these values to reflect age and obsolescence. Each building is assumed to have a maximum life expectancy from new of 60 years with the buildings depreciated on a straight line basis from 100% at completion of construction to zero, once their life span has been met.

As at 31 March 2021, there were no new buildings held by the Trusts and the maximum estimated useful economic life of properties within the Trust's estate was 56 years.

The net book value of assets held under PFI agreements and finance leases at the statement of financial position date are as follows:

	Land £000	Buildings, excluding dwellings £000	Total £000
At 31 March 2021			
PFI	1,426	12,931	14,357
Finance leases	281	654	935
At 31 March 2020			
PFI	1,016	14,267	15,283
Finance leases	0	1,227	1,227

The total amount of depreciation charged to the Statement of Comprehensive Income in respect of assets held under PFI and finance lease agreements:

Depreciation - 31 March 2021			
PFI	0	466	466
Finance leases	0	204	204
Depreciation - 31 March 2020			
PFI	0	407	407
Finance leases	0	33	33

Non-current assets held for sale - 2020/21

	Land £000	Buildings £000	Total £000
Opening NBV at 1 April 2020	850	0	850
Assets sold in year	(400)	0	(400)
Assets no longer classified as held for sale	0	0	0
NBV of assets at 31 March 2021	**450**	0	450

Non-current assets held for sale - 2019/20

	Land £000	Buildings £000	Total £000
Opening NBV at 1 April 2019	850	0	850
Assets classified as held for sale in the year	0	0	0
Assets no longer classified as held for sale	0	0	0
Disposals in the year	0	0	0
NBV of assets held for sale at 31 March 2020	**850**	**0**	**850**

Notes to the financial statements

for the year ended 31 March 2021

11. Inventories

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Materials	**270**	**346**

The inventories figure relates to stocks of drugs.

Expenditure on drugs in the year was £11,690,000 (31 March 2020, £10,215,000). No amounts were written off in the year (31 March 2020, £nil).

12. Trade and other receivables

	Year ended 31 March 2020 £000	Year ended 31 March 2020 £000
Current Assets:		
Contract receivables	**22,191**	20,954
Allowance for credit losses	**(5,128)**	(2,907)
Prepayments (revenue) [non-PFI]	**2,966**	4,798
PDC dividend receivable	**1,163**	271
VAT receivable	**558**	1,113
Other receivables	**199**	274
TOTAL	**21,949**	24,503
Non-Current Assets:		
Allowance for credit losses	**(279)**	(279)
Other receivables	**279**	279
TOTAL	**0**	0
Of which receivable from NHS and DHSC group bodies		
Current	**15,692**	17,210
Non-current	**0**	0

12.1 Allowance for credit losses - 2020/21

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April 2020- brought forward	3,186	0
New allowances arising	4,382	0
Reversals of allowances	(2,161)	0
At 31 March 2021	**5,407**	**0**
Of which		
Current assets	5,128	0
Non current assets	279	0
At 31 March 2021	**5,407**	**0**

12.2 Allowance for credit losses - 2019/20

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April 2019- brought forward	3,172	0
New allowances arising	2,535	0
Reversals of allowances	(2,521)	0
At 31 March 2020	**3,186**	0
Of which		
Current assets	2,907	0
Non current assets	279	0
At 31 March 2020	**3,186**	0

12.3 Exposure to credit risk

	31 March 2021 £000	31 March 2020 £000
Ageing of impaired financial assets		
0 - 30 days	0	0
30-60 days	815	617
60-90 days	1,074	364
90-180 days	1,671	836
180-360 days	1,847	1,369
Total	**5,407**	3,186

	31 March 2021 £000	31 March 2020 £000
Ageing of non-impaired financial assets past their due date		
0 - 30 days	0	0
30-60 days	2,366	617
60-90 days	919	121
90-180 days	51	0
180+ days	366	0
Total	**3,702**	738

The Trust has not provided for these financial assets as there has been no significant change in their credit quality and the amounts are still considered recoverable. Financial assets that are not impaired and are not past their due date are considered recoverable.

Notes to the financial statements

for the year ended 31 March 2021

13. Cash and cash equivalents

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Balance at 1 April	**77,487**	66,810
Net change in year	**20,516**	10,677
Balance at 31 March	**98,003**	77,487
Made up of:		
Cash with the Government Banking Service	**97,970**	57,448
Cash at commercial banks and in hand	**33**	39
Deposits with the National Loan Fund	**0**	20,000
Cash and cash equivalents as in statement of financial position and statement of cash flows	**98,003**	77,487

14. Trade and other payables

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Current:		
Trade payables	**17,563**	17,857
Capital payables	**2,970**	2,226
Accruals	**45,354**	25,740
Social security and pension costs	**5,159**	4,924
Other payables	**2,068**	1,876
Total current trade and other payables	**73,114**	52,623
Of which payable to NHS and DHSC group bodies Current	**17,754**	10,161

14.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current:		
Obligations under finance leases	**86**	82
Obligations under PFI contracts	**370**	345
	455	427
Non-current:		
Obligations under finance leases	**654**	739
Obligations under PFI contracts	**6,056**	6,425
Total non-current borrowings	**6,710**	7,164

14.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current:		
Obligations under finance leases	**86**	82
Obligations under PFI contracts	**370**	345
	455	427
Non-current:		
Obligations under finance leases	**654**	739
Obligations under PFI contracts	**6,056**	6,425
Total non-current borrowings	**6,710**	7,164

14.2 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current:		
Deferred income: contract liabilities	**25,145**	18,937
	25,145	18,937
Non Current:		
Deferred income: contract liabilities	**4,989**	5,897
	4,989	5,897

During the period, the Trust embarked on several new projects in relation to Complex Care and Provider Collaborative. The increase in deferred income mainly reflects funding from Commissioners to the Trust in line with programme of works in improving patient and care pathways scheduled to take placed in the next financial year.

15. Reconciliation of liabilities arising from financing activities

	Finance Leases £000	PFI £000	Total £000
Carrying value at 1 April 2020	**821**	**6,770**	**7,591**
Cash movements:			
Financing cash flows - payments and receipts of principal	(81)	(344)	(425)
Financing cash flows - payments of interest	(45)	(433)	(478)
Non cash movements:			
Application of effective interest rate	45	433	478
Other changes	0	0	0
Carrying value at 31 March 2021	**740**	**6,426**	7,166

Notes to the financial statements

for the year ended 31 March 2020

15.1 Finance lease obligations

	31 March 2021 £000	31 March 2020 £000
Gross lease liabilities of which liabilities are due:		
Not later than 1 year	**127**	127
	508	508
Later than 5 years	**623**	750
Gross lease liabilities	**1,258**	1,385
Less finance charges allocated to future years	**(518)**	(564)
Net lease liabilities	**740**	821

Finance lease obligations relate to the lease of buildings at Bridgeways Day Hospital and Wallace Medical Centre. No contingent rent was paid and there is no option in the lease to purchase the asset.

Minimum lease payments are not disclosed at present value as rent increases by RPI annually which is expected to be equal to any inflation and therefore there will not be a significant difference.

15.2 PFI obligations

	31 March 2021 £000	31 March 2020 £000
Gross PFI liabilities of which liabilities are due:		
Not later than 1 year	**777**	777
Later than 1 year and not later than 5 years	**3,109**	3,109
Later than 5 years	**6,451**	7,229
Gross PFI, LIFT or other service concession liabilities	**10,338**	11,115
Less finance charges allocated to future years	**(3,912)**	(4,345)
Net PFI, LIFT or other service concession arrangement obligation	**6,426**	**6,770**
- not later than one year;	**370**	345
- later than one year and not later than five years;	**1,781**	1,655
- later than five years.	**4,275**	4,770

Under IAS 17, disclosure of the net present value of liabilities is required. The figures above are not reported at net present value however Notes 22.2 and 22.3 disclose the fair value of the finance lease obligations under the PFI contract.

Notes to the financial statements

for the year ended 31 March 2021

16. Provisions

	Pensions early departure costs £000	Legal claims and other £000	Redundancy £000	Other £000	Total £000
20/21					
At 1 April 2020	**45**	**125**	**2,182**	**1,293**	**3,645**
Arising during the year	0	32	47	120	199
Utilised during the year	0	(25)	(87)	(110)	(222)
Reversed unused	0	(28)	(792)	0	(820)
At 31 March 2021	**45**	**104**	**1,350**	**1,303**	**2,802**
not later than one year	**45**	**104**	**1,350**	**1,303**	**2,802**
later than one year and not later than five years	**0**	**0**	**0**	**0**	**0**
	45	**104**	**1,350**	**1,303**	**2,802**
Expected timing of cash flows:					
31 March 2021					
Within one year	45	104	1,350	1,303	**2,802**
Between one and five years	0	0	0	0	**0**
After five years	0	0	0	0	**0**
	45	104	1,350	1,303	**2,802**
Within one year	45	125	2,182	1,293	**3,645**
Between one and five years	0	0	0	0	**0**
After five years	0	0	0	0	**0**
	45	125	2,182	1,293	**3,645**

The provision for pensions early departure costs is stated subject to the uncertainty about the length of time and amounts over which this will be payable.

Legal claims and other provisions include the following:

Provisions for other legal claims is stated subject to uncertainty about the outcome of legal proceedings.

Amounts excluded from total provisions above:

£1,519,546 (31 March 2020, £2,828,155) is included in the provisions in the financial statements of NHS Resolution at 31 March 2021 in respect of clinical negligence liabilities of the Trust.

17. Capital Commitments

Commitments under capital expenditure contracts relating to property, plant and equipment at 31 March 2021 were £8,706,000 (31 March 2020 £1,037,000).

Notes to the financial statements

for the year ended 31 March 2021

18. Contingencies

	31 March 2021	31 March 2020
	£000	£000
Contingent liabilities	**(43)**	(68)
Amounts recoverable against contingent liabilities	**0**	0
Net value of contingent liabilities	**(43)**	**(68)**

Contingent liabilities relate to NHS Resolution legal claims where it is estimated that it is not probable that the Trust will be liable for the excess under the Liabilities to Third parties Scheme and Property Expenses Scheme.

Legal claims under these schemes where it is probable that the Trust will be liable for the excess, are included in provisions.

19. Related Party Transactions

The ultimate controlling party of the Trust is the Department of Health and Social Care of the UK Government.
The Board Members have made any annual declaration of interests in respect of the financial year 2020-21 and during the year none of the Board Members, members of the key management staff or parties related to them has undertaken any material transactions with Oxleas NHS Foundation Trust other than those set out below.
During the year Oxleas NHS Foundation Trust has had material transactions with the following NHS bodies:
Department of Health
NHS South East London CCG
NHS England
Kings College Hospital NHS Foundation Trust
Dartford and Gravesham NHS Trust
South London and Maudsley NHS Foundation Trust
South West London and St Georges Mental Health NHS Trust
NHS Pensions / NHS Business Services Authority

The Department of Health is the parent department. In addition, the Trust has had material transactions with the following local and national Government bodies:
London Borough of Greenwich
HM Revenue and Customs
Payments from the above NHS bodies related parties mainly relate to income from contracts for healthcare services. Payments to these related parties are for purchases of healthcare and other services.
Amounts owed to and from related parties are trade receivable and trade payable balances. Payments from related parties mainly relates to income from contracts for healthcare services. Payments to related parties are for purchases of healthcare and other services.

19. Related Party Transactions (continued)

The Trust has had transactions with Oxleas NHS Foundation Trust Charitable Fund and Oxleas Prison Services Limited as follows:

	Payments to Related Party 20/21	Receipts from Related Party 20/21	Amounts owed to Related Party at 31 March 2021	Amounts due from Related Party at 31 March 2021	Receipts from Related Party 19/20	Amounts owed to Related Party at 31 March 2020	Amounts due from Related Party at 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Oxleas NHS Foundation Trust Charitable Fund	73	374	0	11	213	0	106
Oxleas Prison Services Limited	6,438	5,025	399	634	2,943	424	1,525

Amounts owed to and from related parties are trade receivable and trade payable balances.

The receipts from Oxleas NHS Foundation Trust Charitable Fund relate to a recharge of administrative costs. The Trustees of Oxleas NHS Foundation Trust Charitable Fund are also members of the NHS Foundation Trust Board. The audited accounts of the Funds Held on Trust are available from the Director of Finance, Oxleas NHS Foundation Trust.

The receipts from Oxleas Prison Services Limited relate to a recharge of staff and administrative costs. The payments to Oxleas Prison Services Limited relate to drugs costs.

20. Private Finance Transactions

Service element of PFI schemes deemed to be on-statement of financial position

The Trust is party to a PFI scheme with Bexley PPP Health Services Ltd ('the partner'). The scheme was implemented in a phased 3 year programme. Three buildings were opened in 1999/2000, two buildings in 2000/2001 and one building in 2001/2002. Two of the properties (Erith Centre, Bexleyheath Centre at 4 Emerton Close) are used to deliver community mental health and outpatient services and to accommodate Trust offices; the Woodlands Unit is used to deliver acute inpatient services; 42 Oakwood Drive is leased to a third party to provide learning disability services. Somerset Villa is currently leased to a third party providing forensic step down services. The substance of the contract is that the Trust has a finance lease and payments comprise 2 elements - imputed finance lease charges and service charges (see Note 1.7). Under IFRIC 12 the assets are treated as assets of the Trust.

The lease period is 50 years commencing in 2000 and expiring in 2050. There is a break clause in 2025 and the Trust has received advice from their solicitors on how the break can be actioned, if required, and this can be further reviewed. There are no re-pricing dates in respect of the unitary payment. RPI is applied annually at 1st April based on the table published by the Office for National Statistics. Market testing in respect of maintenance is required 30 years after the commencement date and on a quinquennial basis thereafter. Market testing in respect of items other than maintenance is required 5 years after the commencement date and on a quinquennial basis thereafter.

Ownership of the land and buildings reverts to the Trust at the end of the lease period, i.e. in 2050. Termination options include those for the following reasons: gross negligence of the partner; insolvency of the partner; non-payment of loan instalments by the partner to the lending bank.

An element of the unitary payments is applied to a 'sinking fund' for the purpose of funding significant capital expenditure on the properties as required over the period of the lease.

Following dissolution of South London Healthcare NHS Trust in October 2013 the PFI scheme for Elmstead & Newsland at Queen Marys Hospital, Sidcup, Kent was transferred to the Trust. The partner for the QMH PFI scheme is Bexley PPP Health Services Ltd and the lease on the asset expires on 31 March 2029.

20. Private Finance Transactions (continued)

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be on Statement of Financial Position	**925**	901
Net charge to operating expenses	**925**	901
Commitments in respect of the service element of the PFI:	**£000**	£000
Within one year	**950**	924
2nd to 5th years (inclusive)	**3,800**	3,695
Later than five years	**16,616**	17,082
Total	**21,366**	21,701

Non current asset values

The following non current assets are held under the PFI schemes:

	Land £000	Buildings £000	Total £000
31 March 2021			
Erith Centre, Park Crescent, Erith, Kent	**300**	**699**	**999**
42 Oakwood Drive, Barnehurst, Kent	**250**	**465**	**715**
4 Emerton Close, Bexleyheath, Kent	**174**	**405**	**579**
Somerset Villa, Goldie Leigh Hospital, Lodge Hill, Abbeywood, London	**333**	**776**	**1,109**
Woodlands Unit, Queen Mary's Hospital, Sidcup, Kent	**370**	**10,586**	**10,956**
Total	**1,427**	**12,931**	**14,358**
31 March 2020			
Erith Centre, Park Crescent, Erith, Kent	300	699	999
42 Oakwood Drive, Barnehurst, Kent	191	355	545
4 Emerton Close, Bexleyheath, Kent	174	405	579
Woodlands Unit, Queen Mary's Hospital, Sidcup, Kent	352	12,808	13,160
Total	**1,016**	**14,267**	**15,283**

21. Financial Instruments

Financial Reporting Standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities.

The Trust is not exposed to significant financial risk factors arising from financial instruments. The Trust's main sources of income is from NHS commissioners using block contract arrangements with additional funding being provided to top up income or reimburse the Trust for specific costs. This funding mechanism means that the Trust is not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities rather than being linked to changes in risks facing the Trust in undertaking its activities.

21. Financial Instruments (continued)

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Trust. Credit risk arises from deposits with banks as well as credit exposures to the Trust's commissioners and other receivables. Surplus operating cash is only invested in line with the Trust's treasury management policy which allows investments with the Government Banking Service (GBS) and the National Loan Fund (NLF) only. The Trust's cash assets at the year end are held with the Government Banking Service and Lloyds bank.

The Trust's net operating costs are incurred largely under annual service agreements with NHS commissioners and Local Authorities, which are financed from resources voted annually by Parliament, with additional funding provided by the NHS commissioners to reimburse for specific costs. An analysis of the ageing of receivables and provision for impairment can be found at Note 12 Trade and Other Receivables.

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. Market risk comprises three types of risk, where the fair value or future cash flows could fluctuate because of movements in the underlying interest rate risk, currency risk, and price risk.

Interest rate risk

The Trust holds short term investments throughout the year in commercial banks as agreed in its treasury management policy. At 31 March 2021, the Trust invests in the Government Banking Service and Lloyds Bank . Other than cash and short term deposits as noted, the Trust's financial assets and liabilities carry nil or fixed rates of interest and the Trust's income and operating cash-flows are substantially independent of changes in market interest rates.

Price risk

The Trust has a number of contractual arrangements which are linked to the UK Retail Price Index (RPI) therefore the Trust is exposed to price risk in line with movements in the UK economy.

Liquidity risk

Liquidity risk is the possibility that the Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities.

22. Carrying values of financial assets

Financial assets at amortised cost	31 March 2021 £000	31 March 2020 £000
Assets as per statement of financial position		
Receivables (excluding non financial assets) - with DHSC group bodies	**14,529**	16,972
Receivables / (Payables) (excluding non financial assets) - with other bodies	**2,733**	871
Cash and cash equivalents	**98,003**	77,487
Total	**115,265**	95,330

22.1 Carrying values of financial liabilities

Financial liabilities at amortised cost	31 March 2021 £000	31 March 2020 £000
Liabilities as per statement of financial position		
Obligations under finance leases	**740**	821
Obligations under PFI, LIFT and other service concession contracts	**6,426**	6,770
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	**17,754**	10,161
Trade and other payables (excluding non financial liabilities) - with other bodies	**45,283**	35,361
	70,202	53,113

Notes to the financial statements

for the year ended 31 March 2021

22.2 Fair Values - 2020/21

Set out below is a comparison, by category, of book values and fair values of the Trust's financial assets and liabilities.

	31 March 2021 Book Value £000	31 March 2021 Fair Value £000	
Financial assets			
Trade and other receivables excluding non financial assets	17,262	17,262	
Cash and cash equivalents	98,003	98,003	
TRUST TOTALS	**115,265**	**115,265**	
Financial liabilities			
Obligations under finance leases due < 1 year	86	86	
Obligations under finance leases due > 1 year	654	654	Note a
Obligations under PFI contracts due < 1 year	370	370	
Obligations under PFI contracts due > 1 year	6,056	6,056	Note a
Trade and other payables excluding non financial liabilities	63,037	63,037	
TRUST TOTALS	**70,202**	**70,202**	

Note: a) Book value is taken to be a reasonable estimate of fair value since the Office of Budget Responsibility Consumer Price combined inflation and discount rates Index apply inflation rates of around 0.7%.

22.3 Fair Values - 2019/20

Set out below is a comparison, by category, of book values and fair values of the Trust's financial assets and liabilities.

	31 March 2020 Book Value £000	31 March 2020 Fair Value £000	
Financial assets			
Trade and other receivables excluding non financial assets	17,843	17,843	
Cash and cash equivalents	77,487	77,487	
TRUST TOTALS	**95,330**	**95,330**	
Financial liabilities			
Obligations under finance leases due < 1 year	82	82	
Obligations under finance leases due > 1 year	739	739	Note a
Obligations under PFI contracts due < 1 year	345	345	
Obligations under PFI contracts due > 1 year	6,425	6,425	Note a
Trade and other payables excluding non financial liabilities	45,522	45,522	
TRUST TOTALS	**53,113**	**53,113**	

Note: a) Book value is taken to be a reasonable estimate of fair value since the Office of Budget Responsibility Consumer Price combined inflation and discount rates Index apply inflation rates of around 2%.

Notes to the financial statements

for the year ended 31 March 2021

22.4 Maturity of financial liabilities

	31 March 2021 £000	31 March 2020 £000
Less than one year	63,941	46,426
In more than one year but not more than five years	3,617	3,617
In more than five years	7,074	7,979
Total	**74,632**	58,022

23. Third Party Assets

The Trust held £461,322 cash at bank and in hand at 31 March 2021 (31 March 2020, £438,362) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash and cash equivalents reported in the accounts.

24. Losses and Special Payments

There were 8 cases of losses and special payments paid during the year (31 March 2020, 24 cases)

	2020/21 Number	2020/21 £'000	2019/20 Number	2019/20 £'000
Loss of cash - other	0	0	0	0
Bad debts and claims abandoned - other	0	0	2	0
Stores losses and damage to property	1	0	4	1
TOTAL LOSSES	**1**	**0**	6	1
Compensation under court order or legally binding arbitration award	5	33	7	49
Ex gratia payments in respect of personal effects	7	2	11	6
Ex gratia payments in respect of other	0	0	0	0
TOTAL SPECIAL PAYMENTS	**12**	**35**	18	55
TOTAL LOSSES AND SPECIAL PAYMENTS	**13**	**35**	24	56

During the year there were no cases exceeding £250,000 (31 March 2020, no cases).
Losses and special payments are reported on an accruals basis excluding provisions for future losses.

25. Events after the reporting date

There are no material events occurring after the reporting period at 31 March 2021


we're kind
we're fair
we listen
we care


we're kind
we're fair
we listen
we care
Our strategy
Our new values
Living our values
BAFO
Building a fairer Oxleas for all
RICH TEA FINGER BISCUITS