Leicestershire Partnership NHS Trust

annual report 2015-2016

living our values

Contents

The 2015-16 Audited Annual Accounts and Annual Governance Statement are presented in a separate supporting document to this Annual Report as Appendix A and B.

Our performance report

Welcome from our chief executive and chair

Welcome to our Annual Report for the Year 2015/16. We are proud of our staff and their commitment and passion for providing the best possible quality of care.

As a Trust, our vision is clear….

"To improve the health and wellbeing of the people of Leicester, Leicestershire and Rutland by providing high quality, integrated physical and mental health care pathways"

There are always things that we can improve and this report outlines the continued progress we are making. In March 2015, the CQC inspected our services and in June 2015, we received their report. We were rated as 'Requires Improvement', which we recognise is a fair assessment of where we are in our journey to improve services. Over this last year we have focussed our efforts on responding to this report and improving the physical environment of some of our services, ensuring that the fundamentals of care are in place, so we can provide safe, effective, caring, responsive and well led services. Part of this work is ensuring that these improvements are underpinned by the Trust values of **trust, respect, integrity and compassion.**

Effective leadership at every level is critical in achieving our four Strategic Objectives:-

- **Deliver safe, effective, patient centred care in the top 20% of our peers**
- **Partner with others to deliver the right care in the right place at the right time**
- **Staff will be proud to work here, and we will attract and retain the best people**
- **Ensure sustainability**

Our range of leadership developments have grown through the year including our Leading Together Group, where we have heard from some inspirational speakers on teamwork, personal effectiveness, teamwork effectiveness and personal vision.

We have continued to support our staff in using 'Listening into Action', enabling them to make local changes to improve care.

These developments have helped us to improve staff engagement and have been reflected in an improved staff survey, something we were really pleased to see, although there is still much to do.

We can only achieve excellence if we work in partnership with others; other NHS colleagues, local authorities, primary care, voluntary sector and most importantly those who use our services. We have continued working with colleagues to develop the Better Care Together plan, moving care outside of hospitals, and in the coming year we will be consulting with the public on these plans.

Childrens and Young People Mental Health Services are particularly close to my heart having practiced as a consultant in this area; it has been inspirational to see the work we have been doing with evolving groups, working with service users and young people to design future service improvements.

During this year we have been developing our approaches and have approved a strategy on Corporate Social Responsibility – working with and within our communities to improve wellbeing.

The Summary Financial Accounts are presented with the Annual Report in Appendix A. We are pleased to have achieved all our Statutory Financial Duties for 2015-16, and our planned revenue surplus of £1.3m which we can reinvest in future years to improve care. In the current financial climate we continue to make efficiencies in the care we provide. Thank you to all who have contributed to this. We continue to underline our commitment to being effective stewards of public resources.

What's gone well over the last year?

1. Deliver safe, effective, patient centred care in the top 20% of our peers

- Sustained quality improvement programme in our Adult Mental Health Services, responding to CQC recommendations
- Progress made against our service development initiatives
- Strengthened self-regulation processes
- Improved patient experience – our Friends and Family Test results consistently show that over 90% of our patients are extremely likely or likely to recommend our services
- Rolling out Nerve Centre Technology to all our community hospitals
- Royal College of Psychiatrists accreditation for Agnes Unit and Langley Ward.
- Good rating in NHS England's new Learning from Mistakes league table

2. Staff will be proud to work here, and we will attract and retain the best people

- Enhanced leadership development offer for all our staff
- Staff survey results have seen another improvement
- Listening into Action – supporting teams to implement their own solutions

- Board to Ward, Ask the Boss, regular vodcasts and increased use of social media improving staff engagement
- Monthly Valued Star Awards introduced, alongside Staff Excellence Awards and Long Service Awards, recognising and rewarding staff
- Introduction of 'Values Team Breaks' – a team meeting toolkit to help staff discuss how they will live our values.

3. Ensure Sustainability

- Successful mobilisation of contracts won 2015/16 included the paediatric community phlebotomy service and the Alliance Contract to provide community based elective care
- Immunisation service for school children covering meningitis C, HPV, teen boosters, and nasal flu
- City adult weight management (targeted and enhanced service)
- Healthy eating initiatives in early years settings
- Leicestershire and Rutland adult and children's weight management
- A single Electronic Patient Record across Adult Mental Health and Learning Disabilities
- Achieving all four of our statutory financial duties
- New corporate social responsibility strategy.

4. Partner with others to deliver the right care in the right place at the right time

- Better Care Together – an active player including mental health and service reconfiguration from University Hospitals of Leicester (UHL) into the community
- Acute mental health pathway including Box Tree Farm and new crisis helpline;
- Multi-agency hate crime initiative and mental health triage scheme with the police;
- Research endeavours through the CRN, CLAHRC and AHSN East Midlands bodies;
- Education and training in Leicester University and De Montfort University;
- Developing the capacity of our Intensive Community Support (ICS) Service.

Some of the challenges we have faced

One of the risks for the Trust and its patients is our ability to recruit and retain our staff. This has really been a national problem but we have also struggled with vacancy levels of 5-7% and this has meant that we have had to use more agency staff than we would have wanted. To become a great organisation we need to have great information on which we can rely, to continue to improve. We have worked hard through 2015/16 to continue to improve our information but there is still more to do to provide all our services with reliable, timely and useful information.

Looking Ahead

In 2016/17 we will be working with everybody in Leicester, Leicestershire and Rutland (LLR) to consult on and then begin the implementation of Better Care Together (BCT) to deliver a sustainable health and social care system. This will be critical next year. As we move towards more out of hospital care, we will be working harder with our local communities, staff and service users to focus on our strengths, to build a resilience and recovery plan in everything we do.

Thank you to all of our staff and to those service users who have contributed their thoughts and reflections on our services. We continue to improve the quality of our care by listening to each other and working together.

Dr Peter Miller
Chief Executive

Cathy Ellis
Chair

About us

Improving the health and wellbeing of local people through integrated care pathways

In April 2011, mental health and learning disability services in Leicester, Leicestershire and Rutland were brought together with local community services and families, children and young people's services to create Leicestershire Partnership NHS Trust as we know it today.

Our services are provided by our dedicated 5,635 staff, through three clinical directorates:

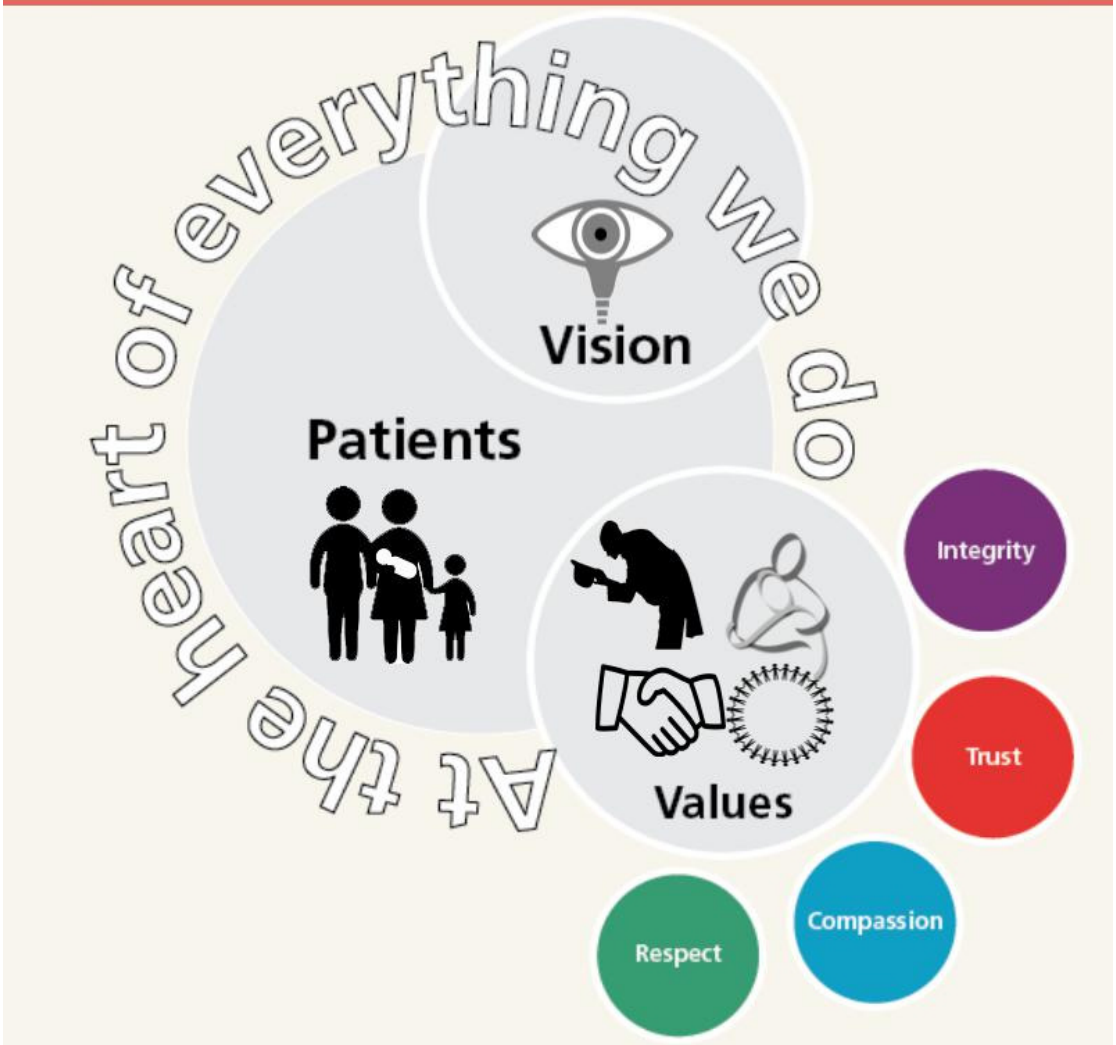
- Adult mental health and learning disability services
- Families, children and young people's services
- Community health services

Details about our staff and our equal opportunities policy are in the Director's report.

About us

Our vision:

To improve the health and wellbeing of the people of Leicester, Leicestershire and Rutland by providing high quality, integrated physical and mental health care pathways.



LPT in numbers

working across

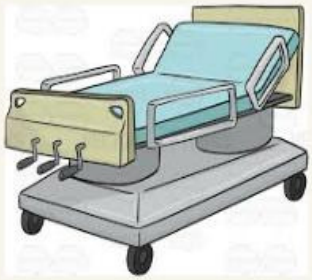
5,635
staff in a variety of roles

172,281
active caseload

1769,139
community contacts

154
premises

289,144



bed days

96%

of patients would recommend our services

£275M

income

9,462

members representing the population we serve

Our population and the community we serve

Our Trust provides a range of integrated services from many different locations across the Leicester, Leicestershire and Rutland ('LLR') region, including hospitals, longer term recovery units, outpatient clinics, day services, GP surgeries, children's centres, schools, health centres, people's own homes, care homes and prisons.

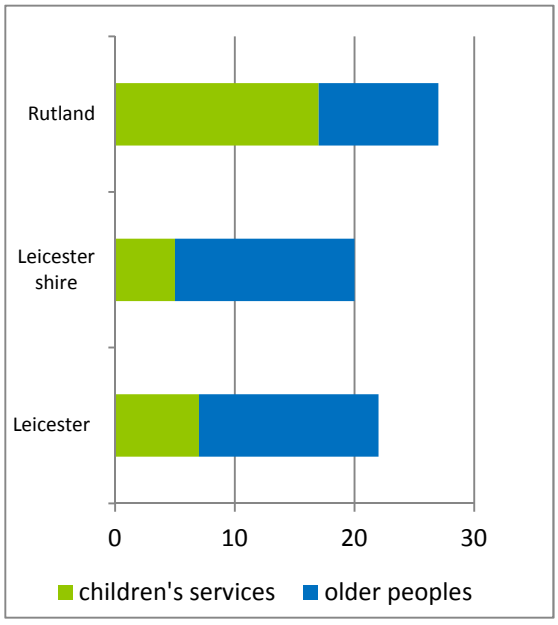
The population of LLR is currently estimated to be just over 1 million (1,043,880 according to ONS mid-2014 estimate) meaning that LPT serves more people than the average community and mental health NHS Trust.

Just under two thirds of the population live in Leicestershire County, with just under one-third living in Leicester City. The balance of approximately four per cent of the population lives in Rutland. A number of services are also provided to service users from wider geographical areas, primarily areas of the East Midlands adjacent to Leicestershire, for example our eating disorders service.

Demographics

Our services are designed and delivered to meet the diverse needs of the area. Our population is younger in Leicester City compared to the county and Rutland. Leicester is also more ethnically diverse, with a particularly large population of south Asian origin and growing numbers from Eastern Europe and Somalia.

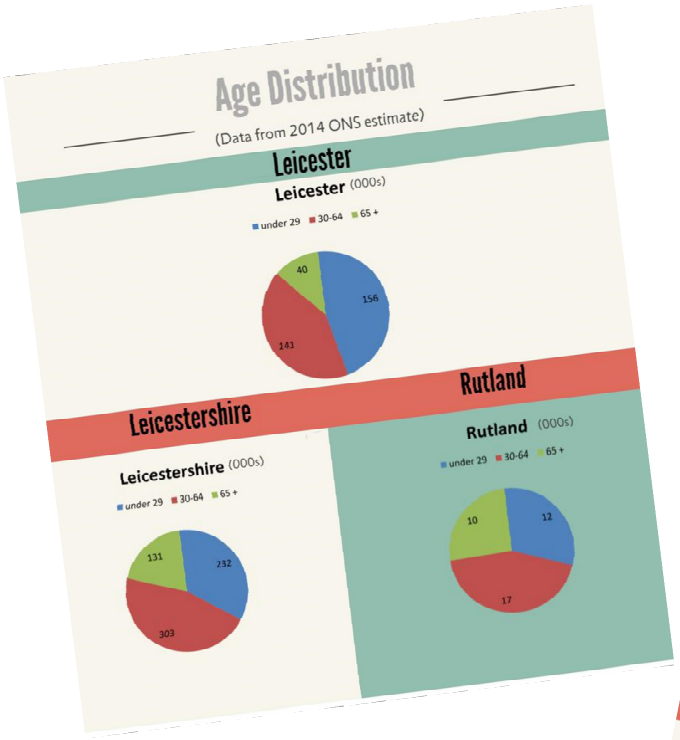
Overall, our services are skewed towards serving either younger or older people, with less service provision required by people of working age.

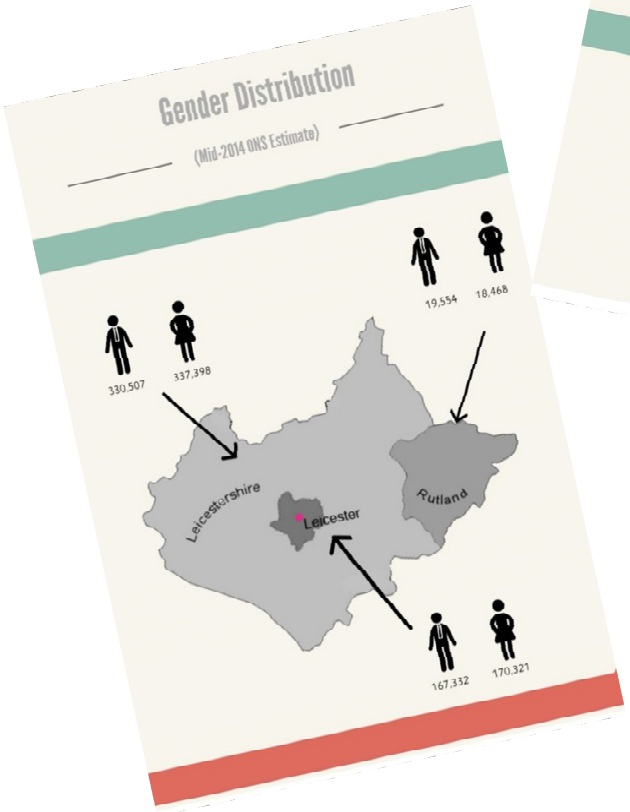


Over the next five years, demand for children's services in the region is forecast to increase across the board: by 7% in Leicester City, by 5% in Leicestershire and by 17% in Rutland.

Similarly, the demand for older people's services is also likely to grow significantly – up 15% in Leicester City and Leicestershire and up 10% in Rutland. Little change is predicted within adult services.

Demographics





Our local health economy

The Trust operates in a mixed health economy comprising NHS acute and community trusts, local authorities, independent and third sector providers. This requires a considered, proactive engagement model which allows for collaboration and competition, sometimes with and sometimes against the same organisations.

Key collaborators and competitors include:

- University Hospitals of Leicester (UHL)
- Neighbouring acute, community and mental health trusts
- NHS trusts with national ambitions
- Private sector providers
- Local councils
- Third sector organisations.

Our commissioners

- Leicester City CCG
- West Leicestershire CCG
- East Leicestershire & Rutland CCG.

The three CCGs accounted for the majority of our health care revenues in 2015-16, with the balance from other commissioners including NHS Midlands and East Specialised Commissioning Team, third sector partners, local authorities, out-of-area commissioners and University Hospitals of Leicester. There has been shift of commissioning responsibility for health visiting/school nursing from NHS England to the three local authorities.

Better care together

Better care together
Leicester, Leicestershire & Rutland health and social care

We are a partner of Better Care Together (BCT), a partnership of local authorities and NHS organisations tasked with changing the way people access and receive health and social care.

BCT wants to support people to stay well and independent in their own homes for as long as possible. When people do have to go into hospital, we want to reduce the amount of time they stay, by supporting them to be cared for closer to, or even in their own homes. We've begun to make a lot of changes such as:

- Provision of additional Intensive Community Support (beds at home), allowing people to leave hospital sooner and continue to receive round the clock health and social care.
- Working with local authority housing colleagues to support people with mental ill health to manage their tenancies.
- Supporting the development of four supporting living flats for people with learning disabilities, to enable the tenants to live as independently as possible in the community.

For more information, visit **www.bettercare.leicester.nhs.uk**

A year in review

Adult Mental Health and Learning Disability Services

Our inpatient adult mental health services include general psychiatric care and psychiatric intensive care; care in a low secure environment; and care at HMP Gartree, HMP Leicester and Glen Parva Young Offenders Institute. In the community, we provide general community mental health teams, crisis intervention, assertive outreach, psychological and personality disorder therapies, care for people with Huntington's disease and a psychiatric liaison service. We also work closely with criminal liaison and diversion. Adults with a learning disability can access support from community based teams, inpatient treatment and short-break services.

Celebrating success at Box Tree Farm

June 2015 saw the official opening of Box Tree Farm, a house in Ratby for people experiencing distress in their mental health. The 'home from home' environment allows individuals to stabilise their situation and develop coping strategies to handle future crises. The team of support workers, who are all trained in crisis intervention, provide round the clock tailored support through one to one sessions and group work.

New modern environment for specialist mental health unit

We have begun construction work in Narborough on a new £4.5 million purpose-built specialist mental health facility for the care of people with Huntington's Disease. This project is part of our vision to provide quality services in modern fit-for-purpose environments. The build is due to be completed by November 2016 when the current service will transfer from Mill Lodge, in Kegworth, its base for the last 25 years.

The Agnes Unit given Royal College of Psychiatrists' seal of approval

The Agnes Unit, our specialist inpatient unit for people with learning disabilities, was given its third successive quality stamp of approval from the Royal College of Psychiatrists. The unit, on Anstey Lane in Leicestershire, has been re-accredited by the College for a further two years.

Using art to help young offenders

We have been working in partnership with Glen Parva Young Offenders Institute and Soft Touch Arts Leicester on a creative arts project designed to boost the mental wellbeing of young offenders, especially prisoners with a diagnosis of mental health needs combined with alcohol and substance misuse.

The year-long £10,000 project, which involved 40 workshops, culminated in an open arts exhibition launched on World Mental Health Day in October 2015. The project was supported by the Big Lottery Fund, charitable donations and contributions from LPT and Glen Parva.

Expansion of Leicester Recovery College

Leicestershire Recovery College was launched in 2013, offering a safe and welcoming educational environment for those with experience of mental health problems. Over the last year the college has expanded to three additional satellite sites to offer further access to free courses promoting recovery and resilience.

Recovery College manager Emma Gartland said "We're very excited about the new courses and venues. Our vision is to offer a network of wellbeing hubs in the community where students can feel supported, in a friendly environment, to recognise and make the most of their own resourcefulness and help them achieve the things they want to do."

A new sensory room at the Mett Centre

The Mett Centre is used to provide person-centred holistic care. A new sensory room was opened at the end of 2015 by Dr Pete Cross, our director of finance and occupational therapist Amy Smith, who has been trained to provide sensory integration training. The room is also available for other services to use.

Royal College of Psychiatrists 2015 volunteer of the year

Dr Mohammed Abbas, one of our consultant psychiatrists, was named as the Royal College of Psychiatrists 2015 Volunteer of the Year. Dr Abbas was honoured for being the driving force behind a number of international volunteering projects, particularly work in Iraq, to improve mental health care quality standards.

RU OK? 'Making a connection' with commuters around mental health

LPT staff created a partnership with volunteers from other health, police, rail, local authority and third sector organisations to launch a pioneering 'Change Your Mind' event during the week of World Mental Health Day in October.

The volunteers initiated quick conversations with around 3,000 commuters at Leicester Railway Station, asking the simple question "R U OK?" to highlight the difference that a question, smile or a kind word can make to lift the mood of someone who is feeling low. Trained Samaritans and counsellors from Richmond Fellowship also provided confidential support. A hugely popular pledge wall gave people the chance to commit to small actions which could make a big difference to others.

Pioneering phone app demystifies electro-convulsive therapy

A team from LPT has developed an innovative free phone 'app' to take the mystery and fear out of electro-convulsive therapy (ECT). The app allows patients to see in advance what happens in the ECT suite and includes a video in which a patient talks of her own experience of receiving the treatment. It also works as an information and training tool for psychiatrists, nurses, support workers and other health professionals and allows patients and health staff alike to ask questions directly of the team's ECT experts.

My Care, My Voice - celebrating service improvement collaboration

An innovative new service improvement project – My Care, My Voice – has brought together groups of staff, service users and carers to share personal experiences of our learning disability service. The group has used a series of interviews, workshops and films to identify key improvements around increasing awareness and access to information about learning disability services, and to improve communication with people who use the service and their families.

Families, young people and children's services

We provide universal and specialist support including child and adolescent mental health services, health visiting and school nursing, paediatric medicine, nutrition and dietetics services, eating disorder services, speech and language therapy, occupational therapy and physiotherapy.

Move it Boom!

Last summer, we invited all primary school children along with their families and carers, to take part in an active parks adventure entitled Move it Boom! To participate, an interactive map of the region's parks was shared via our unique Health for Kids website (www.healthforkids.co.uk). It listed a range of activities, both indoor and outdoor, to get children active and having fun regardless of their level of ability or fitness.

The interactive online content included digital badges awarded for completed activities, and a virtual treasure hunt. The Move it Boom! challenge was supported by a social media campaign and culminated in a special celebration event at Leicester Cricket Club in September, where schools took part in an attempt to break the Guinness World Record for the greatest number of star jumps completed in 60 seconds.

Move it Boom! received over 30,000 visits and will be re-launched this summer to coincide with the Rio Olympic games.

Eating disorder ward rated 'excellent'

Our Langley Ward, which provides hospital care and treatment to adults with anorexia nervosa, received an 'Excellent' accreditation from the Royal College of Psychiatrists 'Accreditation for Inpatient Mental Health Services' (AIMS) programme. This is an initiative to help raise standards across inpatient mental health units, using self-review, questionnaires with patients, carers and staff and an external peer review visit from a team comprising eating disorder professionals and a patient. The service was assessed against some 300 standards covering themes around safety, timely and purposeful admission, the environment and the facilities, therapies and activities on offer.

Prestigious international Baby Friendly award for our health visiting service

In recognition of the high quality of our infant feeding support, our health visiting service was awarded the prestigious and internationally-recognised Baby Friendly Award. This initiative was set up by UNICEF and the World Health Organisation to promote, protect and support breastfeeding and to strengthen mother and family relationships with new babies. The accreditation followed a rigorous assessment process which evidenced outstanding best practice standards are in place across the service for new mothers.

Mothers urged to say it is #MyRightofWay

We launched the second phase of our successful 'Meals on heels' breastfeeding campaign in June. A series of positive and empowering e-postcards showing images of real mothers breastfeeding their babies in everyday locations were shared via social media.

#MyRightofWay aimed to encourage and inspire mums to feel confident in the choices they make for themselves and their babies, whether or not that means breastfeeding, whilst also challenging negative public views about breastfeeding in public places. The Meals on Heels app, which has been downloaded by over 7000 people, was highlighted as part of the campaign. It lists breastfeeding friendly local venues that mums can rate and add to, as well as a guide to local breastfeeding support.

Young co-designers help us reach out to vulnerable teens

A network of young people aged 13 – 21 years have been recruited by our child and adolescent mental health service (CAMHS) to co-design service improvements to ensure they are 'young person friendly' and to help tackle stigma around children and young people's mental health.

The Young Advisors Network have either had direct experience of CAMHS themselves or helped a sibling or friend struggling with mental health issues. A young person's board has also been developed, known as 'Evolving Minds', who so far, have played an instrumental role in securing funds for a prevention and crisis service within CAMHS. The group are also co-designing mental health content for our Health for Teens website.

Health for Teens website receives national award

Our innovative Health for Teens website (www.healthforteens.co.uk) received a prestigious Association for Healthcare Communications and Marketing (AHCM) industry award in November, having been named as the overall winner in the 'Best website' category.

Health for Teens follows the success of our healthforkids.co.uk website, again being the first website of its kind within the NHS and co-designed with our school nursing service, local teens and schools as well as with dietitians, health improvement services and mental health services. It enables young people to easily access health information and emotional wellbeing advice from school nurses and clinicians in a format that suits them. Since its launch in March 2015, the site has had over 45k page views and 15k visitors. A Health for Teens Twitter account has been set up to drive traffic towards the website. The Health for Kids website has now had over 150k visitors.

The AHCM independent judging panel said: "'We loved the use of bright fluorescent colours. Content throughout the site is short, sharp and concise, which is perfect for the younger audience and is enabled with social sharing features. The fully responsive site means that visitors can access all the information across any platform - a key factor for teens who are out and about on their mobiles. Most of all we loved the fact that the site was not only designed for teens but that it was actually co-designed with over 100 young people. A truly collaborative site."

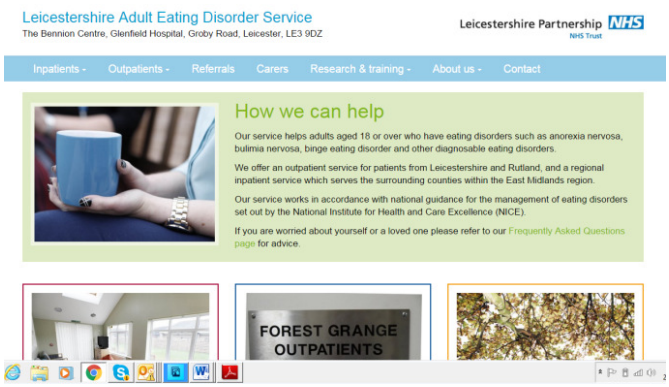
Chat Health goes from strength to strength

Our innovative local health messaging helpline, ChatHealth, has been awarded more than £100,000 funding by the East Midlands Academic Health Science Network to help improve young people's access to healthcare nationally. The money will be used to give other organisations a helping hand to set-up similar services.

The award-winning ChatHealth messaging service was developed by our school nursing service, and offers 65,000 local 11-19 year olds access to confidential health advice and support through text messaging. School nurses have received 3,500 messages from young people in secondary schools over the last 12 months, and are speaking to more new service users than ever before on a broader range of health issues. Teens say they are more likely to ask for health support from a qualified professional now that they have the option of asking questions remotely.

New eating disorders website

Our Adult Eating Disorders Service launched a new website offering support and advice from the service to coincide with this year's Eating Disorders Awareness Week in February.



Paul Williams, Head of Service, said: "The resource, for potential service users, their carers and GP's, includes information about the service, treatments available and information for those affected by eating disorders. Staff at the service are also featured in a series of short films to explain our approach and treatment in detail."

Visit www.leicestereatingdisorder.co.uk

Over 75,000 children offered nasal flu vaccine…

For a third year local school aged children in Leicester, Leicestershire and Rutland have been offered the nasal flu vaccination to protect against the seasonal flu and help to protect families and friends from the virus.

The Community Immunisation team visited over 360 school sites across Leicester, Leicestershire and Rutland, including special school and nurseries, as part of the primary school programme. The vaccination was offered to over 75,000 school aged children and approximately over 44,000 have been successfully and effectively vaccinated against seasonal flu.

…and over 30,000 teenage booster vaccinations were given

The teenage booster vaccination (Td/IPV, MEN ACWY) covers Tetanus, Diphtheria, Polio and Meningitis ACWY. In addition the Human Papilloma Virus (HPV) vaccine is offered to girls in secondary school years 8 and 9. A myth-busting video about the HPV vaccine was shared through social media, sent to all schools and also hosted on the Health for Teens website (www.healthforteens.co.uk). The immunisations programme, which covers 131 schools, is currently on-going. More information is available on the Health for Teens site.

Community Health Services

These services, for adults and older people, include inpatient services in seven County community hospitals and the Evington Centre in the City, district nursing, community based rehabilitation and rapid response services, specialist palliative and end of life care, specialist long term condition services, adult nursing and therapy services, mental health and wellbeing services for older people, adult podiatry, speech and language therapy, occupational therapy and physiotherapy services.

Investment in new technology to keep patients safer

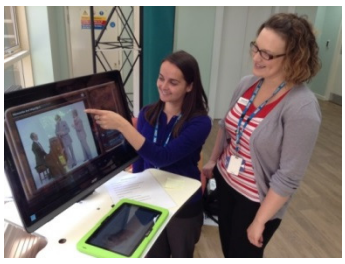
We have completed the rollout of the innovative Nervecentre technology across our community hospitals' inpatient wards. The system, which has been implemented following our successful £1m bid to NHS England's Nursing Technology Fund, is being used by nursing staff to monitor patient's conditions using mobile devices. The equipment, supplied by Nervecentre Software, issues reminders when measurements are due, and also alerts staff if the measurements suggest that the patient's condition is deteriorating. Recording the information in this way makes it easier for nurses and therapists to update colleagues at the end of a shift, saving time and paperwork.

Intensive Community Support continues to expand

This popular service provides a high level of nursing, therapy and social care to patients in their own homes, who otherwise would have been admitted – or continued to stay in – a hospital bed. Most of the patients are older people. Research shows that people recover more quickly when treated in their own homes. In October last year the service looked after 126 patients at any one time in their homes. By the end of this March that rose to 230.

Reminiscence technology to help engagement with dementia patients

Our charitable fund enabled an investment in technology to support patients with dementia and other mental health issues. We now have seven reminiscence units, five of which are accessed via large touch-screen computers appropriate for use on hospital wards, and the remaining two set up on tablets for use by outreach teams.



The reminiscence units play clips from old TV programmes, show nostalgic photos, and can provide a focus for both individual and group activities, engaging patients in meaningful contexts that generate positive feelings. The units can also be used to produce individual life stories, helping staff to better understand the interests and experiences of their patients, and ultimately to inform person centred care.

Positive report findings into care at Coalville Community Hospital

High standards of care at Coalville Community Hospital have been recognised in a report by independent health watchdog Healthwatch Leicestershire, following their visit to two inpatient wards earlier this year. Outpatients and the children and adolescence mental health ward were not inspected. The inspectors reported: “Everyone that we spoke to said that they were well cared for.”

Their findings included that:

- the reception and ward areas were “clean and bright”;
- patients appeared to be well cared for, and interactions between staff and patients were friendly and professional;
- the layout of the rooms gave patients a high degree of privacy and dignity.

Hundreds benefit from wound care project

Our Care Home Project has been recognised as a finalist in the Journal of Wound Care awards for saving hundreds of people from painful and possibly fatal wounds. The team has trained over 3000 care home staff about pressure ulcers, and what they can do to prevent them. In a year the project has reduced the number of care home residents suffering from pressure ulcers from 34 a month to zero.

Raising awareness of sepsis

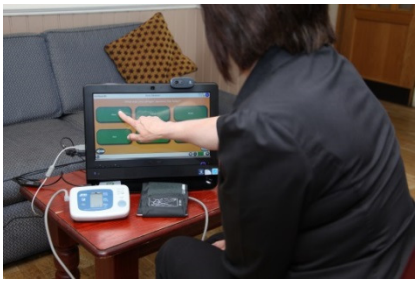
In September, a ‘sepsis roadshow’ visited our community hospitals to give information about sepsis to patients, their relatives, and staff. Sepsis is estimated to be responsible for 37,000 deaths in the UK each year, a number thought to be increasing due to the ageing population, greater resistance to medication, and the use of more complex medical interventions. The roadshow highlighted the signs to look out for, and the first steps to take once sepsis is diagnosed.

Integrated health and social care hub opens

In November, our nursing and therapy staff and Leicester City Council social care staff teamed together for the benefit of patients, as an Integrated Unscheduled Care Hub at the Neville Centre (based at the Leicester General Hospital site). The move has made it easier to have face-to-face conversations and meetings about the best way forward for individual patients who have falls or sudden illnesses, helping to prevent unnecessary hospital admissions.

Award for pulmonary disease self-care project

Our partnership self-help project for lung patients was shortlisted in the East Midlands Innovation in Healthcare Awards. The project involves health coaching for patients with chronic obstructive pulmonary disease, asking them to input details about their daily health via home computers, helping to monitor any indications of deterioration, and giving them specialised advice as a result. Over the initial 12 months, there have been 177 fewer hospital admissions than expected. Project partners are Leicester City Clinical Commissioning Group, Spirit Healthcare, and Totally Health PLC.



New garden at Rutland Memorial Hospital

A new £48,000 garden was opened this year for the enjoyment of patients, their visitors and staff following a charitable bequest by Uppingham resident Ted Toon.

The garden has been designed to have multi-sensory appeal and focal points of interest throughout the year. Along the walls are a series of photos of Rutland landmarks, deliberately positioned at a height suitable for wheelchair users.

Hospital patients express their feelings through art

Dozens of patients, their relatives and hospital staff and volunteers worked with professional artists on a nine month arts project at St Luke's Hospital in Market Harborough. As well as brightening up the day rooms, corridors and canteen at the hospital, the art work helped many to express their feelings about their illnesses, and their hopes for the future.

Lindsay Bowles, a ward sister on the stroke ward, said: "We are trying to convey the inspirational message that people do overcome devastating events such as stroke. Even though our patients are poorly, they can still create and contribute their own personal experience to such positive works."

Enabling Services

Our enabling services provide support across our Trust and include the chief executive office and Trust secretary, finance, estates, quality and patient experience, research and development, human resources, business development, health and safety, equalities, information and performance, communications, and the medical directorate. Hosted services include Health Informatics Services (HIS) and 360 Assurance (counter fraud).

Launch of a new monthly staff award

In June we launched a new monthly staff award, the 'Valued Star Award', to commend individuals or teams that embody one or all of our Trust values of compassion, respect, integrity and trust in their daily work, going above and beyond expectations in the way they support colleagues and service users. Nominations are invited from members of staff and service users alike.

The winner is surprised each month by a visit from our chief executive Dr Pete Miller, who presents a framed certificate and pin. The presentation is filmed and shared with staff.

Promoting positive mental health and wellbeing

To mark the start of a Trust-wide health and wellbeing campaign, we held our first ever mental health and wellbeing conference for staff in October. It was an opportunity not only to raise the profile of various initiatives already in place across our Trust to support staff, but also to initiate discussions about other ways of promoting positive behaviours to improve our mental health and wellbeing at work.

The day finished with our Trust chief executive and chair, Dr Pete Miller and Cathy Ellis signing the 'Time to Change' pledge, formally committing to work to reduce mental health stigma and discrimination.

'Looking through the Bollywood lens'

To help reduce the stigma around mental health, we continuously seek to engage our local communities and encourage them to help shape our services. We held two 'Bollywood' events this year to engage minority ethnic service users and their families and carers in conversation about their experiences of dealing with, and receiving support for, mental health issues, using the power of Bollywood films to generate discussion.

Recognising staff with 25, 30 and 40 years' NHS service

Our annual Long Service Awards, held in September were an opportunity to celebrate the contribution made by 166 members of staff, who between them had clocked up an amazing 4,745 years of NHS service, impacting over a million patients in the course of their careers.

Addressing the award winners, our chief executive Dr Pete Miller said: "The NHS has been safe in your hands, and future generations have a lot to be thankful to you for. You have touched thousands of lives, supporting people when they were at their most vulnerable, and we applaud your dedication and resilience."

Our nurses rock!

On International Nurses' Day (12 May), we took the opportunity to say 'thank you' to our nurses through a social media campaign involving staff from across the Trust. Our nurses also talked on video about why nursing is so important to them, all of which can be viewed on our YouTube channel.

Health and safety

Our health and safety compliance team introduced the 'Bite-sized Safety' roadshow to sites around our Trust during October's Health and Safety Awareness Month. This is just one of the initiatives they've used this year to help create a culture which promotes effective management of health, safety and welfare, and ensuring opportunities for accidents and occupational ill-health are eliminated.

Pioneering new partnership approach to addressing hate crime

We led the creation of a unique new Health and Hate Crime e-learning package to improve NHS staff awareness of how to address hate crime. The package was launched at a special event by Leicestershire's Hate Crime and Healthcare Partnership during Hate Crime Awareness Week on 14 October.

It supports the work of the Hate Crime and

Healthcare Partnership, which was formed in February 2014 to develop a hate crime care pathway across the health system covering Leicester, Leicestershire and Rutland.

Leon Herbert, Hate Crime Project Manager at LPT, said: "We are proud to have co-designed this e-package with local communities affected by hate crime; nothing like this seems to exist anywhere else in the country. We hope that it will support the partnership's mission to improve the way local health agencies work together to provide a more tailored and responsive health service for victims and witnesses of hate related crime and incidents."

Research

Our Research and Development team have continued to support staff in developing their knowledge, skills and awareness of research. Our research activities cover a wide range of areas, including children's services, child and adolescent mental health, community health, dementia, eating disorders, Huntington's disease, integrated care, learning disabilities, mental health, psycho-oncology and telehealth.

Since 2013 over 3,000 of our service users and carers have participated in research studies through the National Institute of Health Research. Our staff are encouraged to share their research through publication in academic journals, and through our monthly Trust-wide research forum.

There is growing evidence that our research is impacting and improving the care we provide. Our links with universities continue to grow, and this year several members of staff have been awarded honorary academic roles at both the University of Leicester and De Montfort University which supports research collaborations.

We will go smoke-free in 2016

We are working towards our Trust being completely smoke-free (both our indoor areas and grounds) during 2016. As an NHS organisation, we have a responsibility to promote the health and wellbeing of staff and patients, and cutting smoking rates is one of the most productive ways of helping people to get healthier and to gain more disease-free years of life.

The prevalence of smoking in people with mental health problems is much higher than in the rest of the population. Given that mental health is one of the core aspect of LPT's services, and a move to becoming smoke-free will require a significant culture change in these settings, we have opted for a developmental process rather than a strict deadline to make the transition easier for both staff and service users.

A key part of our smoke-free strategy is to ensure that patients and staff who smoke do not suffer the discomfort of withdrawal symptoms when they can no longer use cigarettes on site. Providing support and guidance will be a key priority moving forward.

How we performed: Our analysis

There are four levels in our performance management and accountability framework.

Team level and service level performance management

Each clinical directorate ensures that a formal, written and approved performance management framework is established. These local frameworks establish a process for appropriate ward and team performance management information and review, as well as a formal process for overall performance review at directorate level.

Corporate performance oversight

At the highest level within our organisation, our T**rust Board receives performance information each month** in the form of the Integrated Quality and Performance Report (IQPR), the summary risk register report and any associated exception reporting.

Detailed scrutiny and review of performance is delegated by the Board to the **Finance and Performance Committee (FPC)**. The FPC receives the IQPR each month ahead of the Trust Board meeting and undertakes a thorough examination of the retrospective performance information and associated performance reports.

Accountable officer performance and accountability review

Every six months, an accountability review is carried out for all services, at which the level of escalation and autonomy is agreed. The clear focus is always on the quality of the patient experience, their health outcomes and safety. However, it is important that alongside this focus on quality, is an assurance of financial discipline and value for money.

Quality improvement – key achievements

Quality is a top priority for LPT. We continue to improve the quality of our care by listening to each other and working together. Our Quality Account, which summarises the progress we have made in more detail, is published separately alongside the Annual Report. **Key highlights from the last year are:**

- 100% achievement in relation to the national CQUIN (Commissioning for Quality Innovation) on appropriate screening and management of the metabolic problems associated with mental illnesses.
- Successful roll-out of summary care records access to ensure patients are prescribed the right medication at the point of admission.

- 297 clinical audits carried out, with a re-audit rate of 57% compared to 47% last year.
- 100% of patients in an inpatient unit had a physical examination.
- 100% of community health adult inpatients had a documented Venous Thromboembolism (VTE) risk assessment within 24 hours of admission to hospital.
- Benchmarking visits by our clinical audit team, to other similar NHS Trusts, indicated that the team provide a good level of support.

LPT earns good rating in NHS league table for lessons learned

We received a 'good' rating in a new 'Learning from mistakes' league table (by Monitor and the NHS Trust Development Authority) ranking our performance on openness and transparency against other NHS Trusts.

The league table scores providers on the fairness and effectiveness of procedures for reporting errors, near misses and incidents; staff confidence and security in reporting unsafe clinical practice and the percentage of staff who feel able to contribute towards improvements at their trust.

Dr Peter Miller, our chief executive, says: "It is great that the efforts we have been making have been recognised and that LPT has been rated as good, but I am not complacent, there is much more to do. We will continue to build a culture of openness and transparency, to learn when things go wrong, and support our staff to speak up if they see poor practice."

Financial performance

The Summary Financial Accounts are presented with the Annual Report in Appendix A. We are pleased to have achieved all our Statutory Financial Duties for 2015-16, and our planned revenue surplus of £1.3m which we can reinvest in future years to improve care. In the current financial climate we continue to make efficiencies in the care we provide, reflecting the hard work and dedication of our staff in balancing the clinical and financial demands of providing healthcare to our local population. Thank you to all who have contributed to this. We continue to underline our commitment to being effective stewards of public resources.

In 2016-17, our Trust will be in a position where we will be aiming to achieve a break-even position i.e. our costs will match the income that we receive from our commissioners. This will still achieve our statutory duties but the deterioration from a surplus position highlights that we are operating in a very challenging economic climate. We do have to address this underlying movement and, with the support of our commissioners, clinicians and service teams, we need to make the difficult decisions to improve our financial position at the same time as continuously improving our patient services.
Our full financial statement is on page 59.

After considering all information available, the directors have a reasonable expectation that the Trust has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Trust's accounts.

Sustainability report

Good corporate citizenship and sustainable development

We are committed to sustainable development – achieving improvements that meet present and future needs through the efficient use of resources, while preserving the environment. Sustainability is part of the wider corporate social responsibility we have as individuals and as a major public organisation. We all want to make a difference, and our staff and service users alike need to be confident in our Trust's commitment to supporting and adding value to our local communities.

During 2015, LPT's Sustainability Champions Group reviewed all our current sustainability plans and drafted a five-year Corporate Social Responsibility (CSR) strategy for Board approval in March 2016. The strategy has four themes: **transport, community building, procurement and estate.**

Transport

The Trust is benefiting from a more sustainable approach to transport using low emission vehicles and green transport plans which encourage cycling, walking and the use of public transport. For example, the Trust recently signed up to the University Hospitals of Leicester Hopper Bus scheme. The service runs between the three main hospital sites in Leicester every 30 minutes from Monday to Friday, linking the Leicester Royal Infirmary, Leicester General Hospital and Glenfield Hospital with Beaumont Leys Centre, Hamilton Centre, Leicester railway station and Leicester's park and ride hub at Jubilee Square (was St Nicholas Place). Staff are encouraged to use the service to travel to and from work and between sites.

The developing LPT estates strategy is exploring ways in which we can provide care closer to patients' homes, making it easier for the communities we serve to access our services. In addition, our Trust is committed to support staff to use technology to adopt more 'agile' working practices. This in turn will also reduce the number of daily commutes to work and between meetings.

Procurement

We have worked with the Government Procurement Service to develop a more sustainable approach to purchasing goods and services, bringing benefits for the environment, society and the economy. Guidance on procurement of services and goods is set out to ensure we meet the requirements of the 2012 Public Services (Social Value) Act. Our new sustainable procurement strategy is part of the work underpinning the CSR strategy.

We are committed to reducing the amount of black bin bags we send to landfill. At our Trust headquarters, Bridge Park Plaza, desk bins have been removed, with recycling bins placed in appropriate areas (black bag bins are still available in kitchen and toilet areas). Not only will this save money, as recycling bins are cheaper to empty, and we will spend less on black bags, but we are sending less rubbish to landfill. The scheme is now being rolled out across other large buildings across our Trust. Our staff based at County Hall in Leicester already work in a total re-cycle environment.

Reducing energy use and costs

Text below to be updated – awaiting statistics from ERIC return 2015/16

	2013-14	2014-15	2015-16
Electricity consumption (KWH)	7,092,862	5,650,483	
Gas consumption (KWH)	27,728,083	20,696,782	

The total gas and electricity cost comparison for LPT has decreased from £1.44m for the year 2013-14 to £1.19m for the year 2014-15 (excluding water and VAT). This equates to a 17.5% decrease in cost overall, based on an associated reduction in electricity and gas consumption of 20% electricity and 25% gas.

Although typically, the price per kilowatt hour of energy has been rising during the period, there have been a number of large and small property sales which have directly influenced the downward trend of energy consumption. However, this downward trend is not expected to continue year on year.

Reducing CO_2 emissions and waste

Our commitment to reduce CO_2 emissions follows on from the 2008 Climate Change Act that set legally binding targets for UK to reduce carbon emissions by 80% by 2050 compared to levels in 1990. The National Carbon Plan set interim targets that the UK will reduce carbon emissions by 34% by 2020 compared to levels in 1990. We are reviewing our Carbon Management Plan, together with ensuring all designated premises display energy certificates.

This table shows our carbon emissions over the last few years:

	2012-13	2013-14	2014-15	2015-16
Carbon emissions as a result of electricity consumption (tonnes)	3,100	3,915	3,080	
Carbon emissions as a result of gas consumption (tonnes)	3,675	3,868	3,833	

In the past few years we have introduced automatic meter reading, the centralisation of printers on sites, thermostatic mixer valves, and smart lighting.

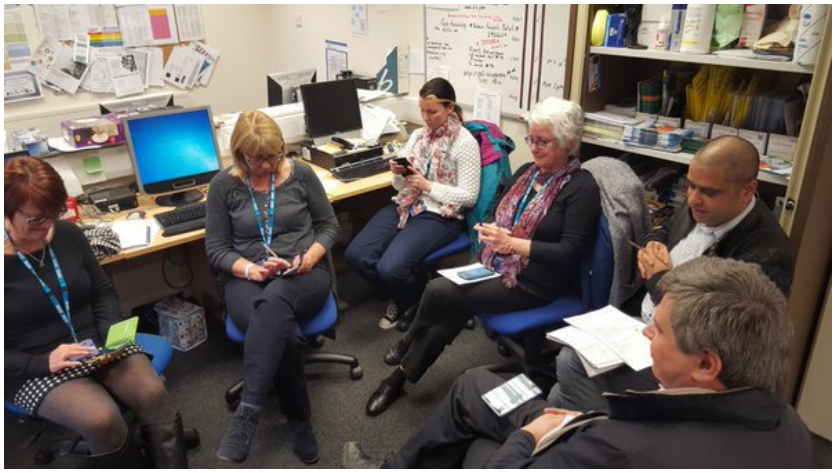
The table below shows m3 water consumption over the last few years:

	2012-13	2013-14	2014-15	2015-16
Water consumption	55,072	87,642	33,542	

Estate

Using the Building Research Establishment Environmental Assessment Method (BREEAM), our Trust has achieved an 'excellent' rating on new development schemes. BREEAM sets the standard for best practice in sustainable building design, construction and operation and is a recognised measure of a building's environmental performance.

This year, we started implementing our estates transformation strategy. This has involved aligning new ways of working with a rationalisation of our property portfolio, allowing us to reduce occupied floor space by 4,200m² (representing a net annual saving of £1.5m from the operating budget). We will continue to focus on reducing the space we occupy and moving towards more flexible and agile working practices. This will mean less 'fixed' desk space is required for staff.



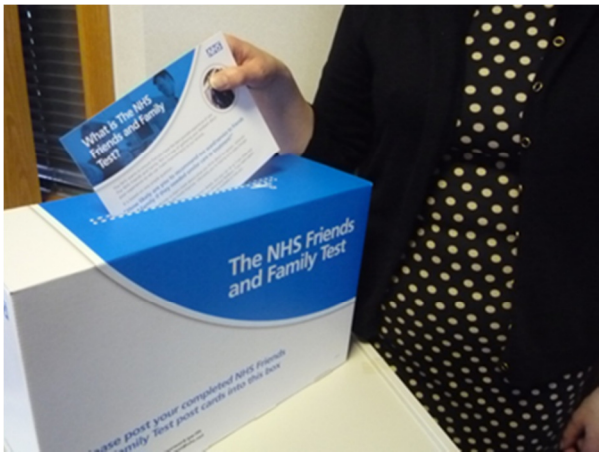
The Saffron Health Visiting team (pictured) recently took part in an agile working pilot as part of our Listening into Action programme. Members of the Leicestershire Health Informatics Service (LHIS) worked alongside the team to co-design relevant smartphone apps and help them harness new technology to increase efficiency, become more responsive to service users and achieve a better work/life balance. Lessons learned from the pilot are now being rolled out across the Trust.

Work also commenced in October 2015 on the construction of a new £5m purpose-built facility for specialist Huntingdon's Disease inpatient and community services at the Stewart House site, Narborough (see page 12). The first phase of construction works are programmed to complete in October 2016 to allow services to be delivered from the building from November 2016 onwards.

Social responsibility and involvement

There are many ways, like those below, that we engage our patients and service users in creating, developing and improving our services and the quality of care we provide.

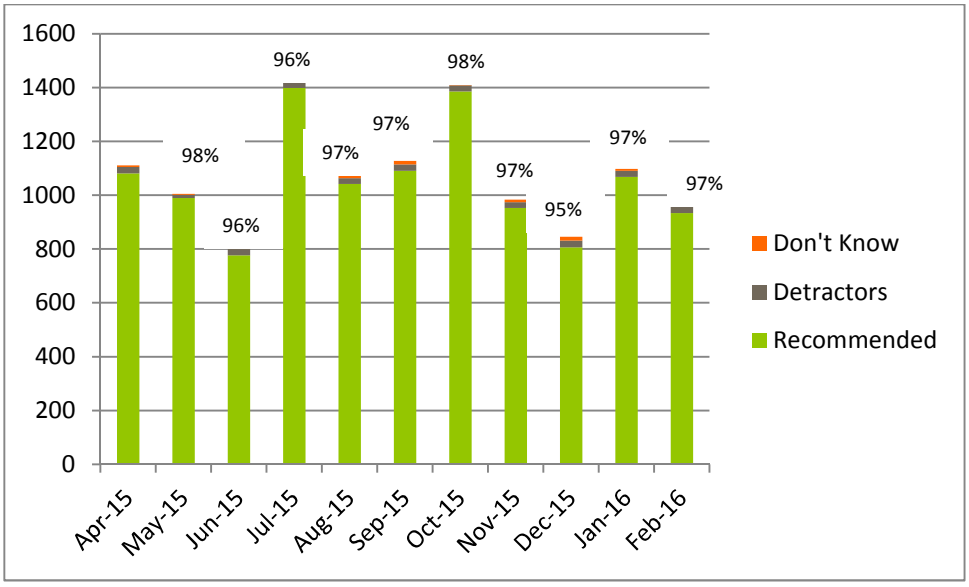
The NHS Friends and Family Test: What do our patients say?



During 2015-16 the Trust implemented the Friends and Family Test (FFT) across all appropriate commissioned services. This asks patients ***"how likely are you to recommend our ward/service to friends and family if they needed similar care or treatment"***, and invites them to score the service using a five point range from 'extremely likely' to 'extremely unlikely'.

We received more than 10,000 responses in 2015-16, and consistently more than 95% of responders say that they would recommend the service we provide.

The overall score for LPT in 2015-16 by month is shown in the chart below. Scores are shown as the percentage of people who say they are 'extremely likely' or 'likely' to recommend the service to their friends and family.



As part of the FFT process, patients are also given the opportunity to make a comment and offer suggestions to help improve the service. **On average, 96% of the comments made were positive, and these are shared with staff.** Of the remaining 4%, on average 1% provided a suggestion for how we could improve.

The feedback we receive is generally around these common themes.

- Attitude of staff
- Appointment delays
- Nursing care
- Communication

The table below outlines some of the improvements that have been implemented across the Trust as a direct result of service user feedback in the last year:

Comment	Improvement made in response
Patient feedback from the older persons unit said that on occasion it felt chilly or cold.	Whilst the temperature is constantly checked for appropriateness, blankets are now available for people to use if required whilst they wait.
Welford ward received feedback that it would be good to have more toilets on the ward.	The ward secured a capital bid to convert a store room into a toilet and shower. Work is underway to start the conversion.
The memory service received comments relating to waiting times.	The service is now being redesigned, and we are looking at waiting times as a priority.
District nursing clinics received comments relating to the continuity of nursing staff.	Clinics have been allocated to staff on a weekly basis to offer more continuity to patients.

Some services are not considered appropriate for the FFT questionnaire. They are:

- End of life care
- Assessments on looked after children
- Community psychiatric nurse led services at police stations, magistrate's courts and the mental health police triage car.

Involving patients, carers and the community

We are committed to involving our patients, their relatives, carers and the local community to improve patient experience. We have a *Patient and Carer Experience and Involvement Strategy*, which includes three promises:

- **We will listen and learn** from our patients, their carers and families about their experiences and ask for their suggestions about how services will be improved.
- We will do this by **systematically gathering and analysing both qualitative and quantitative evidence** in a range of different ways, and will use this evidence to continuously measure and improve our services to provide the best possible experience.
- We will **involve stakeholders, especially those from vulnerable or seldom heard groups**, in the planning, development and delivery of our services.

The strategy gives us a clear focus, and will help us to build on the existing involvement structures, such as our patient and carer reference group, who provide a valued perspective on planned changes and improvements to services. This group meets quarterly. This year they have considered areas such as:

- LPT financial account
- the redesign of adult mental health services in the community
- the community health services out of hospital care shift programme.

The Trust continues to ensure that patients and carers are involved in the recruitment of staff across all levels of the organisation.

Our Chief Executive, Dr Peter Miller, meets quarterly with leads from the Leicester, Leicestershire and Rutland local Healthwatch teams. At these meetings, Healthwatch put to him wide-ranging questions from their membership groups on such topics as:

- services provided by school nursing teams
- support available for NHS staff when raising concerns or complaints
- Alzheimer's services for people under 65
- information about care pathways for children experiencing a mental health crisis.

Volunteering

We are lucky enough to have around 400 regular volunteers from the local community who work in our services for the benefit of patients; an additional 160 volunteers were recruited during 2015. Here are some key facts:

- Our volunteer drivers have completed an average of 626 journeys per month (around 200,000 miles) enabling service users and patients to access services across the Trust.
- In December 2015, our induction for volunteers was reduced to one day. This has enabled 20 new volunteers to attend the Trust induction.
- Level one safeguarding training has been delivered to 100 volunteers who had started prior to the requirement to attend induction. This equates to 90% of those who needed to complete the session, ensuring that we are compliant with the recommendations of the Jimmy Savile Enquiry about protecting vulnerable people in the NHS.
- It is now Trust policy that all volunteers refresh their safeguarding training every three years.
- This voluntary work has an annual financial value to the Trust of £500,000 (using the formula recommended by National Council of Voluntary Organisations (NCVO)).

A five year work plan for the voluntary services team was approved in September 2015, and good progress is being made against implementation, including the gathering of volunteer experience data by questionnaire and interview.

Will Reid, volunteer at Leicester Recovery College, won Volunteer of the Year at this year's Celebrating Excellence Awards (pictured above)

Mental Health Surveys

Inpatient survey

The response rate for this survey was 22% which was slightly higher than the average response rate. The areas where the Trust was rated highly were:

- patients being made to feel welcome
- patients being told about ward routine
- specific dietary needs being met
- patients feeling that talking therapy helped.

55% of respondents gave an overall rating of care and treatment as either excellent or very good which is an increase on last year's score and higher than the national average, however LPT fell into the bottom 20% bracket in ten of the questions, reflecting where there is more to do.

CQC community survey

The response rate for this survey was 32%. The CQC found that there had been 'no notable improvement' since the 2014 survey, and disappointingly, in some questions, a slightly higher proportion of respondents reported a poor experience. Some specific priority areas in which the Trust was identified as being below average are:

- organising and planning care
- giving information about new medicines in an understandable way
- ensuring patients knew who to contact in an emergency
- providing help to patients in finding support for physical health needs and finding/keeping work.

However, the survey results showed that the number of patients feeling that they were treated with respect and dignity increased to 84% which is higher than the national average. The percentage of patients who knew who to contact out of hours if in crisis increased by 6% compared to 2014 and 97% of respondents know how to contact the person in charge of their care, putting LPT in the top 20% of NHS Trusts surveyed for this.

Principles for Remedy

Compliments, complaints and how we learn from them

Our patient experience team, made up of the complaints team and patient advice and liaison service (PALS), helps patients, carers and members of the public with any compliments, comments, concerns, complaints or enquiries they have about our services. We aim to resolve any issues raised as quickly as possible by working with service staff, and are committed to capturing all patient and carer feedback to ensure that lessons are learnt.

Over the last 12 months we have reviewed and updated our complaints policy and process to incorporate recommendations from the Clwyd Hart review 'Putting Patients Back in the Picture', which was commissioned to look at the complaints handling process nationally as a result of the Francis report about the Mid-Staffordshire Hospitals' Enquiry.

During 2015-16 we handled over 2,868 cases, an increase of 43% compared to the previous year (2,396). These ranged from general patient/public enquiries, such as signposting to different services and providing information about our services, to concerns and complaints which required a formal investigation. **This year we received 346 complaints, which is a slight decrease compared to 348 received last year.**

A number of complaints were referred to the Health Service Ombudsman. Of these, one was 'upheld' and two 'partially upheld'. Action plans have been put in place to address these and to ensure that lessons are learned.

We actively collate and monitor compliments, and this year we received **997 compliments**. On average, we received 2.5 times more compliments per month in 2015-16 than complaints. Compliments demonstrate to us when we have got it right from the perspective of our patients, services users and carers. Here are a few of the compliments we've received:

Our charitable fund

This year we appointed Lindsay Woodward in the new role of Charitable Funds Manager, with a clear focus on raising the profile of the Trust's charitable fund and generating more voluntary income.

Donations to the fund usually come from patients, service users or their friends and families in response to the exceptional care their have received from our staff and services. The money is used to fund projects and equipment which will enhance the experience of both our patients and service users as well as our staff. For example, charitable funds have recently been used to support therapeutic art activity projects for our mental health service users, provide sensory equipment training for the Mett Centre and music sessions for our dementia patients.

On 14 May this year, 46 members of staff took on the challenge of climbing ten Lake District peaks in a single day to raise much needed income for the charity. The team achieved their fundraising target of £5,000. In July a staff five-a-side football tournament will take place with the aim of raising a further £3,000 which will go towards the Sport at the Bradgate appeal. The funds from the tournament will be used to purchase a recumbent bike for the wards at the Bradgate Mental Health Unit, along with more sports equipment, to enhance the health and wellbeing of patients.

To find out more about how you can support LPT's charitable fund, please get in touch with Lindsay Woodward via email Lindsay.woodward@leicspart.nhs.uk or by calling 0116 2950889.

Developing our Trust membership

We have around 9,500 public members and approximately 5,400 staff members.

Membership of our Trust is free and is a way of people registering their interest in what we are doing as a major local health provider. Members have the opportunity to:

- have a greater say in how our services are run
- receive regular updates about LPT and its services
- have a sense of ownership of their local NHS.

Numbers of public members have remained stable during 2015-16 with natural losses being replaced with 192 new members during this financial year. The majority of our staff are members, with only a very small percentage choosing to opt out.

We have taken steps to ensure that our public membership is broadly representative of the population we serve in terms of age, background and ethnicity. By attending local events, working more closely with partners, and our patient and carer engagement team, we have been recruiting new members from a range of communities. Public membership is one way in which the Trust will receive feedback on our ambition for integrated and joined up care pathways.

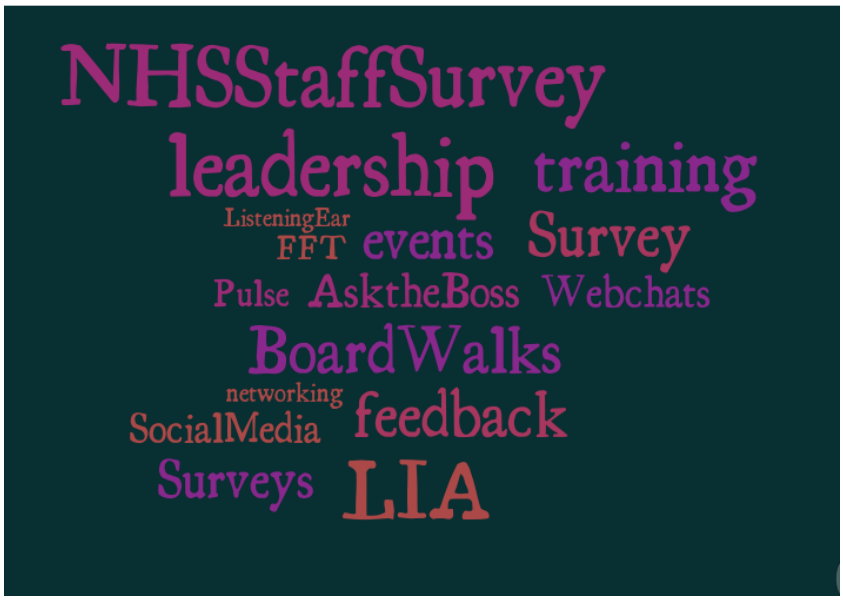
Our public members are able to access free training sessions each month, which are well attended. Colleagues in East Midlands Ambulance Service (EMAS) deliver British Heart Foundation emergency life support training and sessions on improving health. The first aid sessions provide members with skills to deal confidently with a heart crisis, a choking person and other emergencies. The short wellbeing course provides information on making positive lifestyle changes to improve health and wellbeing.

In September 2015 all members were invited to our Annual General Meeting and an opportunity to visit many interactive exhibitions promoting the Trust's services and future plans.

Further information about becoming a member and opportunities to engage with the Trust can be found on the Trust's website at www.leicspart.nhs.uk, by ringing the membership freephone number 0800 0132 530, or by emailing membership@leicspart.nhs.uk.

Engaging our staff

There are many ways that we ensure that we constantly listen to and respond to our staff:



Our national staff survey results for 2015-16 show that we are continuing to make good year-on-year improvement in engaging our staff. We recognise the importance of having a workforce with the right knowledge and skills to deliver excellent services, and so we have invested significantly in enabling collective leadership, learning and innovation. It is also essential that our staff display the right attitudes and positive behaviours. By embedding our values of compassion, trust, integrity, and respect across the organisation, including through our new appraisal process, we aim to create LPT's future culture to be one that is values based, always with the patient/service user at the centre.

Listening into Action

We have continued the roll-out of the 'Listening into Action' (LiA) approach to staff engagement, enabling staff to be heard and to work together on solutions to the issues they raise. Here is an overview of the latest cohort's achievements:

The pharmacy team wanted to align the practice of prescribing and administering hypnotics. They are now in the process of implementing Zopiclone as a patient group directive and rolling out training to nurses at the Bradgate Unit. Sleep packs are being created for wards to encourage a reduction in the use of this medication. The Pharmacy Leads are keen to publish the results, from using the LiA approach, as it is the first time it has been used in addressing standardisation of medication use.

The youth justice liaison and criminal diversion team took a different approach to LiA. As a newly set up team, they needed to raise their profile and improve the process of screening of young people in custody. They have now increased their referral rate from an average of four per week to approximately 40! They have also improved the process by which they see young people in custody to make a better service user experience and are producing posters and leaflets to further promote their service.

Accessible information standards group held a 'big conversation' which was attended by more than 50 member s of staff and service users. They are working on actions which will ensure service users have information in the format that they need.

Agile working group: A small pilot team of health visitors found huge benefits from using LiA to improve the way they work, introducing technology to allow them to work away from base more easily. Not only did this enable an increase in contacts and productivity, the team have reported feeling more relaxed and improved staff morale.

The communications team engaged with staff through a big conversation, team meetings, and roadshows, to capture their views on communication across the Trust. The team have sourced new software to facilitate two way communications, and plan to create a toolkit for staff. They have also provided ear phones for staff in offices to enable them to listen to vodcasts. The feedback is informing a new communications strategy for the Trust.

FYPC speech and language team: As a result of their 'big conversation', this team plan to hold two further events. One will be working with parents in relation to service co-design, and the other will be a best practice event for staff.

Staff experience

We want our staff to feel valued and motivated. We are committed to engaging our workforce and are working to ensure that every employee feels well informed and involved in the future of LPT.

Some common themes emerging from the feedback from our staff, and on which we have taken action, include:

- workload and staffing
- time to take a break
- recognising the contribution of staff
- support from managers
- visibility of leaders
- bullying and harassment
- awareness of support for health and wellbeing
- stress caused by constant change
- access to supervision
- length of recruitment process

NHS Annual Staff Survey

The annual staff survey is one of the ways we measure how well we are doing in improving the experience of staff and we are pleased that we've improved against all the indicators in the survey which we can compare with last year.

As part of the survey process, our Trust is benchmarked against other similar Trusts. While this shows that we are moving in the right direction, there is still work to be done to enable us to fulfil our aim of being the employer of choice.

The areas where we compare most favourably with other Trusts are:

- good communication between senior management and staff
- staff experiencing lower levels of harassment, bullying or abuse from patients, relatives or the public
- staff working extra hours
- the quality of appraisals
- staff believing LPT provides equal opportunities for career progression or promotion.

The areas where we have shown the greatest improvement in the 2015 annual NHS Staff Survey are:

- staff motivation at work

- staff feeling they are able to contribute to improvements at work
- staff suffering work related stress
- effective use of patient/service user feedback
- staff recommending LPT as a place to work or receive treatment.

The areas where we compare least favourably with other Trusts are:

- staff feeling satisfied with the quality of work and patient care they are able to deliver
- effective team working
- support from immediate managers
- staff feeling pressure in last three months to attend work when feeling unwell
- quality of non-mandatory training, learning or development

We continually review all survey results to ensure that our programmes of activity focus on the issues that matter to, and make a difference to, staff. Our current actions focus on the key themes of:

- **effective leadership/management support (including quality of appraisal)**
- **effective teams**
- **communication and engagement (including recognition)**
- **health and wellbeing.**

Consultation with staff

Effective staff involvement is essential for us to shape and improve service delivery. During 2015 - 16 we have continued to actively involve staff, across all services, through engagement and consultation linked to service development initiatives and associated change management programmes. We produce a weekly Trust e-newsletter, and encourage the use of social media (in line with the Trust's social media policy) as a forum for staff to share their views. Themed live web chats, using our website, have also been introduced.

The Trust's formal Joint Staff Consultation and Negotiating Committee (JSCNC) meets bi-monthly. The committee acts as:

- a central forum through which we can consult staff representatives
- an opportunity for staff side representative to comment on and influence our business
- a regular opportunity to identify and discuss other issues relevant to the general interest and welfare of our employees.

In addition to the JSCNC meeting, an active medical local negotiating committee operates within the Trust and there are joint staff consultative forums for the three main clinical directorates. They meet regularly to address local issues.

Support and advisory services

Our staff have access to a wide range of support and advisory services:

- the Occupational Health Service is available to all staff
- confidential counselling and psychological support services (Amica)
- the 'Listening Ear' service which provides confidential one-to-one support from the department of spiritual and pastoral care
- the staff ombudsman for advice on raising concerns/whistleblowing
- the disabled staff support group
- the interfaith forum
- the black and minority ethnic staff support group
- the carers support group
- the lesbian, gay, bisexual, transgender group
- the anti-bullying and harassment advice service (ABHAS)
- access to mediation for resolving workplace conflicts.

The anti-bullying and harassment advice service has also been expanded this year to include a text service

We want to create a culture of openness and transparency, where staff are not afraid to raise concerns. Just some of the ways we are enabling this are:

- A feedback email address and 'Ask the Boss' email. This was designed to give staff a direct line to the chief executive who answers all queries and share responses across the Trust.
- If a member of staff has concerns about an issue that affects the delivery of services or patient care, they are encouraged to speak to their line manager, head of service or director.
- They can also contact the Trust's staff ombudsman for advice.
- If they have concerns about a work issue, they can contact their trade union representative or a member of our human resources team.
- The Trust's whistleblowing policy has been reviewed this year in light of the Sir Robert Francis 'Freedom to Speak Up' report. It has been renamed 'Raising Concerns' and plans have been put in place to recruit to a Guardian within the Trust.
- An e-learning package has been made available to staff to increase awareness of how to raise concerns.

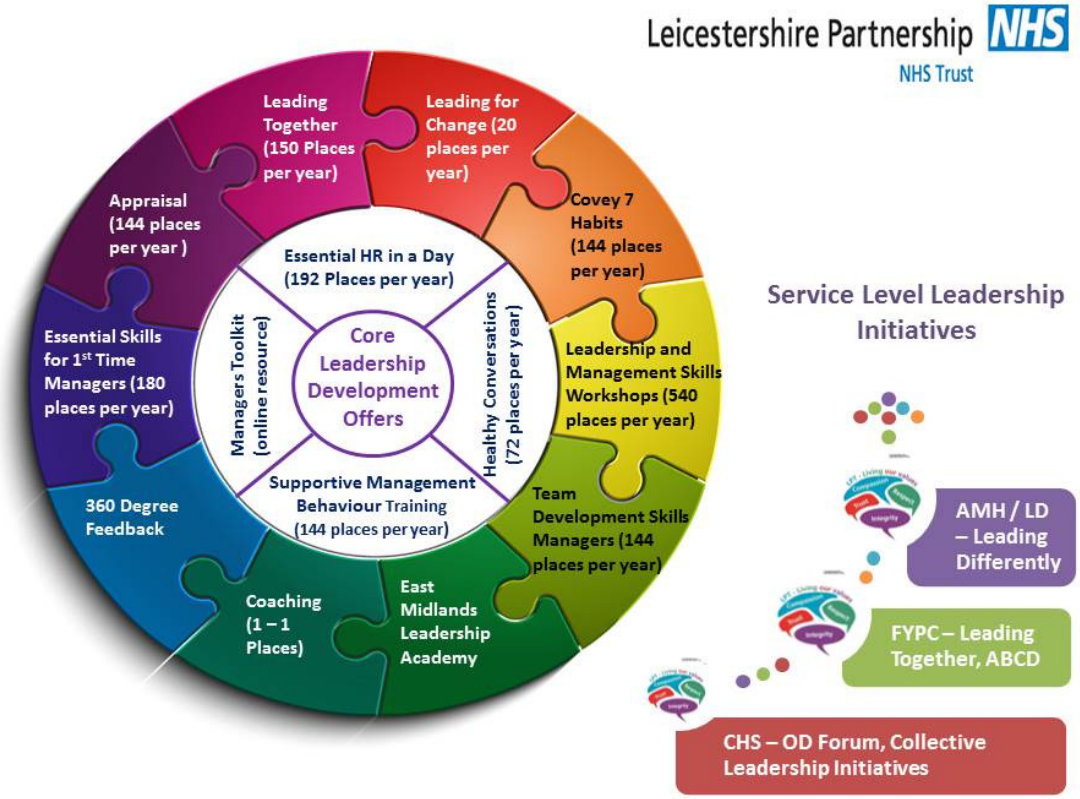
Developing our staff

We have a dedicated Learning and Development service which provides opportunities for staff to develop their skills and knowledge, and so enable them to deliver a quality service to our patients. We support and encourage staff to develop and pursue their careers aligned to organisational need and personal aspiration. We also support our future workforce through student placements, access to work experience, internships and apprenticeships.

Our Learning and Development Plan for 2015-16 focused on the following areas:

- mandatory training
- role essential training
- leadership development
- support for undergraduate and postgraduate learners
- wider workforce, including development for support workers
- professional development
- personal development.

In recognition of the importance of good leadership in delivering safe and effective services, we continued to develop our offer for leadership development (as detailed in our Leadership Development Framework), including coaching and mentoring for leaders at all levels in the organisation.



We support all our staff in their development by ensuring they participate in an annual appraisal, facilitated by access to our electronic appraisal system uLearn. This is the process whereby an individual meets with their appraiser (a manager or nominated deputy), to discuss their performance over the previous year. The individual's performance encompasses their knowledge, skills, attitude and behaviour, and having reviewed this with their appraiser, they set objectives and agree a Personal Development Plan (PDP) for the coming year.

We offer a blended approach to learning to support staff to learn in a way that suits them. During 2015-16 we have increased our portfolio of e-learning modules, for instance, to access learning for mandatory and non-mandatory topics.

Medical staffing

LPT is a teaching trust and is linked to the University of Leicester Medical School. Medical training provided by the Trust starts from undergraduate medical education to post graduate training; alongside continuing professional development of all doctors throughout their career. We provide training for foundation year doctors, psychiatry trainees, community paediatric trainees and GP trainees.

We have a robust process in place to manage medical appraisals and revalidation to ensure the requirements of the General Medical Council's Good Medical Practice standards are maintained. Appraisal is supported by a set of agreed policies, procedures and an electronic system. Engagement with medical appraisal is reported every month with additional reports provided on a quarterly basis to NHS England. There is a group of appraisers, appointed and trained to provide revalidation ready appraisals with quality assurance provided by a small number of senior appraisers.

Development of leadership opportunities for medical staff in a number of initiatives across the range of services is provided by the Trust and supported by clinical directors, using targeted leadership training opportunities to enhance professional development.

Embracing diversity

Over the last twelve months, we have seen substantial progress in embedding equality, diversity and human rights into core business activity.

Promoting equality, embracing diversity and ensuring full inclusion for people who use our services is central to our vision and values. We understand the need to place equality and diversity good practice at the heart of our business objectives, ensuring compliance with all aspects of equality legislation.

Promoting equal opportunities, preventing discrimination and valuing diversity are fundamental to building strong communities and services. For example, we have equality champions across the Trust who meet quarterly with the equality team. Their role is to raise awareness of the equality agenda across our workforce, and to help improve front line services for patients, service users, carers and staff by sharing best practice initiatives, policy development and training.

Twelve months, twelve key achievements

April LPT signed up to the British Deaf Association charter, to start breaking down the barriers faced by people with hearing impairments when accessing health services. We also engaged with staff through the Listening into Action process. The information gathered will feed into meeting Accessible Information Standards.	**May** Engagement event with Somali Community. 'Linking Our Thinking' event for Equality and Diversity in Human Resources Week. This focused on how diversity of thought can contribute to addressing and solving problems for all under-represented and disadvantaged groups and individuals within the workplace.	**June** 'Bollywood' community engagement events to help identify methods of reducing health inequalities and mental health stigma amongst local black and minority ethnic communities.
July The Workforce Race Equality Standard (WRES) was implemented and reported against.	**August** The 'Out Now' workforce staff survey was launched in support of our commitment to reduce actual or perceived inequalities amongst lesbian, gay, bisexual or transgender (LGBT) staff.	**September** The Trust participated in Leicester's annual Pride event, promoting health equality.
October British Sign Language stakeholders' Listening into Action event. First Staff Mental Health and Wellbeing event held – promoting support for positive mental health and	**November** Bullying and harassment month. Listening into Action event and roadshows to improve equality monitoring information for workforce and patients.	**December** Trust Equality lead shortlisted for an NHS Recognition Award as 'Leader of Inclusivity of the Year.'

wellbeing. LPT signed up to the *Time to Change* charter.		
January 2016 Publication of Equality data. LPT listed as 102 in the 2016 Stonewall Workplace Index.	**February** Trust-wide activity to promote awareness of mental health as part of the national 'Time to Talk Day' campaign.	**March** Launch of interactive multi faith calendar for 2015 – 2016.

During 2015-16, the equality team has received many nominations for both local and national awards. These have included CIPD award; Diversity Champion Award; Excellence in Diversity Award; ENEI award; Celebrating Excellence Award; East Midlands Leadership Award.

Our equality objectives 2013-2017

The Equality team continue to progress the actions outlined in the Single Equality Approach to improve both staff understanding of the equality agenda, and the experience of service users when accessing care.

The Equality Delivery System 2

We are contractually required to embed an Equality Delivery System 2 (EDS2) standard into all service delivery and employment practices. This process is designed to ensure that all relevant equality considerations are reflected in both the delivery of services and the implementation of employment practices. We provide evidence of our progress against the standard and a grading to reflect our position at the end of each financial year. The Equality team are engaging with workforce and governance groups as well as with service users to verify the grades, to form the basis of future objectives, and be aligned with the organisation's new human resources and organisational development strategy. Our close collaboration with Leicester, and Leicestershire Clinical Commissioning Groups, Leicester and Leicestershire HealthWatch and LeicesterShire Equality Forum (LESF) has been particularly effective around the EDS2 activity.

Workforce Race Equality Standards

The NHS Equality and Diversity Council announced on 31 July 2014 that it had agreed action to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

The Workforce Race Equality Standard (WRES) was introduced in April 2015, after engaging and consulting key stakeholders including other NHS organisations across England. It is now included in the NHS standard contract with a requirement to publish WRES baseline data on 1 July 2015.

The Trust will report against the WRES for the second year running, providing information on our staff profile against nine indicators in the WRES template.

Due regard

Due regard (equality analysis) is the mechanism by which LPT seeks to ensure that its functions, policies, processes and practices do not have an adverse impact on any person described in the Equality Act 2010 in terms of: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation, and others. A comprehensive due regard toolkit and training support is available to support our staff to effectively fulfil the due regard process, ensuring that we meet our equality duty and moral obligations

Equality and diversity training

Working alongside our learning and development team, the Equality team has developed an e-learning module for equality and diversity. This compliments existing e- learning resources designed to raise awareness of lesbian, gay, bi-sexual and transgender (LGBT) needs.

Additional training is provided by the equality team to external partners. This includes our due regard awareness training for staff at the Rainbows Hospice in Loughborough, an equality, diversity and humans rights workshop for our staff for Leicestershire LOROS, anti-bullying and harassment workshops and adviser training as part of the NHS Employers - Equality and Diversity Partners Programme. LPT is a member of the latter programme, which has helped us to drive forward the equality agenda across our Trust.

Looking ahead - our focus for 2016 - 2017

The great amount of change undertaken in the last few years is testament to the people working at and with our Trust who have developed initiatives, services and training to make LPT more aware and inclusive, providing services that meet the needs of our richly vibrant and diverse communities.

Monitoring is key to ensuring we continue our ambitions to meet the diverse needs of our staff and service users. Looking ahead, we will work towards achieving the outcomes set out below:

Provide Equality update reports bi-annually to the Trust Board, Strategic Workforce Group, and Workforce Groups	**Provide proactive support to the various support groups** across the workforce, and where possible undertake joint working in this area with University Hospitals of Leicester, Clinical Commissioning Groups and Leicestershire County Council.	**Further develop activity for:** • The British Deaf Association charter and pledge • The Mindful Employer charter • The Time to Change charter • The Accessible Information Standards
Learning Disability Project	**Joint objectives with teams across the Trust**	**Contribute to the Trust Quality Schedule**
Revised timeframe for gathering and analysing equality monitoring	**Publish bi-annual staff equality newsletter and raise the profile of the**	**Review our Single Equality Approach (SEA) and action plan** in line with the new

information	**equality team**.	human resources and organisational development strategy.
Analysis, presentation and publication of equality data for workforce and service users	**Further develop the role of the equality champions across the Trust**	**Review staff intranet and Trust website content** to maximise accessibility to the equality agenda.
Revise existing equality and diversity training • Roll out of equality e-learning resources • Bespoke training for specific teams and needs	**Ensure Trust Compliance against standards:** • Equality Delivery System 2 • Workforce Race Equality Standard • Accessible Information Standard	**Maximise opportunities for partnership, engagement and involvement** with other NHS Trusts across the region, LeicesterShire Equalities Forum, Healthwatch organisations and the wider voluntary and community sector.

How we govern (Accountability report)

Directors' Report

Our Board and Leadership

During 2015-16, Cathy Ellis was appointed as chair of our Trust, having acted in this role since June 2015 when our former chair, David Chiddick, retired. Cathy took the opportunity to review non-executive membership, and there are now six non-executive directors (including the chair) at the Board. This includes the appointment of Liz Rowbotham, who joined the Board when Vinny Logan stepped down. There were no changes to the four executive directors (including the chief executive), and four directors (non-voting) in post.Only those with voting rights hold corporate responsibility, although all directors are governed by the 'Codes of Conduct and Accountability', and all executive directors by the 'Code of Conduct of NHS Managers'.

Members of the Trust Board at 31 March 2016 are shown below.

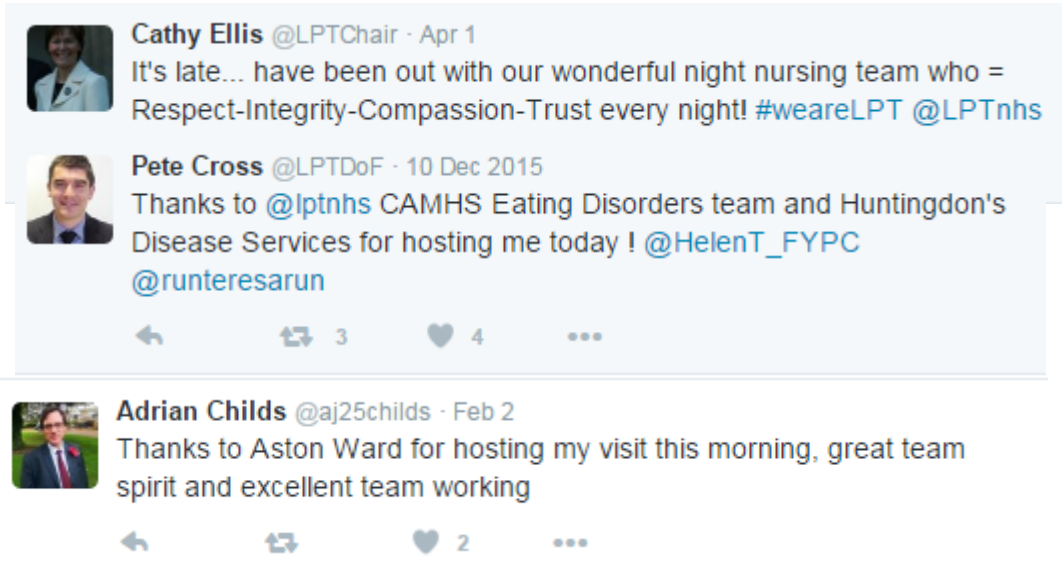
Clockwise from centre top:

Cathy Ellis, Chair; David Mell, Non-Executive Director (Deputy Chair); Dr Peter Cross, Director of Finance; Liz Rowbotham, Non-Executive Director; Dr Satheesh Kumar, Medical Director; Rachel Bilsborough, Director of Community Health Services; Darren Hickman, Non-Executive Director; Alan Duffell, Director of Human Resources and Organisational Development; Professor James Lindesay, Non-Executive Director; Helen Thompson, Director of Families, Young People and Children Services; Teresa Smith, Director of Adult Mental Health/Learning Disability Services; Chris Burns, Non-Executive Director; Professor Adrian Childs, Chief Nurse/Deputy Chief Executive; Dr Peter Miller, Chief Executive.

From Ward to Board

We have continued with our 'Ward to Board' programme, which sees our Board members making regular informal visits or 'Board Walks' to Trust services. A total of 62 Board Walks were undertaken during 2015-16. These complement the more formal quality assurance visits undertaken. Executive directors also participate in shifts to gain a front line staff perspective, and to have the opportunity to meet patients and service users.

Frank Lusk, Trust secretary, visits an ArtSpace Arts in Mental Health workshop.



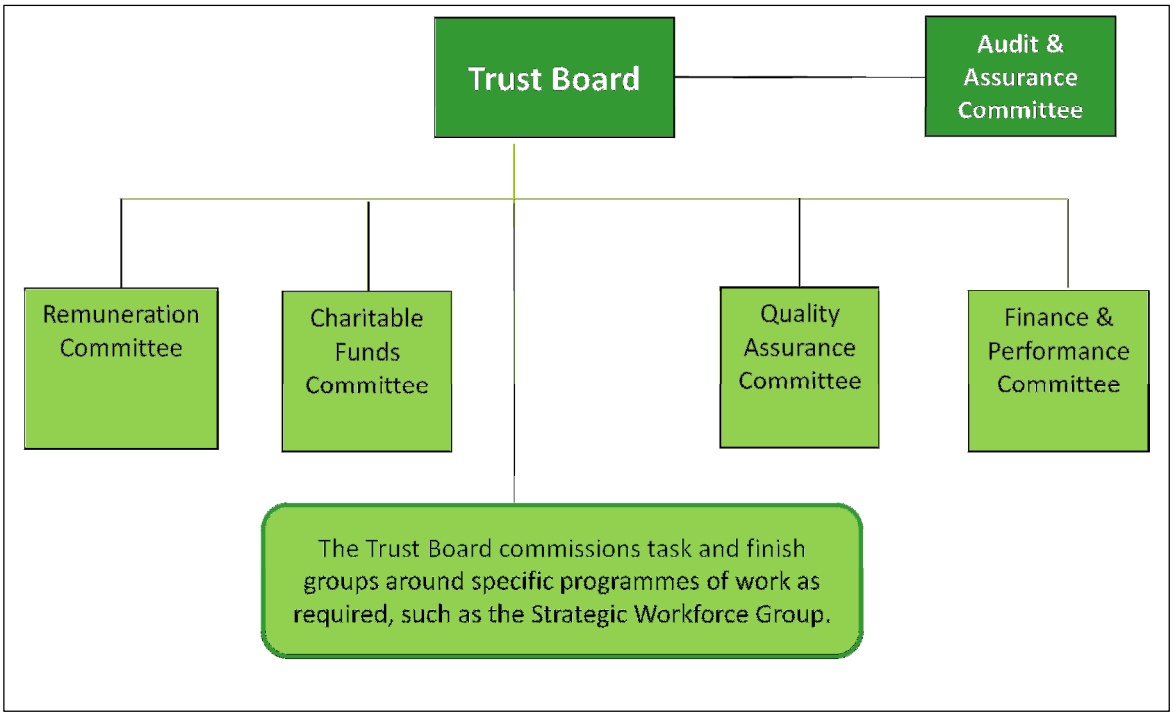
Providing assurance

A number of key sub-committees provide assurance to the Board. Key reports and issues are scrutinised by the appropriate Board committee prior to being submitted for review by our Trust Board. Our Board meetings are focused on quality of patient safety and treatment experience, strategic developments, operational and financial performance trend analysis and exception reporting, staffing and organizational developments, and key risks.

Being accountable

Corporate governance and clinical governance are the terms used in the NHS to describe the framework through which NHS organisations are accountable for improving the quality of their services, safeguarding high standards of care and managing public resources effectively. It also describes the way in which senior managers execute their responsibilities and authority, in relation to the assets and resources entrusted to them, and ensures compliance with statutory legislation.

Our governance structure



Our **Audit and Assurance Committee** (A&AC) has non-executive director membership. It meets at least six times a year and reports to the Board annually on its work in support of the Annual Governance Statement. The primary roles of the committee are to independently monitor and review our internal control systems, and provide independent advice and assurance to our Trust Board.

Our **Quality and Assurance Committee** (QAC) is chaired by a non-executive director, has two other non-executive director members, and meets on a monthly basis. It also includes

members who are Board executive directors, as well as there being senior clinical directors, senior clinicians, and commissioners in attendance. It is the key forum for discussion and assurance that robust risk management and quality governance arrangements are in place throughout the Trust and that they are working effectively. It is the Board's designated lead risk committee.

Our **Finance and Performance Committee** (FPC) is chaired by a non-executive director and meets on a monthly basis. Its membership has key executive directors and two other non-executive directors. It is tasked with undertaking financial reviews, including capital planning and infrastructure developments, on behalf of the Trust Board, and considers actions to mitigate any major financial risks facing our Trust. Business development opportunities form part of their considerations, as does the production of both the annual and longer term business plans. The committee's second major role is to provide assurance in relation to our operational performance to the Trust Board, including performance against the national priorities as set out in the NHS Operating Framework 2015-16.

Our **Strategic Workforce Group** (SWG) is a Board 'task and finish' group, and is chaired by the chief executive. It meets bi-monthly, and its membership comprises one other non-executive director, the director of human resources and organisational development, chief nurse, and divisional directors. This is a key forum for discussion and assurance on the development of our workforce and development strategies and plans.

Our **Remuneration Committee** (REMCOM) has non-executive director membership and is advised by the director of human resources and organisational development. It meets as required, but at least twice a year, to ensure there is a fair and transparent procedure for developing and maintaining policy on executive remuneration and for fixing the remuneration packages of individual directors. It also monitors and evaluates executive and senior directors' performance and advises on contractual arrangements.

The purpose of the **Charitable Funds Committee** (CFC) is to manage, on behalf of the Trust Board and in accordance with standing orders, charitable funds held; also to provide assurance to the Trust Board on the effective management of these. It meets four times a year and is chaired by our Trust chair.

How the committees work

The attendance at all of the Board committees is recorded, and terms of reference state a requirement of 75% attendance for all formal members. Attendance is reported within the annual reports of committees to Trust Board, as well as when the work of the committees is reviewed annually by A&AC. Highlight reports from Board committees are presented to the next available Trust Board meeting, and reporting back is led by the non-executive chair of the meeting.

Performance assessment of committees is on an annual basis. Committees reflect on their own achievements and challenges, and the A&AC considers each report at one of its meetings, with the chair and executive lead of the Board committee in attendance. The final report is then submitted to the Trust Board.

The Trust Board sets up task and finish groups, with pertinent membership, to consider key issues in more depth. There is an annual review of standing orders and standing financial orders, along with the Board's scheme of reservation and delegation.

The Board reviews its commitment to the codes of conduct and accountability for NHS Boards annually, and is compliant with the codes of good practice for Boards, as applicable to a provider service NHS Trust, of the HM Treasury/Cabinet Office Corporate governance code.

In 2015-16 we stood down our Council of Governors which was operating in shadow mode. Non-executive director responsibilities during 2015-16 were as follows:

Remuneration Committee	Darren Hickman (Chair) James Lindesay David Mell Liz Rowbotham
Charitable Funds Committee	Cathy Ellis (Chair) James Lindesay / Darren Hickman
Quality Assurance Committee	Liz Rowbotham (Chair) James Lindesay David Mell
Finance and Performance Committee	Cathy Ellis (Chair) David Mell Darren Hickman
Audit and Assurance Committee	Chris Burns (Chair) Darren Hickman Liz Rowbotham

Trust Board members' declarations of interests are published on our website: www.leicspart.nhs.uk/_Aboutus-AccessToInformationAboutLPT-DisclosureListsandRegisters.aspx

Risk Management

Patient and staff safety remains our top priority, and to ensure we manage strategic and operational risks, we maintain a robust system of internal control. We do this proactively by identifying and responding quickly and efficiently to potential risks.

Identifying and responding to potential risks

Healthcare is complex and carries inherent clinical risk. Similarly the healthcare system

within which the Trust operates is complex and constantly changing. Risk may be associated with many aspects of the healthcare system, for example buildings, equipment, hazardous substances, medicines, medical interventions and therapies, people, systems, processes and management practices.

Our strategy for managing risk is an integral component of our system of governance, which includes quality, risk, performance and guidance for our staff in effectively managing all aspects of healthcare risk.

Our Board Assurance Framework is a system designed to identify and manage the risk to the delivery of our strategic objectives to an acceptable level. We have a clear structure of accountability and a rigorous process that identifies and prioritises issues. A clear set of roles, responsibilities and reporting arrangements is in place from Board level down.

Our risk management strategy and supporting processes enable each of our services to operate and maintain risks using a register held within a centralised, electronic database. Services manage their risk registers directly from this system using a web based interface.

Board	Our Board has ultimate responsibility for risk management, and its members agree the annual governance statement (see Appendix B). As part of the Board Assurance Framework, the Board needs to be satisfied that appropriate policies and strategies are in place and that systems to reduce risk are functioning well.
Audit and Assurance Committee	The committee reviews our systems and processes and confirms their effectiveness to the Board.
Quality Assurance Committee	The lead Risk Management Committee scrutinises the quality of our services using a variety of information including that associated with risk management. Where we are not achieving the required level, they need to be assured that appropriate plans are in place to achieve this within agreed timescales.
Chief Nurse/Deputy Chief Executive	Our Chief Nurse ensures an effective risk management system is in place, statutory requirements are met and Department of Health guidance is followed.
Executive directors	Our Executive Directors hold corporate responsibility

for the day-to-day management of risk against our strategic objectives. They ensure that systems are in place to manage risks and monitor performance against delivery of planned mitigations.

Information management

We ensure the effective management of all personal and sensitive information relating to our service users and employees, working to established principles and standards.

Policies and procedures

We operate rigorous policies and procedures to comply with the legal requirements of the Data Protection Act 1998, the Common Law Duty of Confidence, the Freedom of Information Act 2000 and NHS requirements for safeguarding and sharing information; updating where legislation and national guidance changes.

Improvements in information governance during 2015-16

We are always looking to support the clinical services where service redesign and change occurs, developing new guidance and reviewing existing guidance relating to the sharing of information and to support our records management agenda. The governance arrangements for this is constantly reviewed to ensure that they meet our needs and provide assurance to the Board.

We take our legal obligations relating to the management of Information Requests very seriously. We continue to review the management and handling of requests received, including seeking feedback from requesters to ensure that the service reflects needs. The Trust received 1000 requests during 2015-16 as subject access and access to health records requests, and 297 as Freedom of Information and Environmental Information Regulations.

We also attained compliance with the information governance toolkit standards, building on the previous year and maintaining a Level 3 for the NHS Connecting for Health IG Audit for Clinical Coding.

Data losses

We take the security and integrity of patient data and confidentiality very seriously. During 2015-16 we had four incidents in relation to the mishandling of personal identifiable data classified with a severity rating two, which are described as serious untoward incidents under the Information Commissioners (ICO) and Health and Social Care Information Centre revised guidance on data losses. We have worked hard with the Information Commissioners Office

and with our Commissioners in identifying weaknesses and putting in place a project to manage the implementation of actions across the organisation.

During this period we also had five incidents which were classified as severity level one, which have been managed locally in line with the same guidance.

We are continually reviewing policies and procedures relating to information security to ensure they reflect best practice and national guidance. We learn from incidents and reflect this in our working practices.

Anti-fraud, bribery and corruption

While the majority of people who work in and use the NHS are honest, a minority continue to defraud it of its valuable resources. NHS Protect and Local Counter Fraud Specialist (LCFS) staff are responsible for tackling all types of fraud and corruption in the NHS and protecting resources so that they can be used to provide the best possible patient care.

Our anti-fraud, bribery and corruption service provider, 360 Assurance, provides us with qualified and accredited LCFS support. Activity highlights over the last year:

- investigated allegations of fraud, bribery and corruption as required
- delivered fraud, bribery and corruption awareness training to all new staff
- provided an e-learning training module relevant to all staff, as well as bespoke modules aimed at HR staff and budget holders
- carried out a range of activities designed to improve staff understanding of issues relating to fraud, bribery and corruption
- completed a review of the Trust's pre-employment checking processes
- reviewed and 'fraud-proofed' Trust policies where required
- issued fraud notices and scam alerts to mitigate risk of loss to both the Trust and its staff.

All work has been carried out with the intention of ensuring the Trust's continued compliance with the Standards for Providers: fraud, bribery and corruption, published by NHS Protect.

Emergency Preparedness, Resilience and Response

As an NHS funded provider and a category one responder under the provisions of the Civil Contingencies Act 2004, LPT is required to have robust emergency and business continuity plans in place to ensure that our organisation continues to be adequately prepared to respond to an emergency situation that poses serious interruption to our own service delivery, or has the potential to seriously damage the wider community's welfare, environment or security.

We continue to be a member of the Leicester, Leicestershire and Rutland Local Resilience Forum (LRF). The LRF is a partnership emergency planning forum. Its members come from the emergency services, armed services, local authorities and healthcare organisations across the region. To ensure an integrated response to any emergency, we take part in joint planning and emergency exercises with our LRF partners.

Our Trust's Emergency and Business Continuity Plans comply with:

- The Civil Contingencies Act 2004.
- Care Quality Commission Standards (outcome 6D).
- NHS Emergency Planning Guidance 2015.
- NHS EPRR Core Standards.

Furthermore, under the direction of the Trust's Accountable Emergency Officer, we will continue to comply with the Publicly Available Specification 2015:2010; the NHS standard contract requirements for emergency preparedness and the NHS core standards for emergency preparedness, resilience and response (EPRR). This includes working to ensure that our business continuity plans follow the principles of the international standard for Business Continuity (ISO 22301).

Our emergency plan

Our emergency plan is linked to and mutually supported by our business continuity policy and plans. Each operational directorate is required to have service specific business continuity plans in order to protect and maintain the provision of critical services.

The emergency plan outlines procedures and provides guidance on how skilled staff and other Trust resources should be mobilised in response to any emergency or disruption to business continuity, either internal or external to the Trust. The plan lays down a framework for managing our response, and for coordinating where necessary with other agencies such as other healthcare partners and LRF.

The objectives of our emergency and business continuity plans are to:

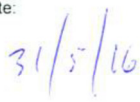
- Provide a framework for managing external or internal emergencies so that we respond effectively and efficiently to maintain services, protect the health, safety and welfare of everyone affected, protect Trust assets, maintain public confidence, and thereby safeguard the reputation of the Trust.
- Integrate and coordinate planning and response to emergencies with partner organisations, increasing resilience and efficiency through the appropriate sharing of assets, and adopting common approaches and systems of working.
- Constantly strive to improve our emergency preparedness, in line with changes and recommendations emerging from the wider emergency planning community.

LPT conducted a self-assessment review against the EPRR Core Standards during 2015-16, and this was submitted to NHS England for review. We are proud that NHS England confirmed that our Trust is fully compliant against the EPRR core standards.

Directors' Statements

Each Director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken "all the steps that he or she ought to have taken" to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Cathy Ellis, Chair; Dr Peter Cross, Director of Finance; Dr Satheesh Kumar, Medical Director; Rachel Bilsborough, Director of Community Health Services; Alan Duffell, Director of Human Resources and Organisational Development; Helen Thompson, Director of Families, Young People and Children Services; Teresa Smith, Director of Adult Mental Health/Learning Disability Services; Professor Adrian Childs, Chief Nurse/Deputy Chief Executive; Dr Peter Miller, Chief Executive.

Chief Executive:  Date: 

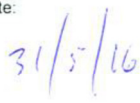
Statement of Accountable Officer

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer. I know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and I have taken all steps necessary to make myself aware of any such information and to establish that the auditors are aware of it.

I confirm that the annual report and accounts, as a whole, is fair, balanced and understandable, and that I take personal responsibility for the annual report and accounts, and the judgements required for determining that it is fair, balanced and understandable.

Chief Executive:  Date: 

Dr Peter Miller, Chief Executive, Leicestershire Partnership NHS Trust

Financial statement & Board remuneration

The Summary Financial Accounts are presented with the Annual Report in Appendix A. Our accounts for 2015-16 highlight that we achieved all of our statutory financial duties and our planned revenue surplus during the last financial year which, in the current climate, demonstrates the hard work and dedication of our staff in balancing the clinical and financial demands of providing healthcare to our local population.

We delivered a £1.3m revenue surplus, and whilst we should not underestimate this achievement, there have been many hurdles that we have overcome during the year. Some of these financial challenges include estates and facilities management costs being higher than planned, an unexpected increase in the value of our buildings and properties driving higher running costs and greater demand for many of our services particularly within our adult mental health services and community health services directorates. The revenue position includes the delivery of c£7.9m of cost improvements through the transformation of our services and improving the efficient use of resources available to our Trust.

The Trust has also invested £11.9m through our capital investment programme to ensure our teams have access to appropriate technology to support service delivery, and we continue to modernise and develop our buildings to ensure our patients receive their care in the right environment. Whilst capital resources will be even tighter in future years, we maintain our commitment to prioritise our investments on the projects that will support our staff in the efficient and effective delivery of our services to patients.

The increasing clinical and financial demands on the NHS are well documented and, similar to other NHS organisations, our Trust is experiencing the impact of those demands. The availability of scarce resources and the conflicting pressures on commissioning priorities means that we need to carry on working closely with our NHS and social care partners through the local Better Care Together programme. In 2016-17, our Trust will be in a position where we will be aiming to achieve a break-even position i.e. our costs will match the income that we receive from our commissioners. This will still achieve our statutory duties but the deterioration from a surplus position highlights that we are operating in a very challenging economic climate. We do have to address this underlying movement and, with the support of our commissioners, clinicians and service teams, we need to make the difficult decisions to improve our financial position at the same time as continuously improving our patient services.

Overall in 2015-16, we have seen a financial year that has been challenging, but we have delivered a financial out-turn within the top 20% of NHS organisations in the country, the sustainability of that performance now remains our focus for future years.

Dr Peter Cross, Director of Finance, Business and Estates

Annual Governance Statement

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

Each Director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken "all the steps that he or she ought to have taken" to make himself/herself aware of any such information and to establish that the auditors are aware of it.

For the full Annual Governance Statement please see Appendix B.

Dr Peter Miller, Chief Executive

Remuneration and staff report

Remuneration

Table 1 shows the remuneration (excluding employer's National Insurance contributions) of the Trust's Board of Directors.

The Remuneration Committee, which comprises all of the non-executive directors, other than the Trust Chair and the Chair of Audit and Assurance Committee, annually reviews the salaries of its most senior managers taking into account market rates and the pay awards determined nationally for all other groups of staff. The policy for the remuneration of the Trust's senior managers for current and future financial years is as follows:

Executive Directors: pay is based on national guidance and is agreed by the Trust Remuneration Committee.

Non–Executive Directors: up to 30 September 2012 the appointment and pay of Non-Executive Directors was determined by the Appointments Commission, this responsibility passed to the NHS Trust Development Authority on 1 October 2012.

Performance of the Executive Directors is assessed through the Trust annual individual performance reviews. Performance related pay is not part of the remuneration package.

The performance of the Non-executive directors is assessed annually by the Chair using the Trust Development Authority appraisal system.

The summary and explanation of the Trust policy on the duration of contracts, notice periods and termination payments is as follows:

Executive Directors are on permanent employment contracts. The notice period that the Trust is required to give the Executive Directors is six months. The notice period the Executive Directors are required to give the Trust is three months.

Non-Executive Directors serve tenure of three or four years, appointed by the NHS Trust Development Authority (Appointments Commission up to 30 September 2012). There is no provision for compensation due to early termination of contracts.

Dr Peter Miller, Chief Executive

TABLE 1: SALARIES AND ALLOWANCES OF SENIOR MANAGERS

Name and Title	2015/16					2014/15				
	Salary (bands of £5,000)	Expense Payments (taxable) total to nearest £100	Performance Pay and Bonuses (bands of £5,000)	All Pension related benefits (bands of £2,500)	Total (bands of £5,000)	Salary (bands of £5,000)	Expense Payments (taxable) total to nearest £100	Performance Pay and Bonuses (bands of £5,000)	All Pension related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000	£00	£000	£000	£000
Nagesh Bhayani Non-Executive Director (Upto 31 Dec 2014)	0	0	0	0	0	0-5	0	0	0	0-5
Rachel Bilsborough Divisional Director CHS	105-110	0	0	40-42.5	145-150	100-105	0	0	0	100-105
Chris Burns Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Professor David Chiddick Chairman (up to 30/06/15)	5-10	0	0	0	5-10	20-25	0	0	0	20-25
Adrian Childs Chief Nurse/Deputy Chief Executive	120-125	0	0	27.5-30	150-155	120-125	0	0	257.5-260	360-365

Peter Cross Director of Finance, Business & Estates	110-115	0	0	35-37.5	150-155	110-115	0	0	57.5-60	180-185
Alan Duffell Director of HR & Organisational Development	105-110	0	0	25-27.5	130-135	105-110	0	0	20-22.5	140-145
Cathy Ellis Chair (w.e.f. 01/07/2015)	25-30	0	0	0	25-30	5-10	0	0	0	5-10
Dr Satheesh Kumar Gangadharan Medical Director	95-100	0	75-80	57.5-60	230-235	95-100	0	75-80	60-62.5	255-260
Dominic Hardisty Interim Director of Business Development	0	0	0	0	0	70-75	0	0	0	70-75
Darren Hickman Non-Executive Director	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Professor James Lindesay Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Vinny Logan Non-Executive Director	0-5	0	0	0	0-5	5-10	0	0	0	5-10
Francis Lusk, Director of Corporate Affairs (up to 31 May 2014 due to change of	0	0	0	0	0	20-25	0	0	20-22.5	50-55

responsibilities)										
David Mell Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Paul Miller Chief Operating Officer (upto 31 May 2014 made redundant)	0	0	0	0	0	110-115	0	0	0	110-115
Peter Miller Chief Executive	155-160	0	0	27.5-30	185-190	155-160	0	0	62.5-65	255-260
Elizabeth Rowbotham Non-Executive Director	0-5	0	0	0	0-5	0	0	0	0	0
Teresa Smith Divisional Director AMHS	95-100	0	0	30-32.5	130-135	95-100	0	0	0	95-100
Helen Thompson Divisional Director FYPC	100-105	0	0	20-22.5	120-125	100-105	0	0	0	100-105

TABLE 2: PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2016 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2016 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
Rachel Bilsborough, Divisional Director CHS	0-2.5	5-7.5	35-40	105-110	651	603	41
Adrian Childs, Chief Nurse/Deputy Chief Executive	0-2.5	2.5-5	45-50	135-140	976	931	33
Peter Cross, Director of Finance, Business & Estates	0-2.5	0	25-30	35-40	251	234	14
Alan Duffell, Director of HR & Organisational Development	0-2.5	2.5-5	15-20	55-60	386	357	25
Dr Satheesh Kumar Gangadharan, Medical Director	2.5-5	2.5-5	30-35	95-100	596	549	41

Dr Peter Miller, Chief Executive	0-2.5	2.5-5	60-65	190-195	1153	1111	29
Teresa Smith, Divisional Director AMHS	0-2.5	2.5-5	15-20	50-55	339	305	31
Helen Thompson, Divisional Director FYPC	0-2.5	2.5-5	35-40	105-110	643	613	22

Pay Multiples

Table 3: Pay Multiples

	2015-16	2014-15
Mid band of highest paid director's total remuneration (£)	175,000-180,000	175,000-180,000
Median total remuneration (£)	27,090	27,901
Ratio	6.55	6.36*

**Value differs from prior year due to change in disclosing full values compared to previously rounded values*

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 Leicestershire Partnership NHS Trust in the financial year 2015/16 was £175,000-180,000 (2014/15: £175,000-180,000). This was 6.49 times (2014/15: 6.30) the median remuneration of the workforce, which was £27,090 (2014/15: £28k).

In 2015-16, 0 (2014-15, 0) employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £6,500 to £175,000 (2014-15 £6,500-£175,000)

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

The median total remuneration of employees has reduced in year largely due to changes in skill mix of the Trust's workforce.

Staff Report

We Are LPT

Our staff are our greatest asset and we are rightly proud of their hard work and commitment. This skilled workforce has an important role to play in developing and improving the services we offer now and in the future.

Our staff in numbers

At the end of March 2016 the Trust employed 5,635 members of staff. That is a full time equivalent (FTE) of 4,866 people in a wide range of roles and professions.

LPT Headcount and FTE by Staff Group

Staff Group	Headcount	FTE
Career Grade	132	122.5
Training Medical Grade	84	79.6
Qualified Nurses	1,994	1,745.9
Qualified AHP	661	539.9
Qualified Scientific and Technical	178	133.3
Unqualified Nurses	1,008	859.1
Unqualified AHP	156	137.4
Unqualified Scientific and Technical	108	97.8
Ancillary	21	11.8
Admin and Clerical	1,022	888.9
Managers	177	165.9
Senior Managers	94	87.6
Grand Total	**5,635**	**4,866.8**

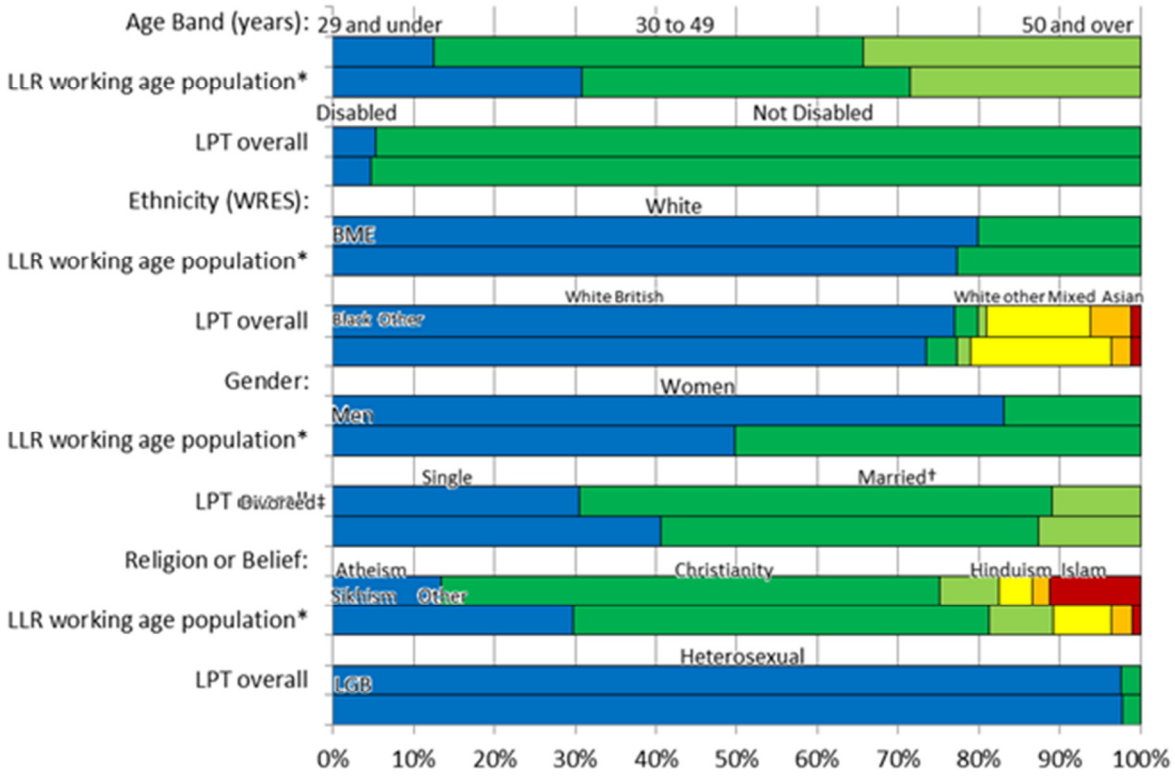
Figure 1: The equality profile of Leicestershire Partnership NHS Trust's substantive workforce at March 2016 compared to that of the local working age population

Senior Managers by band

	Band	Total	Percent
	Band 8a	61	1.09
	VSM**	92	1.65
	Band 8a	121	2.17
	Band 8b	56	1.00
	Band 8c	10	0.18
	Band 8d	8	0.14
	VSM	18	0.32
	Medical Training	84	1.51
	Medical Career	122	2.19
Total/percentage of workforce		572	10.26

** very senior managers

Staff Composition



WRES: Workforce Race Equality Standard
† includes Civil Partnership
‡ includes Legally Separated and Widowed
* Leicester, Leicestershire and Rutland working age population (16 to 64 years old); estimates were based on the UK Census 2011, except for age and gender which were based on ONS mid-year population estimates to June 2014
** Population estimates by sexual orientation were based on the national British Crime Survey 2009/10

Staff turnover

Our staff turnover for 2015-16 averaged at 8.4% excluding TUPE. Approximately 37 staff transferred out of the Trust under TUPE (Transfer of Undertakings and Protection of Employment) arrangements during this financial year.

Reducing staff sickness and absence levels

The Trust's average rate of sickness absence in 2015-16 was 5.1%, an increase from the 2014–15 rate of 4.7%. The main reasons for sickness absence are linked to mental health issues including stress and anxiety (whether home or work related) and musculo-skeletal (MSK) problems.

Steps taken during the year to reduce staff sickness and absence include:

- emotional resilience workshops and bespoke programmes for staff groups

- encouraging staff to 'take a break' through an internal campaign and Values Team Breaks
- provision of a Trust-wide staff physiotherapy scheme to enable early access to physiotherapy services and keep staff at work
- delivery of monthly training sessions jointly with occupational health to assist managers in managing ill-health
- development of 'quick guides' for staff and managers to ensure absence is reported and managed appropriately
- continued promotion of the 'Wellbeing Zone' – a web based resource and smartphone app to educate staff on health and wellbeing issues and enable them to manage their own health and wellbeing goals
- undertaking audits to ensure that return to work interviews are being completed
- securing charitable funds to participate in the Global Corporate Challenge (GCC) and to commence a health and wellbeing roadshow programme
- a staff Mental Health and Wellbeing conference.

In addition, the Trust has continued to deliver a programme of supportive management behaviour training and has developed 'Essential HR for Managers' and 'Healthy Conversations' sessions aimed at improving line management. This, coupled with programmes of work around leadership and team development, and staff engagement work including Listening into Action, will contribute to our ambition of improving staff experience and having a positive impact on staff health and wellbeing.

Reducing staff sickness and absence levels

The Trust meets all requirements to use the 'Two Ticks: positive about disability' symbol. Applicants with a disability who meet essential requirements for posts are guaranteed an interview. The Trust also has a 'Reasonable Adjustments' policy to ensure that appropriate measures are put in place for staff who either have a disability on appointment or develop a disability during employment. We work closely with Access to Work and our Occupational Health department who provide advice and support, and our 'Management of Ill-Health' policy and associated training ensures that managers are aware of the steps to be taken to retain staff with disabilities in employment.

Consultancy

There are occasions that the Trust considers expenditure on consultancy to be the most cost appropriate course of action. Over the financial period the Trust expended £1.2m with various consultancies. The vast majority of this spend, £892k related to organisational and change management. Such expense enables the Trust to be best placed to deal with future health care needs of the population that it serves.

Off-payroll Engagements

The Treasury instructs all NHS bodies to disclose in their annual report details of any off-payroll engagements that have a cost of more than £220 per day and that last longer than six months.

Table 1: Off-payroll engagements

For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2016	10
Of which, the number that have existed:	
for less than one year at the time of reporting	5
for between one and two years at the time of reporting	4
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

All off-payroll engagements are requested to confirm that they are paying the correct amount of tax and national insurance contributions. Assurance is sought on a sample basis (20% based on previous Department of Health guidance).

Table 2: Off-payroll engagements

For all new off-payroll engagements between 1 April 2015 and 31 March 2016, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015 *	12
Number of new engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	12
Number for whom assurance has been requested	10
Of which:	
assurance has been received	4
assurance has not been received	8
engagements terminated as a result of assurance not being received	0

Table 3: Off-payroll engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016:

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	8

Table 5: Exit Packages

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	3	16,343	7	25,784	10	42,127	0	0
£10,000-£25,000	4	83,848	2	22,678	6	106,526	0	0
£25,001-£50,000	4	129,238	0	0	4	129,238	0	0
£50,001-£100,000	4	330,862	0	0	4	330,862	0	0
£100,001 - £150,000	1	105,514	0	0	1	105,514	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	**16**	**665,805**	**9**	**48,462**	**25**	**714,267**	**0**	**0**

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pension Agency. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the organisation and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

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.

Note 1: Exit Packages

All departures outside of compulsory redundancies are detailed below.

	Agreements Number	Total value of agreements £000s
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	9	48
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval		
Total	**9**	**48**

Better Payment Practice Code

The Late Payment of Commercial Debts (Interest) Act 1988 gives effect to the Government's commitment to introduce a statutory right for businesses to claim interest on the late payment of commercial debts. Unless other agreed terms apply, all undisputed bills are to be paid within 30 days of receipt of goods/services or a valid invoice, whichever comes later. The Trust has signed up to the Better Payment Practice Code. Measure of compliance against the Better Payment Practice Code is available in our financial accounts.

Parliamentary accountability and audit report

Leicestershire Partnership NHS Trust is exempt from providing this report as we do not directly report to parliament.

Audit Fee

The Trust's external auditor for the period 1 April 2015 to 31 March 2016 was KPMG. Services provided by external audit include the annual statutory audit of the Trust's financial accounts, the audit of the quality accounts and the provision of other audit services, when required.

The 2015/16 audit fee of £56k excludes the cost of the quality accounts audit. The audit of the 2014/15 quality accounts was undertaken during the first quarter of 2015/16. The audit fee relating to this was £17k and will be included in the 2015/16 financial statements (2015/16 total audit fee: £94k).

Summary of financial statements

The financial statements in this report are a summary of the information provided in the Trust's full set of accounts. I know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and I have taken all steps necessary to make myself aware of any such information and to establish that the auditors are aware of it.

I confirm that the annual report and accounts, as a whole, is fair, balanced and understandable, and that I take personal responsibility for the annual report and accounts, and the judgements required for determining that it is fair, balanced and understandable.

Copies of the full accounts, including the statement of internal control, are in Appendix 1.

31/5/16 Date.....

Dr Peter Cross, Director of Finance, Business and Estates

How to contact us

We welcome your questions or comments on this report or our services.

Comments should be sent to:

Chief Executive
Leicestershire Partnership NHS Trust
Riverside House
Bridge Park Plaza
Bridge Park Road
Thurmaston
Leicester LE4 8BL

Telephone: **0116 295 0030**
Fax: **0116 225 3684**
Email: **feedback@leicspart.nhs.uk**

You can also follow the Trust on social media
Twitter @LPTnhs
Facebook/LPTnhs
YouTube/LPTnhs
Website www.leicspart.nhs.uk

Quality Account

You may also be interested to read our Quality Account for 2015-16, which complement this Annual Report and Summary Accounts. Copies of the Quality Account, and extra copies of this document are available from the communications team at the above address.

These documents are also available on our website at www.leicspart.nhs.uk

Do you need this report in a different format?

If you need this information in another language or format please telephone 0116 295 0903 or email: Patient.Information@leicspart.nhs.uk

Arabic

إذا كنت في حاجة إلى قراءة هذه المعلومات بلغة أخرى أو بتنسيق مختلف، يرجى الاتصال بهاتف رقم 0116 295 0903 أو إرسال بريد إلكتروني إلى: Patient.Information@leicspart.nhs.uk

Bengali

যদি এই তথ্য অন্য কোন ভাষায় বা ফরমেটে আপনার দরকার হয় তাহলে দয়া করে 0116 295 0903 নম্বরে ফোন করুন বা Patient.Information@leicspart.nhs.uk ঠিকানায় ই-মেইল করুন।

Traditional Chinese

如果您需要將本資訊翻譯為其他語言或用其他格式顯示，請致電 0116 295 0903 或發電子郵件至：Patient.Information@leicspart.nhs.uk

Gujarati

જો તમારે આ માહિતી અન્ય ભાષા અથવા ફોર્મેટમાં જોઇતી હોય તો 0116 295 0903 પર ટેલિફોન કરો અથવા Patient.Information@leicspart.nhs.uk પર ઇમેઇલ કરો.

Hindi

अगर आप यह जानकारी किसी अन्य भाषा या प्रारूप में चाहते हैं तो कृपया 0116 295 0903 पर हमें फोन करें या Patient.Information@leicspart.nhs.uk पर हमें ईमेल करें

Polish

Jeżeli są Państwo zainteresowani otrzymaniem niniejszych informacji w innym języku lub formacie, prosimy skontaktować się z nami telefonicznie pod numerem 0116 295 0903 lub za pośrednictwem poczty elektronicznej na adres: Patient.Information@leicspart.nhs.uk

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਜਾਂ ਫਾਰਮੈਟ ਵਿਚ ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0116 295 0903 ਤੇ ਟੈਲੀਫ਼ੋਨ ਕਰੋ ਜਾਂ ਇੱਥੇ ਈਮੇਲ ਕਰੋ: Patient.Information@leicspart.nhs.uk

Somali

Haddii aad rabto in aad warbixintan ku hesho luqad ama nuskhad kale fadlan soo wac lambarka 0116 295 0903 ama email u dir: Patient.Information@leicspart.nhs.uk

Urdu

اگرآپ کو یہ معلومات کسی اور زبان یا صورت میں درکار ہوں تو براہ کرم اس ٹیلی فون نمبر 0116 295 0903 یا ای میل پر رابطہ کریں Patient.Information@leicspart.nhs.uk

Auditors' Comments

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF LEICESTERSHIRE PARTNERSHIP NHS TRUST

We have audited the financial statements of Leicestershire Partnership NHS Trust for the year ended 31 March 2016 on pages 81 to 137 under the Local Audit and Accountability Act 2014. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England. We have also audited the information in the Remuneration and Staff Report that is subject to audit.

This report is made solely to the Board of Directors of Leicestershire Partnership NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors, the Accountable Officer and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources. We are required under section 21(3) (c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5) (b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2015, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2016 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England.

Opinion on other matters

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England; and
- the other information published together with the audited financial statements in the Annual Report and Accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the NHS Trust Development Authority's guidance; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 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 body incurring 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; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or

- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

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

Certificate

We certify that we have completed the audit of the accounts of Leicestershire Partnership NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Bostock, for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

1 June 2016

Appendix A: Audited Accounts

Leicestershire Partnership NHS Trust

Annual Accounts for the period

1 April 2015 to 31 March 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgements and estimates which are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

NB: sign and date in any colour ink except black

31/5/16 Date ..... Chief Executive

31/5/16 Date ..... Finance Director

Statement of Comprehensive Income for year ended

31 March 2016

	NOTE	**2015-16** **£000s**	2014-15 £000s
Gross employee benefits	10.1	**(202,670)**	(202,131)
Other operating costs	8	**(63,164)**	(67,084)
Revenue from patient care activities	5	**244,237**	243,457
Other operating revenue	6	**31,185**	30,493
Operating surplus/(deficit)		**9,588**	4,735
Investment revenue	12	**24**	44
Other gains and (losses)	13	**(74)**	(100)
Finance costs	14	**(902)**	(908)
Surplus/(deficit) for the financial year		**8,636**	3,771
Public dividend capital dividends payable		**(5,771)**	(5,109)
Transfers by absorption - gains		**0**	0
Transfers by absorption - (losses)		**0**	0
Net Gain/(loss) on transfers by absorption		**0**	0
Retained surplus/(deficit) for the year		**2,865**	(1,338)

Other Comprehensive Income	**2015-16** **£000s**	2014-15 £000s
Impairments and reversals taken to the revaluation reserve	**1,512**	0
Net gain/(loss) on revaluation of property, plant & equipment	**10,124**	13,430
Net gain/(loss) on revaluation of intangibles	**0**	0
Net gain/(loss) on revaluation of financial assets	**0**	0
Other gain /(loss) (explain in footnote below)	**0**	0
Net gain/(loss) on revaluation of available for sale financial assets	**0**	0
Net actuarial gain/(loss) on pension schemes	**0**	0
Other pension remeasurements	**0**	0
Reclassification adjustments		
On disposal of available for sale financial assets	**0**	0
Total Other Comprehensive Income	**11,636**	13,430
Total comprehensive income for the year*	**14,501**	12,092

Financial performance for the year

Retained surplus/(deficit) for the year	**2,865**	(1,338)
Prior period adjustment to correct errors and other performance adjustments	**0**	0
IFRIC 12 adjustment (including IFRIC 12 impairments)	**88**	731
Impairments (excluding IFRIC 12 impairments)	**(1,612)**	3,218
Adjustments in respect of donated gov't grant asset reserve elimination *[if required]*	**15**	15
Adjustment re absorption accounting	**0**	0
Adjusted retained surplus/(deficit)	**1,356**	2,626

Statement of Financial Position as at 31 March 2016

	NOTE	31 March 2016 £000s	31 March 2015 £000s
Non-current assets:			
Property, plant and equipment	15	**201,581**	183,529
Intangible assets	16	**218**	333
Investment property	18	**0**	0
Other financial assets		**0**	0
Trade and other receivables	22.1	**389**	504
Total non-current assets		**202,188**	184,366
Current assets:			
Inventories	21	**175**	182
Trade and other receivables	22.1	**11,558**	8,675
Other financial assets	24	**0**	0
Other current assets	25	**0**	0
Cash and cash equivalents	26	**7,209**	10,800
Sub-total current assets		**18,942**	19,657
Non-current assets held for sale	27	**0**	1,019
Total current assets		**18,942**	20,676
Total assets		**221,130**	205,042
Current liabilities			
Trade and other payables	28	**(24,923)**	(21,825)
Other liabilities	29	**0**	0
Provisions	35	**(1,219)**	(2,015)
Borrowings	30	**(167)**	(156)
Other financial liabilities	31	**0**	0
DH revenue support loan	30	**0**	0
DH capital loan	30	**0**	0
Total current liabilities		**(26,309)**	(23,996)
Net current assets/(liabilities)		**(7,367)**	(3,320)
Total assets less current liablilities		**194,821**	181,046
Non-current liabilities			
Trade and other payables	28	**0**	0
Other liabilities	29	**0**	0
Provisions	35	**(1,011)**	(1,520)
Borrowings	30	**(8,703)**	(8,870)
Other financial liabilities	31	**0**	0
DH revenue support loan	30	**0**	0
DH capital loan	30	**0**	0
Total non-current liabilities		**(9,714)**	(10,390)
Total assets employed:		**185,107**	170,656
FINANCED BY:			
Public Dividend Capital		**82,380**	82,430
Retained earnings		**41,589**	37,282
Revaluation reserve		**61,138**	50,944
Other reserves		**0**	0
Total Taxpayers' Equity:		**185,107**	170,656

Chief Executive: Date: 31/5/16

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2016

	Public Dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	**82,430**	**37,282**	**50,944**	**0**	**170,656**
Changes in taxpayers' equity for 2015-16					
Retained surplus/(deficit) for the year		2,865			**2,865**
Net gain / (loss) on revaluation of property, plant, equipment			10,124		**10,124**
Net gain / (loss) on revaluation of intangible assets			0		**0**
Net gain / (loss) on revaluation of financial assets			0		**0**
Net gain / (loss) on revaluation of available for sale financial			0		**0**
Impairments and reversals			1,512		**1,512**
Other gains/(loss) (provide details below)				0	**0**
Transfers between reserves		1,442	(1,442)	0	**0**
Reclassification Adjustments					
Transfers between Reserves in respect of assets transferred under absorption	0	0	0	0	**0**
On disposal of available for sale financial assets			0		**0**
Reserves eliminated on dissolution		0	0	0	**0**
Originating capital for Trust established in year	0				**0**
Permanent PDC received - cash	0				**0**
Permanent PDC repaid in year	(50)				**(50)**
PDC written off	0	0			**0**
Transfer due to change of status from Trust to Foundation Trust	0	0	0	0	**0**
Other movements	0	0	0	0	**0**
Net actuarial gain/(loss) on pension				0	**0**
Other pensions remeasurement				0	**0**
Net recognised revenue/(expense) for the year	**(50)**	**4,307**	**10,194**	**0**	**14,451**
Balance at 31 March 2016	**82,380**	**41,589**	**61,138**	**0**	**185,107**

Balance at 1 April 2014	**81,386**	**37,034**	**39,098**	**0**	**157,518**
Changes in taxpayers' equity for the year ended 31 March 2015					
Retained surplus/(deficit) for the year		(1,338)			(1,338)
Net gain / (loss) on revaluation of property, plant, equipment			13,430		13,430
Net gain / (loss) on revaluation of intangible assets			0		0
Net gain / (loss) on revaluation of financial assets			0		0
Net gain / (loss) on revaluation of assets held for sale			0		0
Impairments and reversals			0		0
Other gains / (loss)				0	0
Transfers between reserves		1,584	(1,584)	0	0
Reclassification Adjustments					
Transfers to/(from) Other Bodies within the Resource	0	0	0	0	0
Transfers between revaluation reserve & retained earnings reserve in respect of assets transferred under absorption		0	0		0
On disposal of available for sale financial assets			0		0
Originating capital for Trust established in year	0				0
New temporary and permanent PDC received - cash	1,044				1,044
New temporary and permanent PDC repaid in year	0				0
Other movements	0	2	0	0	2
Net actuarial gain/(loss) on pension				0	0
Other pension remeasurement				0	0
Net recognised revenue/(expense) for the year	**1,044**	**248**	**11,846**	**0**	**13,138**
Balance at 31 March 2015	**82,430**	**37,282**	**50,944**	**0**	**170,656**

Statement of Cash Flows for the Year ended 31 March 2016

	NOTE	2015-16 £000s	2014-15 £000s
Cash Flows from Operating Activities			
Operating surplus/(deficit)		**9,588**	4,735
Depreciation and amortisation	8	**7,104**	6,755
Impairments and reversals	17	**(1,612)**	3,908
Other gains/(losses) on foreign exchange	13	**0**	0
Donated Assets received credited to revenue but non-cash	6	**0**	0
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest paid		**(883)**	(884)
PDC Dividend (paid)/refunded		**(5,767)**	(5,005)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**7**	(2)
(Increase)/Decrease in Trade and Other Receivables		**(2,564)**	911
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**2,695**	(1,362)
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions utilised		**(1,296)**	(1,034)
Increase/(Decrease) in movement in non cash provisions		**(127)**	883
Net Cash Inflow/(Outflow) from Operating Activities		**7,145**	8,905
Cash Flows from Investing Activities			
Interest Received		**24**	44
(Payments) for Property, Plant and Equipment		**(11,572)**	(14,069)
(Payments) for Intangible Assets		**0**	(90)
(Payments) for Investments with DH		**0**	0
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**1,018**	2,457
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Investment with DH		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(10,530)**	(11,658)
Net Cash Inform / (outflow) before Financing		**(3,385)**	(2,753)
Cash Flows from Financing Activities			
Gross Temporary (2014/15 only) and Permanent PDC Received		**0**	1,044
Gross Temporary (2014/15 only) and Permanent PDC Repaid		**(50)**	0
Loans received from DH - New Capital Investment Loans		**0**	0
Loans received from DH - New Revenue Support Loans		**0**	0
Other Loans Received		**0**	0
Loans repaid to DH - Capital Investment Loans Repayment of Principal		**0**	(432)
Loans repaid to DH - Working Capital Loans/Revenue Support Loans		**0**	0
Other Loans Repaid		**0**	0
Cash transferred to NHS Foundation Trusts or on dissolution		**0**	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(156)**	(159)
Capital grants and other capital receipts (excluding donated / government granted cash receipts)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**(206)**	453
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(3,591)**	(2,300)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**10,800**	13,100
Effect of exchange rate changes in the balance of cash held in foreign currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**26**	**7,209**	10,800

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Manual for Accounts 2015-16 issued by the Department of Health. The accounting policies contained in that manual 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 Manual for Accounts permits a choice of accounting policy, the accounting policy which 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 by the trust are described below. They 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 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

1.4 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.

The value of the Trust's charitable funds is c£2m. Due to materiality the Trust has not consolidated its charitable funds accounts into its own 2015-16 financial returns.

1.5 Pooled Budgets

The Trust has entered into pooled budget arrangements with Leicester City Council, Leicestershire County council and Leicestershire & Rutland Clinical Commissioning Groups. The pooled budgets are hosted separately by both councils. Funds are pooled under S75 of the NHS Act 2006. The budgets are used to fund Assertive Outreach teams in the City & County areas, and a crisis resolution team in the County. These services support integrated Adult Mental Health services.

The pooled budget allocation and the Trust's contributions to the pool are shown at Note 2.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS 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 and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

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

Private Finance Initiative (PFI)

During the 2009/10 IFRS restatement process the Trust reviewed the details of its PFI contract and concluded that it fell within the scope of International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements. This conclusion was based on the fact that the Trust controls and regulates the services that the asset provides, to whom it is provided to, and retains entitlement to the building at the end of the lease term. The PFI asset was brought onto the balance sheet and is being depreciated over its useful life.

Local Improvement Finance Trust (LIFT)

During 2010/11 the Trust's LIFT asset was brought onto balance sheet. The Trust occupies 22.9% of St Peters Health Centre and under the arrangements of IFRIC 12: Service Concession Arrangements, the Trust has recognised both the asset and liability on the balance sheet.

NOTES TO THE ACCOUNTS

1.6.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Asset Valuation

The Trust instructs the District Valuer to undertake formal revaluations of its land and buildings every three years, supplemented by an internal annual property review to identify any significant valuation issues in between formal revaluations. The last formal asset valuation was carried out by the District Valuer in 2014/15. During years the Trust does not carry out a full revaluation, advice is sought from the District Valuer on market conditions and any changes that would impact on the Trust's estate. Following advice in the current year the Trust has applied the industry recognised BCIS indexation factors. This has led to 11.9% increase in value to relevant sites.

New Provisions

During the year the Trust has provided for new provisions totalling £549k. These mainly relate to additional restructuring, injury benefit and annual leave provisions recognised in 2015/16.

Asset Lives

In accordance with IAS 16: Property, Plant and Equipment, the Trust has undertaken a review of the useful life of all asset types. The key changes relate to the asset lives for Information Technology equipment. To get the maximum benefit out of the Trust's assets, asset lives have been extended for lap tops, desk tops and patient records systems. This change has been accounted for as a change in an accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting estimates and Errors.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.7 Revenue

Revenue is recognised in the period in which the services are provided and is measured at the fair value of the consideration receivable. The main source of revenue for the trust is from commissioners for healthcare services.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.8 Employee Benefits

Short-term employee benefits

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the trust is from commissioners for healthcare services.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statement to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.10 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised if:
- 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 will be supplied to the [NHS body];
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have 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
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation
All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.
Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:
- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement
The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments
Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the NHS trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.13 Donated assets
Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants
Government grant funded assets are capitalised at their fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 Leases

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

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The NHS trust as lessor

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

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

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.17 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the NHS trust to the operator for use in the scheme

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

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

Other assets contributed by the NHS trust to the operator
Assets contributed (e.g. cash payments, surplus property) by the NHS trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.18 Inventories
Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the NHS trust's cash management.

1.20 Provisions
Provisions are recognised when the NHS trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 1.37% in real terms for employee early departure obligations.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.21 Clinical negligence costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at Note 35.

1.22 Non-clinical risk pooling
The NHS trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS trust pays an annual contribution to the NHS Litigation Authority 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 as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)
CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.24 Contingencies
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.25 Financial assets
Financial assets are recognised when the NHS trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the NHS trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets
Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by relevant valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the NHS trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced directly/through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities
Financial liabilities are recognised on the statement of financial position when the NHS trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities
Financial guarantee contract liabilities are subsequently measured at the higher of:

● The amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* ; and

● The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the NHS trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

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

1.28 Foreign currencies
The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.29 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. Details of third party assets are given in Note 44 to the accounts *[amend as appropriate].*

1.30 Public Dividend Capital (PDC) and PDC dividend
Public dividend capital represents taxpayers' equity in the NHS trust. 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. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (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.

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries
Material entities over which the NHS trust has the power to exercise control are classified as subsidiaries and are consolidated. The NHS trust has control when it is exposed to or has rights to variable returns through its power over another entity. The income and expenses; gains and losses; assets, liabilities and reserves; and cash flows of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS trust or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust manages the administrative arrangements for its charitable funds and is the corporate trustee of 'Leicestershire Partnership NHS Trust Charitable Funds'. Because the value of the funds are not material the Trust has not consolidated these in to its annual accounts.

1.33 Associates
Material entities over which the NHS trust has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the NHS trust's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the NHS trust share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the NHS trust from the entity.

Associates that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'

1.34 Joint arrangements
Material entities over which the NHS trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the NHS body is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method.

1.35 Research and Development
Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.36 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2015-16. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 *Financial Instruments* – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 *Revenue for Contracts with Customers* - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 *Leases* – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

2. Pooled Budget

The Trust has entered into pooled budget arrangements with Leicester City Council, Leicestershire County council and Leicestershire & Rutland Clinical Commissioning Groups. The pooled budgets are hosted separately by both councils. Funds are pooled under S75 of the NHS Act 2006. The budgets are used to fund Assertive Outreach teams in the City & County areas, and a crisis resolution team in the County. These services support integrated Adult Mental Health services.

The Trust's contributions to the pool in 2015/16

Local Authority	Service	Pooled Budget £000	LPT Contribution £000
Leicester City Council	Assertive Outreach	312	70
Leicestershire County Council	Assertive Outreach	171	132
Leicestershire County Council	Crisis Resolution	232	154
Total Pool		**715**	
LPT contribution			**356**

3. Operating segments

The figures contained in the Trust's Annual Accounts relating to the financial year 2015/16 relate mostly to the provision of healthcare and, therefore, there is no requirement for Segmental Reporting.

The total operating revenue (excluding investment revenue and gains/(loss on disposals)) for each of the Trust's Divisions is detailed below:

Division	2015/16 Total Revenue	%	2014/15 Total Revenue	%
Adult Mental Health & Learning Disabilities	85,867	31%	84,774	31%
Adult Learning Disabilities	0	0%	0	0%
Community Health Services	101,592	37%	100,058	37%
Families, Young People and Children Services	62,406	23%	65,477	24%
Enabling Services	11,961	4%	11,134	4%
Trust Central reserves	-1,024	0%	0	0%
Sub-total healthcare	260,802	95%	261,443	95%
Hosted Services & Estates	14,619	5%	12,507	5%
Total revenue	275,421	100%	273,950	100%

4. Income generation activities

As in 2014/15, the Trust did not undertake income generation activities in 2015/16 (for fees and charges raised under legislation, where the full cost exceeded £1 million or the service was otherwise material in relation to the accounts).

5. Revenue from patient care activities

	2015-16 £000s	2014-15 £000s
NHS Trusts	**1,928**	1,971
NHS England	**21,657**	29,610
Clinical Commissioning Groups	**203,787**	198,911
Foundation Trusts	**159**	0
Department of Health	**0**	0
NHS Other (including Public Health England and Prop Co)	**0**	30
Additional income for delivery of healthcare services	**0**	0
Non-NHS:		
Local Authorities	**16,706**	12,935
Private patients	**0**	0
Overseas patients (non-reciprocal)	**0**	0
Injury costs recovery	**0**	0
Other	**0**	0
Total Revenue from patient care activities	**244,237**	243,457

6. Other operating revenue

	2015-16 £000s	2014-15 £000s
Recoveries in respect of employee benefits	**161**	143
Patient transport services	**0**	0
Education, training and research	**10,649**	11,230
Charitable and other contributions to revenue expenditure - NHS	**0**	0
Charitable and other contributions to revenue expenditure -non- NHS	**0**	0
Receipt of donations for capital acquisitions - Charity	**0**	0
Support from DH for mergers	**0**	**0**
Receipt of Government grants for capital acquisitions	**0**	0
Non-patient care services to other bodies	**10,026**	10,686
Income generation (Other fees and charges)	**0**	0
Rental revenue from finance leases	**0**	0
Rental revenue from operating leases	**203**	295
Other revenue	**10,146**	8,139
Total Other Operating Revenue	**31,185**	30,493
Total operating revenue	**275,422**	273,950

7. Overseas Visitors Disclosure

The Trust had no oversea's visitors during 2015/16

8. Operating expenses

	2015-16 £000s	2014-15 £000s
Services from other NHS Trusts	**1,421**	2,351
Services from CCGs/NHS England	**148**	0
Services from other NHS bodies	**0**	0
Services from NHS Foundation Trusts	**51**	0
Total Services from NHS bodies*	**1,620**	2,351
Purchase of healthcare from non-NHS bodies	**3,989**	2,643
Purchase of Social Care	**0**	
Trust Chair and Non-executive Directors	**65**	64
Supplies and services - clinical	**7,318**	10,486
Supplies and services - general	**3,467**	1,163
Consultancy services	**1,392**	977
Establishment	**7,893**	8,768
Transport	**324**	229
Service charges - ON-SOFP PFIs and other service concession arrangements	**456**	432
Service charges - On-SOFP LIFT contracts	**31**	30
Total charges - Off-SOFP PFIs and other service concession arrangements	**0**	0
Total charges - Off-SOFP LIFT contracts	**0**	0
Business rates paid to local authorities	**1,460**	1,238
Premises	**25,873**	24,725
Hospitality	**83**	45
Insurance	**226**	32
Legal Fees	**396**	331
Impairments and Reversals of Receivables	**83**	(114)
Inventories write down	**17**	17
Depreciation	**6,989**	6,651
Amortisation	**115**	104
Impairments and reversals of property, plant and equipment	**(1,612)**	3,993
Impairments and reversals of intangible assets	**0**	0
Impairments and reversals of financial assets [by class]	**0**	0
Impairments and reversals of non current assets held for sale	**0**	(85)
Internal Audit Fees^	**181**	
Audit fees	**56**	73
Other auditor's remuneration^	**38**	2
Clinical negligence	**792**	842
Research and development (excluding staff costs)	**108**	117
Education and Training	**1,147**	1,195
Change in Discount Rate	**80**	42
Other	**577**	733
Total Operating expenses (excluding employee benefits)	**63,164**	67,084

Employee Benefits		
Employee benefits excluding Board members	**201,421**	201,041
Board members	**1,249**	1,090
Total Employee Benefits	**202,670**	202,131
Total Operating Expenses	**265,834**	269,215

ˆ Internal Audit Fees have not been disclossed in prior fianncial periods

xOther Auditor's remuneration consists of:

	£'000
Quality Audit Fees 14/15	17
Quality Audit Fees 15/16	13
Information Governance Audit	2
Additional Fees in respect of 13/14 Audit	6
	38

*Services from NHS bodies does not include expenditure which falls into a category below

9. Operating Leases

9. Leicestershire Partnership NHS Trust as lessee

	Land £000s	Buildings £000s	Other £000s	2015-16 Total £000s	2014-15 £000s
Payments recognised as an expense					
Minimum lease payments				**6,039**	5,816
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**6,039**	5,816
Payable:					
No later than one year	49	3,865	585	**4,499**	4,641
Between one and five years	0	12,849	479	**13,328**	12,651
After five years	0	4,669	0	**4,669**	7,800
Total	**49**	**21,383**	**1,064**	**22,496**	25,092
Total future sublease payments expected to be received:				0	0

9. Leicestershire Partnership NHS Trust as lessor

	2015-16 £000	2014-15 £000s
Recognised as revenue		
Rental revenue	203	295
Contingent rents	0	0
Total	**203**	295
Receivable:		
No later than one year	790	366
Between one and five years	2,876	1,328
After five years	449	1,232
Total	**4,115**	2,926

10. Employee benefits and staff numbers

10.1. Employee benefits

	2015-16		
	Total £000s	**Permanently employed £000s**	**Other £000s**
Employee Benefits - Gross Expenditure			
Salaries and wages	**171,182**	147,674	23,508
Social security costs	**10,681**	10,681	0
Employer Contributions to NHS BSA - Pensions Division	**20,394**	20,394	0
Other pension costs	**107**	107	0
Termination benefits	**680**	680	0
Total employee benefits	**203,044**	**179,536**	**23,508**
Employee costs capitalised	**374**	374	0
Gross Employee Benefits excluding capitalised costs	**202,670**	**179,162**	**23,508**

Employee Benefits - Gross Expenditure 2014-15	**Total £000s**	**Permanently employed £000s**	**Other £000s**
Salaries and wages	171,214	147,975	23,239
Social security costs	10,888	10,888	0
Employer Contributions to NHS BSA - Pensions Division	19,704	19,704	0
Other pension costs	107	107	0
Termination benefits	764	764	0
TOTAL - including capitalised costs	202,677	179,438	23,239
Employee costs capitalised	546	546	0
Gross Employee Benefits excluding capitalised costs	202,131	178,892	23,239

In 2012-13 there were rows for 'other post-employment benefits' and 'other employment benefits'. These are now included within the 'Salaries and wages' row.

10.2. Staff Numbers

	2015-16			2014-15	2014-15 Restated
	Total Number	**Permanently employed Number**	**Other Number**	Total Number	Total Number
Average Staff Numbers					
Medical and dental	**209**	201	8	211	211
Ambulance staff	**0**	0	0	0	0
Administration and estates	**1,255**	1,108	147	1,281	1280
Healthcare assistants and other support staff	**1,095**	857	238	259	1109
Nursing, midwifery and health visiting staff	**1,969**	1,755	214	2,826	1976
Nursing, midwifery and health visiting learners	**0**	0	0	0	0
Scientific, therapeutic and technical staff	**943**	872	71	884	885
Social Care Staff	**8**	0	8	5	5
Healthcare Science Staff	**0**	0	0	0	0
Other	**0**	0	0	0	0
TOTAL	**5,479**	**4,793**	**686**	5,466	5,466
Of the above - staff engaged on capital projects	**13**	13	0	12	12

The Trust underwent a recoding exercise in 2015-16 that lead to the titles of a number of staff being changed. The restated values after this amendment are shown above

10.3. Staff Sickness absence and ill health retirements

	2015-16 Number	2014-15 Number
Total Days Lost	54,335	49,284
Total Staff Years	4,787	4,707
Average working Days Lost	11.35	10.47

	2015-16 Number	2014-15 Number
Number of persons retired early on ill health grounds	**5**	9
	£000s	£000s
Total additional pensions liabilities accrued in the year	**222**	694

10.4. Exit Packages agreed in 2015-16

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	3	16,343	7	25,784	**10**	**42,127**	0	0
£10,000-£25,000	4	83,848	2	22,678	**6**	**106,526**	0	0
£25,001-£50,000	4	129,238	0	0	**4**	**129,238**	0	0
£50,001-£100,000	4	330,862	0	0	**4**	**330,862**	0	0
£100,001 - £150,000	1	105,514	0	0	**1**	**105,514**	0	0
£150,001 - £200,000	0	0	0	0	**0**	**0**	0	0
>£200,000	0	0	0	0	**0**	**0**	0	0
Total	**16**	**665,805**	**9**	**48,462**	**25**	**714,267**	**0**	**0**

2014-15

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	3	24,035	0	0	**3**	**24,035**	0	0
£10,000-£25,000	3	52,348	0	0	**3**	**52,348**	0	0
£25,001-£50,000	2	58,407	0	0	**2**	**58,407**	0	0
£50,001-£100,000	1	91,664	0	0	**1**	**91,664**	0	0
£100,001 - £150,000	2	248,307	0	0	**2**	**248,307**	0	0
£150,001 - £200,000	0	0	0	0	**0**	**0**	0	0
>£200,000	0	0	0	0	**0**	**0**	0	0
Total	11	474,761	0	0	11	474,761	0	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pensions Agency. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHSpensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in aprevious period.

10.5. Exit packages - Other Departures analysis

	2015-16 Agreements	Total value of agreements	2014-15 Agreements	Total value of agreements
	Number	£000s	Number	£000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	9	48	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval*	0	0	0	0
Total	9	48	0	0
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

From 2015 the Trust began actively disclosing cases related to Contractual payments in lieu of notice separately.

10.6. Pension costs

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

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

c) Scheme provisions
The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

d) Other pension schemes

In 2013/14 the Trust participated in the pensions auto-enrolment exercise. The Trust's preferred pensions provider was the National Employment Savings Trust. (NEST). Staff who previously were not members of the NHS pensions scheme automatically enrolled on to this scheme and they then had the option to opt out of NEST. As at 31 March 2016, 69 employees were members of NEST.

11. Better Payment Practice Code

11.1. Measure of compliance

	2015-16 Number	2015-16 £000s	2014-15 Number	2014-15 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**51,684**	**121,553**	52,186	128,183
Total Non-NHS Trade Invoices Paid Within Target	**48,131**	**116,326**	50,138	123,018
Percentage of NHS Trade Invoices Paid Within Target	**93.13%**	**95.70%**	96.08%	95.97%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**952**	**41,612**	907	**41,670**
Total NHS Trade Invoices Paid Within Target	**857**	**40,895**	862	**41,231**
Percentage of NHS Trade Invoices Paid Within Target	**90.02%**	**98.28%**	95.04%	98.95%

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

11.2. The Late Payment of Commercial Debts (Interest) Act 1998

	2015-16 £000s	2014-15 £000s
Amounts included in finance costs from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	0

12. Investment Revenue

	2015-16 £000s	2014-15 £000s
Rental revenue		
PFI finance lease revenue (planned)	**0**	0
PFI finance lease revenue (contingent)	**0**	0
Other finance lease revenue	**0**	0
Subtotal	**0**	0
Interest revenue		
LIFT: equity dividends receivable	**0**	0
LIFT: loan interest receivable	**0**	0
Bank interest	**24**	44
Other loans and receivables	**0**	0
Impaired financial assets	**0**	0
Other financial assets	**0**	0
Subtotal	**24**	44
Total investment revenue	**24**	44

Other Gains and Losses	**2015-16**	2014-15
	£000s	£000s
Gain/(Loss) on disposal of assets other than by sale (PPE)	**(74)**	(100)
Gain/(Loss) on disposal of assets other than by sale (intangibles)	**0**	0
Gain/(Loss) on disposal of Financial Assets other then held for sale	**0**	0
Gain (Loss) on disposal of assets held for sale	**0**	0
Gain/(loss) on foreign exchange	**0**	0
Change in fair value of financial assets carried at fair value through the SoCI	**0**	0
Change in fair value of financial liabilities carried at fair value through the SoCI	**0**	0
Change in fair value of investment property	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	0
Total	**(74)**	(100)

14. Finance Costs

	2015-16 £000s	2014-15 £000s
Interest		
Interest on loans and overdrafts	**0**	2
Interest on obligations under finance leases	**0**	0
Interest on obligations under PFI contracts:		
- main finance cost	**535**	543
- contingent finance cost	**137**	129
Interest on obligations under LIFT contracts:		
- main finance cost	**147**	152
- contingent finance cost	**64**	58
Interest on late payment of commercial debt	**0**	0
Total interest expense	**883**	884
Other finance costs	**0**	0
Provisions - unwinding of discount	**19**	24
Total	**902**	908

15.1. Property, plant and equipment

2015-16	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport Equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2015	46,622	118,950	0	2,514	5,688	452	18,299	4,553	**197,078**
Additions of Assets Under Construction				4,281					**4,281**
Additions Purchased	0	3,338	0		498	0	3,621	129	**7,586**
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations & Government Grants	0	0	0	0	0	0	0	0	**0**
Additions Leased (including PFI/LIFT)	0	0	0		0	0	0	0	**0**
Reclassifications	0	45	0	(45)	0	0	0	0	**0**
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	(1,294)	(452)	(2,622)	(1,338)	**(5,706)**
Upward revaluation/positive indexation	0	10,496	0	0	0	0	0	0	**10,496**
Impairment/reversals charged to operating expenses	0	1,661	0	0	0	0	0	0	**1,661**
Impairments/reversals charged to reserves	0	1,562	0	0	0	0	0	0	**1,562**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0	0	0	0	0	0	**0**
At 31 March 2016			**0**			**0**			
Depreciation									
At 1 April 2015	0	0	0		3,235	452	7,008	2,854	**13,549**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		(1,234)	(452)	(2,622)	(1,324)	**(5,632)**
Upward revaluation/positive indexation	0	372	0		0	0	0	0	**372**
Impairment/reversals charged to reserves	0	50	0		0	0	0	0	**50**
Impairments/reversals charged to operating expenses	0	49	0		0	0	0	0	**49**
Charged During the Year	0	4,103	0		415	0	2,138	333	**6,989**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0		0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0		0	0	0	0	**0**
At 31 March 2016	**0**		**0**	**0**		**0**			
Net Book Value at 31 March 2016	**46,622**	**131,478**	**0**	**6,750**	**2,476**	**0**	**12,774**	**1,481**	**201,581**
Asset financing:									
Owned – Purchased	46,622	121,568	0	6,750	2,469	0	12,774	1,481	**191,664**
Owned – Donated	0	454	0	0	7	0	0	0	**461**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	9,456	0	0	0	0	0	0	**9,456**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2016	**46,622**	**131,478**	**0**	**6,750**	**2,476**	**0**	**12,774**	**1,481**	**201,581**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2015	24,687	25,828	0	0	222	28	60	119	**50,944**
Movements (specify)	(1,116)	11,523	0	0	(62)	(28)	(50)	(73)	**10,194**
At 31 March 2016	**23,571**	**37,351**	**0**	**0**	**160**	**0**	**10**	**46**	**61,138**

Disposals other than for sale includes assets that are still utilised by the Trust but have been fully depreciated to a £0 net book value.

Additions to Assets Under Construction in 2014-15

Land	0
Buildings excl Dwellings	4,281
Dwellings	0
Plant & Machinery	0
Balance as at YTD	**4,281**

15.2. Property, plant and equipment prior-year

2014-15	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2014	43,025	115,904	0	2,286	5,419	452	12,550	4,480	**184,116**
Additions of Assets Under Construction				1,000					**1,000**
Additions Purchased	0	7,304	0		481	0	5,749	133	**13,667**
Additions - Non Cash Donations (i.e. Physical Assets)	0	0	0	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations & Government Grants	0	0	0	0	0	0	0	0	**0**
Additions Leased (including PFI/LIFT)	0	690	0		0	0	0	0	**690**
Reclassifications	(168)	940	0	(772)	0	0	0	0	**0**
Reclassifications as Held for Sale and Reversals	(88)	(205)	0	0	0	0	0	0	**(293)**
Disposals other than for sale	0	0	0	0	(212)	0	0	(60)	**(272)**
Revaluation	3,853	(5,683)	0	0	0	0	0	0	**(1,830)**
Impairments/negative indexation charged to reserves	0	0	0	0	0	0	0	0	**0**
Reversal of Impairments charged to reserves	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0	0	0	0	0	0	**0**
At 31 March 2015	**46,622**	**118,950**	**0**	**2,514**	**5,688**	**452**	**18,299**	**4,553**	**197,078**
Depreciation									
At 1 April 2014	58	7,505	0	0	2,972	452	4,804	2,555	**18,346**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale and Reversals	0	(8)	0		0	0	0	0	**(8)**
Disposals other than for sale	0	0	0		(141)	0	0	(32)	**(173)**
Revaluation	(813)	(14,447)	0		0	0	0	0	**(15,260)**
Impairments/negative indexation charged to operating expenses	745	3,248	0	0	0	0	0	0	**3,993**
Reversal of Impairments charged to operating expenses	0	0	0	0	0	0	0	0	**0**
Charged During the Year	10	3,702	0		404	0	2,204	331	**6,651**
Transfers (to)/from Other Public Sector Bodies under Absorption Accountin	0	0	0		0	0	0	0	**0**
At 31 March 2015	**0**	**0**	**0**	**0**	**3,235**	**452**	**7,008**	**2,854**	**13,549**
Net Book Value at 31 March 2015	**46,622**	**118,950**	**0**	**2,514**	**2,453**	**0**	**11,291**	**1,699**	**183,529**
Asset financing:									
Owned - Purchased	46,622	110,079	0	2,514	2,444	0	11,291	1,699	**174,649**
Owned - Donated	0	419	0	0	9	0	0	0	**428**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	8,452	0	0	0	0	0	0	**8,452**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2015	**46,622**	**118,950**	**0**	**2,514**	**2,453**	**0**	**11,291**	**1,699**	**183,529**

15.3. (cont). Property, plant and equipment

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	2	3
Development Expenditure	1	4
IT - in house & 3rd Party Software	3	3
Property, Plant and Equipment		
Buildings exc Dwellings	1	49
Plant & Machinery	1	12
Information Technology	1	10
Furniture and Fittings	1	10

During years the Trust does not carry out a full revaluation, advice is sought from the District Valuer on market conditions and any changes that would impact on the Trust's estate. Following advice in the current year the Trust has applied the industry recognised BCIS indexation factors. This has led to 11.9% increase in value to relevant sites.

16. Intangible non-current assets

16.1. Intangible non-current assets

2015-16	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2015	**87**	**131**	**0**	**0**	**482**	**700**
Additions Purchased	0	0	0	0	0	**0**
Additions Internally Generated	0	0	0	0	0	**0**
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations and Government Grants	0	0	0	0	0	**0**
Additions Leased (including PFI/LIFT)	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as Held for Sale and Reversals	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	**0**
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	**0**
At 31 March 2016	**87**	**131**	**0**	**0**	**482**	**700**
Amortisation						
At 1 April 2015	**61**	**52**	**0**	**0**	**254**	**367**
Reclassifications	0	0	0	0	0	**0**
Reclassified as Held for Sale and Reversals	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	**0**
Impairment/reversals charged to reserves	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	**0**
Charged During the Year	7	25	0	0	83	**115**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	**0**
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	**0**
At 31 March 2016	**68**	**77**	**0**	**0**	**337**	**482**
Net Book Value at 31 March 2016	**19**	**54**	**0**	**0**	**145**	**218**
Asset Financing: Net book value at 31 March 2016 comprises:						
Purchased	19	54	0	0	145	**218**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Finance Leased	0	0	0	0	0	**0**
On-balance Sheet PFIs	0	0	0	0	0	**0**
Total at 31 March 2016	**19**	**54**	**0**	**0**	**145**	**218**

Revaluation reserve balance for intangible non-current assets						
						£000's
At 1 April 2015	0	0	0	0	0	**0**
Movements (specify)	0	0	0	0	0	**0**
At 31 March 2016	**0**	**0**	**0**	**0**	**0**	**0**

16.2. Intangible non-current assets prior year

2014-15	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:						
At 1 April 2014	87	131	0	0	392	610
Additions – purchased	0	0	0	0	90	90
Additions - internally generated	0	0	0	0	0	0
Additions – donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2015	87	131	0	0	482	700
Amortisation						
At 1 April 2014	49	27	0	0	187	263
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	12	25	0	0	67	104
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2015	61	52	0	0	254	367
Net book value at 31 March 2015	26	79	0	0	228	333
Net book value at 31 March 2015 comprises:						
Purchased						0
Donated						0
Government Granted						0
Finance Leased						0
On-balance Sheet PFIs						0
Total at 31 March 2015	0	0	0	0	0	0

16.3. Intangible non-current assets

The Trust does not have any non-current intangible assets.

17. Analysis of impairments and reversals recognised in 2015-16

	2015-16 Total £000s
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	107
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	**107**
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	(1,719)
Total charged to Annually Managed Expenditure	**(1,719)**
Total Impairments of Property, Plant and Equipment changed to SoCI	**(1,612)**
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	**0**
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	**0**
Total Impairments of Intangibles charged to SoCI	**0**
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	**0**
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	**0**
Total Impairments of Financial Assets charged to SoCI	**0**
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	**0**
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	**0**
Total impairments of non-current assets held for sale charged to SoCI	**0**
Total Impairments charged to SoCI - DEL	**107**
Total Impairments charged to SoCI - AME	**(1,719)**
Overall Total Impairments	**(1,612)**
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

17. Analysis of impairments and reversals recognised in 2015-16

	Property Plant and Equipment	Intangible Assets	Financial Assets	Non-Current Assets Held for Sale	Total
	£000s	£000s	£000s	£000s	**£000s**
Impairments and reversals taken to SoCI	0	0	0	0	
Loss or damage resulting from normal operations	107	0	0	0	**107**
Over-specification of assets	0	0	0	0	**0**
Abandonment of assets in the course of construction	0	0	0	0	**0**
Total charged to Departmental Expenditure Limit	**107**	**0**	**0**	**0**	**107**
	0	0	0	0	
Unforeseen obsolescence	0	0	0	0	**0**
Loss as a result of catastrophe	0	0	0	0	**0**
Other	0	0	0	0	**0**
Changes in market price	(1,719)	0	0	0	**(1,719)**
Total charged to Annually Managed Expenditure	**(1,719)**	**0**	**0**	**0**	**(1,719)**
Total Impairments of Property, Plant and Equipment changed to SoCI	**(1,612)**	**0**	**0**	**0**	**(1,612)**

Donated and Gov Granted Assets, included above	**£000s**
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	**0**
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	**0**

18. Investment property

The Trust does not hold any investment properties

19. Commitments

19.1. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2016	31 March 2015
	£000s	£000s
Property, plant and equipment	**6,244**	0
Intangible assets	**0**	0
Total	**6,244**	0

19.2. Other financial commitments

Not relevant for trust

20. Intra-Government and other balances

	Current receivables	Non-current receivables	Current payables	Non-current payables
	£000s	**£000s**	**£000s**	**£000s**
Balances with Other Central Government Bodies	721	0	6,192	0
Balances with Local Authorities	595	0	442	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS bodies inside the Departmental Group	7,013	0	4,329	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with Bodies External to Government	3,229	389	14,127	8,703
At 31 March 2016	**11,558**	**389**	**25,090**	**8,703**
prior period:				
Balances with Other Central Government Bodies	699	0	6,229	0
Balances with Local Authorities	260	0	102	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS bodies inside the Departmental Group	5,758	0	2,715	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with Bodies External to Government	1,958	504	12,935	8,870
At 31 March 2015	**8,675**	**504**	**21,981**	**8,870**

21. Inventories

	Drugs	Consumables	Work in Progress	Energy	Loan Equipment	Other	Total	Of which held at NRV
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	**182**	**0**	**0**	**0**	**0**	**0**	**182**	182
Additions	2,378	0	0	0	0	0	**2,378**	0
Inventories recognised as an expense in the period	(2,368)	0	0	0	0	0	**(2,368)**	0
Write-down of inventories (including losses)	(17)	0	0	0	0	0	**(17)**	0
Reversal of write-down previously taken to SOCI	0	0	0	0	0	0	**0**	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	**0**	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	**0**	0
Balance at 31 March 2016	**175**	**0**	**0**	**0**	**0**	**0**	**175**	**182**

22.1. Trade and other receivables

	Current		Non-current	
	31 March 2016	31 March 2015	**31 March 2016**	31 March 2015
	£000s	£000s	**£000s**	£000s
NHS receivables - revenue	**6,505**	4,727	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**508**	1,041	**0**	0
Non-NHS receivables - revenue	**1,297**	700	**0**	0
Non-NHS receivables - capital	**204**	0	**0**	0
Non-NHS prepayments and accrued income	**2,247**	1,436	**0**	0
PDC Dividend prepaid to DH	**0**	0		
Provision for the impairment of receivables	**(80)**	(48)	**0**	0
VAT	**720**	699	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**389**	504
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**157**	120	**0**	0
Total	**11,558**	8,675	**389**	504
Total current and non current	**11,947**	9,179		
Included in NHS receivables are prepaid pension contributions:	**0**			

22.2. Receivables past their due date but not impaired

	31 March 2016	31 March 2015
	£000s	£000s
By up to three months	**1,642**	647
By three to six months	**631**	64
By more than six months	**212**	235
Total	**2,485**	946

22.3. Provision for impairment of receivables

	2015-16 £000s	2014-15 £000s
Balance at 1 April 2015	**(48)**	(258)
Amount written off during the year	**!**	96
Amount recovered during the year	**5**	6
(Increase)/decrease in receivables impaired	**(88)**	108
Transfers to NHS Foundation Trust on authorisation as FT	**0**	
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	**0**	0
Balance at 31 March 2016	**(80)**	(48)

23. NHS LIFT investments

Not relevant for trust

24.1. Other Financial Assets - Current

The Trust did not have any other current financial assets. (2014/15: none)

24.2. Other Financial Assets - Non Current

The Trust did not have any other non-current financial assets. (2014/15: none).

25. Other current assets

As in 2014/15 the Trust did not have any other current assets.

26. Cash and Cash Equivalents

	31 March 2016 £000s	31 March 2015 £000s
Opening balance	**10,800**	13,100
Net change in year	**(3,591)**	(2,300)
Closing balance	**7,209**	10,800
Made up of		
Cash with Government Banking Service	**7,160**	10,718
Commercial banks	**49**	82
Cash in hand	**0**	0
Liquid deposits with NLF	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**7,209**	10,800
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**7,209**	10,800
Third Party Assets - Bank balance (not included above)	**98**	80
Third Party Assets - Monies on deposit	181	216

27. Non-current assets held for sale

	Land	Buildings, excl. dwellings	Total
	£000s	£000	£000s
Balance at 1 April 2015	1,019	0	**1,019**
Plus assets classified as held for sale in the year	0	0	**0**
Less assets sold in the year	(1,019)	0	**(1,019)**
Less impairment of assets held for sale	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	**0**
Transfers to Foundation Trust on authorisation as FT	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	**0**
Balance at 31 March 2016	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2016	**0**	**0**	**0**
Balance at 1 April 2014	2,519	588	**3,107**
Plus assets classified as held for sale in the year	88	197	**285**
Less assets sold in the year	(1,588)	(870)	**(2,458)**
Less impairment of assets held for sale	0	(19)	**(19)**
Plus reversal of impairment of assets held for sale	0	104	**104**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	**0**
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	**0**
Balance at 31 March 2015	**1,019**	**0**	**1,019**
Liabilities associated with assets held for sale at 31 March 2015	0	0	0

28. Trade and other payables

	Current		Non-current	
	31 March 2016 £000s	31 I arch 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
NHS payables - revenue	**1,889**	1,567	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**2,246**	961	**0**	0
Non-NHS payables - revenue	**4,334**	5,305	**0**	0
Non-NHS payables - capital	**4,079**	3,784	**0**	0
Non-NHS accruals and deferred income	**5,992**	3,792	**0**	0
Social security costs	**1,827**	1,857		
PDC Dividend payable to DH	**190**	187		
Accrued Interest on DH Loans	**0**			
VAT	**0**	0	**0**	0
Tax	**1,610**	1,670		
Payments received on account	**0**	0	**0**	0
Other	**2,756**	2,702	**0**	0
Total	**24,923**	21,825	**0**	0
Total payables (current and non-current)	**24,923**	**21,825**		
Included above:				
to Buy Out the Liability for Early Retirements Over 5 Years	**0**	0		
number of Cases Involved (number)	**0**	0		
outstanding Pension Contributions at the year end	**2,755**	2,701		

29. Other liabilities

The Trust did not have any other liabilities in 2015/16. (2014/15: None).

30. Borrowings

	Current		Non-current	
	31 March 2016 £000s	31 I arch 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
Loans from Department of Health	**0**	0	**0**	0
Loans from other entities	**0**	0	**0**	0
PFI liabilities:				
Main liability	**137**	112	**7,438**	7,575
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**30**	44	**1,265**	1,295
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**167**	**156**	**8,703**	**8,870**
Total other liabilities (current and non-current)	**8,870**	**9,026**		

Borrowings / Loans - repayment of principal falling due in:

	31 March 2016		
	DH £000s	**Other £000s**	**Total £000s**
0-1 Years	0	167	**167**
1 - 2 Years	0	227	**227**
2 - 5 Years	0	715	**715**
Over 5 Years	0	7,761	**7,761**
TOTAL	**0**	**8,870**	**8,870**

31. Other financial liabilities

Except for PFI and LIFT schemes, the Trust did not have any other financial liabilities during 2015/16. (2014/15: None)

32. Deferred income

	Current		Non-current	
	31 March 2016 £000s	31 March 2015 £000s	**31 March 2016 £000s**	31 March 2015 £000s
Opening balance at 1 April 2015	**313**	745	**0**	0
Deferred revenue addition	**526**	313	**0**	0
Transfer of deferred revenue	**(313)**	(745)	**0**	0
Current deferred Income at 31 March 2016	**526**	313	**0**	0
Total deferred income (current and non-current)	**526**	313		

33. Finance lease obligations as lessee

The Trust did not have any finance lease obligations as at 31st March 2016, other than the PFI and LIFT contracts. (2014/15: none).

34. Finance lease receivables as lessor

The Trust did not have any finance lease receivables as at 31st March 2016. (2014/15: none).

35. Provisions

		Comprising:						
	Total	**Early Departure Costs**	**Legal Claims**	**Restructuring**	**Continuing Care**	**Equal Pay (incl. Agenda for Change**	**Other**	**Redundancy**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance at 1 April 2015	**3,535**	411	108	0	0	129	2,389	498
Arising during the year	**549**	0	56	0	0	0	290	203
Utilised during the year	**(1,296)**	(107)	(57)	0	0	(129)	(814)	(189)
Reversed unused	**(657)**	(38)	(48)	0	0	0	(261)	(310)
Unwinding of discount	**19**	4	0	0	0	0	15	0
Change in discount rate	**80**	41	0	0	0	0	39	0
Transfers to NHS Foundation Trusts on being authorised as FT	**0**	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	**0**	0	0	0	0	0	0	0
Balance at 31 March 2016	**2,230**	**311**	**59**	**0**	**0**	**0**	**1,658**	**202**
Expected Timing of Cash Flows:								
No Later than One Year	**1,219**	76	59	0	0	0	882	202
Later than One Year and not later than Five Years	**498**	192	0	0	0	0	306	0
Later than Five Years	**513**	43	0	0	0	0	470	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2016	15,516
As at 31 March 2015	4,404

The Other provision relates to:

	£'000
Annual Leave Accrual	59
Dilapidation costs for leased properties	208
HR tribunals	203
Injury benefit provision	1,188
	1,658

36. Contingencies

	31 March 2016	31 March 2015
Contingent liabilities	**£000s**	£000s
NHS Litigation Authority legal claims	**(57)**	(48)
Employment Tribunal and other employee related litigation	**0**	0
Redundancy	**0**	0
Other *[give details]*	**0**	0
Net value of contingent liabilities	**(57)**	(48)

Contingent assets		
Contingent assets *[give details]*	**0**	0
Net value of contingent assets	**0**	0

37. PFI and LIFT - additional information

PFI

The PFI building; the Agnes Unit, was handed over to the Trust for commissioning and operational use from 18th September 2008. The Agnes Unit is used as an Assessment and Treatment facility for people with a Learning Disability and also includes 4 high intensive support beds for Learning Disability users.

The unitary payment associated with the building was £1.241m for the period to March 2015. The PFI contract is for hard facilities management services only, incorporating the maintenance and lifecycling of the building by the PFI contractor for the 30 year concession period. The unitary charge is linked to the Retail Price Index (RPI) and as such the charge should only alter with changes in RPI.

The Trust recognises the asset as an item of property, plant and equipment (PPE), together with a liability to pay for it. The services received under the contract are recorded as operating expenses. The fair value of the the PFI building is £8.202m as at 31 March 2016, with a corresponding liability of £7.574m. At the end of the 30 year concession period the Trust will own the asset.

Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI

	2015-16 £000s	2014-15 £000s
Total charge to operating expenses in year - Off SoFP PFI	**0**	0
Service element of on SOFP PFI charged to operating expenses in year	**456**	432
Total	**456**	432

Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI

No Later than One Year	**447**	461
Later than One Year, No Later than Five Years	**1,792**	1,797
Later than Five Years	**10,580**	11,154
Total	**12,819**	13,412

The estimated annual payments in future years are expected to be materially different from those which the organisation is committed to make materially different from those which the organisation is committed to make during the next year. The likely financial effect of this is:

Estimated Capital Value of Project - off SOFP PFI	**0**	0
Value of Deferred Assets - off SOFP PFI	**0**	0
Value of Reversionary Interest - off SOFP PFI	**0**	0

Imputed "finance lease" obligations for on SOFP PFI contracts due

	2015-16 £000s	2014-15 £000s
No Later than One Year	**664**	647
Later than One Year, No Later than Five Years	**2,738**	2,714
Later than Five Years	**11,785**	12,472
Subtotal	**15,187**	15,833
Less: Interest Element	**(7,612)**	(8,147)
Total	**7,575**	7,686

Present Value Imputed "finance lease" obligations for on SOFP PFI contracts due Analysed by when PFI payments are due	**2015-16 £000s**	2014-15 £000s
No Later than One Year	**137**	112
Later than One Year, No Later than Five Years	**747**	674
Later than Five Years	**6,691**	6,900
Total	**7,575**	7,686

Number of on SOFP PFI Contracts

Total Number of on PFI contracts	**1**
Number of on PFI contracts which individually have a total commitments value in excess of £500m	**0**

Number of off SOFP PFI Contracts

Total Number of off PFI contracts	**0**
Number of off PFI contracts which individually have a total commitments value in excess of £500m	**0**

LIFT

During 2010/11 the Trust's LIFT asset was brought onto balance sheet, in line with International Financial Reporting Standards requirements. The Trust's occupies 22.9% of St Peters Health Centre and under the arrangements of IFRIC 12: Service Concession Arrangements, the Trust has recognised both the asset and liability on the balance sheet). The asset value at the end of this year is £1.254m. The Trust will not own the asset at the end of the 25 year lease term.

Because the Trust is not lead signatory on the head lease agreement, it is not accountable for any obligation changes to the contract (this responsibility transferred to NHS Property Services upon the demise of Leicester City PCT).

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT

	2015-16 £000s	2014-15 £000s
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**31**	30
Total	**31**	30

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.	**2015-16 £000s**	2014-15 £000s
LIFT scheme expiry date:		
No Later than One Year	**44**	31
Later than One Year, No Later than Five Years	**171**	169
Later than Five Years	**521**	566
Total	**736**	766

	2015-16 £000s	2014-15 £000s
The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is:		
Estimated capital value of project - off SOFP LIFT	**0**	0
Value of Deferred Assets - off SOFP LIFT	**0**	0
Value of Residual Interest - off SOFP LIFT	**0**	0

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**2015-16 £000s**	2014-15 £000s
No Later than One Year	**173**	192
Later than One Year, No Later than Five Years	**718**	714
Later than Five Years	**1,815**	1,992
Subtotal	**2,706**	2,898
Less: Interest Element	**(1,411)**	(1,559)
Total	**1,295**	1,339

Present Value Imputed "finance lease" obligations for on SOFP LIFT contracts due Analysed by when LIFT payments are due	**2015-16 £000s**	2014-15 £000s
No Later than One Year	**30**	44
Later than One Year, No Later than Five Years	**195**	171
Later than Five Years	**1,070**	1,124
Total	**1,295**	1,339

Number of on SOFP LIFT Contracts	
Total Number of LIFT contracts	**1**
Number of LIFT contracts which individually have a total commitments value in excess of £500m	**0**
Number of off SOFP LIFT Contracts	
Total Number of LIFT contracts	**0**
Number of LIFT contracts which individually have a total commitments value in excess of £500m	**0**

38. Impact of IFRS treatment - current year

The information below is required by the Department of Heath for budget reconciliation	2015-16 Income **£000s**	2015-16 Expenditure **£000s**	2014-15 Income £000s	2014-15 Expenditure £000s
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g PFI / LIFT)				
Depreciation charges		243		235
Interest Expense		884		868
Impairment charge - AME		0		690
Impairment charge - DEL		0		0
Other Expenditure		493		467
Revenue Receivable from subleasing	0		0	
Impact on PDC dividend payable		1		(21)
Total IFRS Expenditure (IFRIC12)	**0**	**1,621**	**0**	**2,239**
Revenue consequences of PFI / LIFT schemes under UK GAAP / ESA95		1,533		1,508
Net IFRS change (IFRIC12)		**88**		**731**
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12				
Capital expenditure 2015-16		**0**		0
UK GAAP capital expenditure 2015-16 (Reversionary Interest)		**0**		0

	2015-16 Income/ Expenditure IFRIC 12 YTD **£000s**	2015-16 Income/ Expenditure ESA 10 YTD **£000s**
Revenue costs of IFRS12 compared with ESA10		
Depreciation charges	**243**	
Interest Expense	**884**	
Impairment charge - AME	**0**	
Impairment charge - DEL	**0**	
Other Expenditure		
Service Charge	**493**	1533
Contingent Rent	**0**	
Lifecycle	**0**	
Impact on PDC Dividend Payable	**1**	
Total Revenue Cost under IFRIC12 vs ESA10	**1,621**	**1,533**
Revenue Receivable from subleasing	**0**	**0**
Net Revenue Cost/(income) under IDRIC12 vs ESA10	**1,621**	**1,533**

39. Financial Instruments

39.1. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with commissioners and the way these commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

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

Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the Trust Development Authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are mostly incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

39.2. Financial Assets

	At 'fair value through profit and loss'	Loans and receivables	Available for sale	Total
	£000s	£000s	£000s	£000s
Embedded derivatives	0			**0**
Receivables - NHS		6,505		**6,505**
Receivables - non-NHS		1,374		**1,374**
Cash at bank and in hand		7,209		**7,209**
Other financial assets	0	0	0	**0**
Total at 31 March 2016	**0**	**15,088**	**0**	**15,088**
Embedded derivatives	0			0
Receivables - NHS		4,727		4,727
Receivables - non-NHS		772		772
Cash at bank and in hand		10,800		10,800
Other financial assets	0	0	0	0
Total at 31 March 2015	0	16,299	0	16,299

39.3. Financial Liabilities

	At 'fair value through profit and loss'	Other	Total
			£000s
Embedded derivatives	0		**0**
NHS payables		4,645	**4,645**
Non-NHS payables		8,603	**8,603**
Other borrowings		0	**0**
PFI & finance lease obligations		8,870	**8,870**
Other financial liabilities	0	0	**0**
Total at 31 March 2016	**0**	**22,118**	**22,118**
Embedded derivatives	0		0
NHS payables		4,268	4,268
Non-NHS payables		9,277	9,277
Other borrowings		0	0
PFI & finance lease obligations		9,026	9,026
Other financial liabilities	0	0	0
Total at 31 March 2015	0	22,571	22,571

40. Events after the end of the reporting period

The Trust had no events after the reporting period.

41. Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Leicestershire Partnership NHS Trust.

The Department of Health is regarded as a related party. During the year Leicestershire Partnership NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

CCGs

NHS England

NHS Foundation Trusts
NHS Trusts
NHS Litigation Authority
NHS Business Services Authority
NHS Supply Chain

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. The majority of these transactions have been with Leicester City Council, Leicestershire County Council and Rutland County Council.

The Trust manages the administrative arrangements for its charitable funds and is the corporate trustee of 'Leicestershire Partnership NHS Trust Charitable Funds'.

42. Losses and special payments

The total number of losses cases in 2015-16 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	99,701	32
Special payments	60,792	24
Total losses and special payments	160,493	56

The total number of losses cases in 2014-15 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	111,975	26
Special payments	121,001	47
Total losses and special payments	232,976	73

43. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1. Breakeven performance

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Turnover	133,189	137,552	134,307	138,873	138,466	282,464	281,886	267,367	273,950	**275,422**
Retained surplus/(deficit) for the year	7	303	683	(6,492)	(9,900)	2,739	1,292	4,066	(1,338)	**2,865**
Adjustment for:										
Timing/non-cash impacting distortions:										
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	**0**
2007/08 PPA (relating to 1997/98 to 2006/07)	0									
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0								
Adjustments for impairments				0	8,108	11,605	3,842	2,941	(1,175)	3,908	**(1,612)**
Adjustments for impact of policy change re donated/government grants assets							0	(10)	14	15	**15**
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*					116	(5)	(19)	5	6	41	**88**
Absorption accounting adjustment								0	0	0	**0**
Other agreed adjustments	0	0	0	0	0	0	**0**	0	0	**0**
Break-even in-year position	**7**	**303**	**683**	**1,732**	**1,700**	**6,562**	**4,228**	**2,911**	**2,626**	**1,356**
Break-even cumulative position	**94**	**397**	**1,080**	**2,812**	**4,512**	**11,074**	**15,302**	**18,213**	**20,839**	**22,195**

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS organisation's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	%	%	%	%	%	%	%	%	%	%
Materiality test (I.e. is it equal to or less than 0.5%):										
Break-even in-year position as a percentage of turnover	0.01	0.22	0.51	1.25	1.23	2.32	1.50	1.09	0.96	**0.49**
Break-even cumulative position as a percentage of turnover	0.07	0.29	0.80	2.02	3.26	3.92	5.43	6.81	7.61	**8.06**

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

43.2. Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

43.3. External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2015-16 £000s	2014-15 £000s
External financing limit (EFL)	**3,445**	3,954
Cash flow financing	**3,385**	2,753
Finance leases taken out in the year	**0**	0
Other capital receipts	**0**	0
External financing requirement	**3,385**	2,753
Under/(over) spend against EFL	**60**	1,201

43.4. Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2015-16 £000s	2014-15 £000s
Gross capital expenditure	**11,867**	14,755
Less: book value of assets disposed of	**(1,094)**	(2,558)
Less: capital grants	**0**	0
Less: donations towards the acquisition of non-current assets	**0**	0
Charge against the capital resource limit	**10,773**	12,197
Capital resource limit	**11,095**	12,312
(Over)/underspend against the capital resource limit	**322**	115

44. Third party assets

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2016 £000s	31 March 2015 £000s
Third party assets held by the organisation	**279**	296

Third party assets consist of patient current accounts administrated by the Trust and patient cash held by the Trust as at 31st Mach 2016.

Appendix B: Annual Governance Statement

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

The Trust has a governance framework in place, consisting of Standing Financial Instructions, Standing Orders and a scheme of delegation of powers, including those powers reserved to the Board and its standing committees. The Trust Board committees provide scrutiny and assurance. These consist of the Quality Assurance Committee (QAC), Finance and Performance Committee (FPC), Audit and Assurance Committee (A&AC), Strategic Workforce Group (SWG) and Remuneration Committee (REMCOM). Their accountability and responsibilities are defined within their terms of reference.

As Chief Executive, I retain overall responsibility for the effective functioning, operation and oversight of internal control arrangements. Statutory duties upon the Trust are wide ranging covering, inter alia, Trust's quality and financial accounts, financial instruments and regulatory compliance, employment law, and registrations such as with the Care Quality Commission (CQC) and the Information Commission. I confirm that arrangements are in place for the discharge of these statutory functions, that they are legally compliant, and that the role of Board Committees and audit functions is ongoing in checking for any irregularities to bring to my attention.

All staff have responsibilities for the systems of risk management as described in the Trust's Risk Management Strategy which is reviewed and approved by the Board annually.

Processes are in place for working closely with partnership organisations such as the Trust Development Authority and NHS Improvement going into 2016. These processes include service provision agreements with local health commissioners, and an integrated approach to the provision of care with local authorities, voluntary sector and commercial partners.

The Governance Framework of the Organisation

Our key Board Committees are:

Finance and Performance Committee (FPC) is chaired by a Non-Executive Director and meets on a monthly basis. Its membership has key Executive Directors and three Non-Executive Directors. One Non-Executive Director and some Executive Directors have common membership to both FPC and the QAC for the quality agenda perspective. It is tasked with undertaking financial reviews, including capital planning and infrastructure developments, on behalf of the Trust Board, and considers actions to mitigate any major financial risks facing our Trust. Business development opportunities form part of their considerations, as does the production of both the annual and longer term business plans. The Committee has a second major role being that of assurance of our operational performance to the Trust Board, which includes performance against the national priorities as set out in the NHS Operating Framework 2015/16.

Remuneration Committee (REMCOM) has Non-Executive Director membership and is advised by the Director of Human Resources and Organisational Development. It meets as required, but at least twice a year, to ensure there is a fair and transparent procedure for developing and maintaining policy on executive remuneration and for fixing the remuneration packages of individual directors. It also monitors and evaluates Executive and Senior Directors' performance and advises on contractual arrangements.

Quality and Assurance Committee (QAC) is chaired by a Non-Executive Director, has two other Non-Executive Director members, and meets on a monthly basis. It also has Board Executive Directors membership as well as Senior Clinical Directors, senior clinical representation, and commissioners in attendance. It is the key forum for discussion and assurance that robust risk management and quality governance arrangements are in place throughout the Trust and that they are working effectively. It is the designated lead risk committee on behalf of the Trust Board. It is supported in its work by groups that are responsible for different aspects of quality and clinical governance overview such as patient safety, and experience, and infection control. These groups are scheduled such as to provide timely information to the QAC.

The Trust Board determined, following a review led by the Medical Director, to strengthen the Board-level assurance of the Mental Health Act (MHA) legislative activities. From 2016/17 onwards the **MHA Assurance Committee** that reports into the QAC will become a committee of the Board itself with Director-level membership.

Strategic Workforce Group (SWG) is chaired by the Chief Executive and is a task and finish group of the Board. Its membership has a Non-Executive Director and has Executive Directors as formal members.

Assurance around performance delivery of key quality workforce and training metrics are the key operational governance considerations.

Audit and Assurance Committee (A&AC) has Non-Executive Director membership. It meets at least six times a year and reports to the Board annually on its work in support of providing assurance on our governance framework. The primary roles of the committee are to:

- Independently monitor and review our internal control systems.
- Provide independent advice and assurance to our Trust Board.
- Encourage and enhance the effectiveness of the relationships between the Board Committees.
- Oversee corporate governance aspects which cover the public service values of accountability, probity and openness.
- Review the Board Assurance Framework (BAF) and Corporate Risk Register (CRR).
- Receive regular reports on assurance from internal audit, external auditors, and counter fraud.
- Receive and review assurance on governance arrangements and actions progress from lead Executive Director for issued internal audit limited or split opinion assurance reports.
- Receive and review assurance reports from other Board committees
- Receive and review risk based assurance reports on matters of potential or actual concern to the Committee.

All Board committees' meeting attendances are recorded and Terms of Reference state a requirement of 75% attendance expectation for all formal members. Attendance is reported within the annual reports of Committees to Trust Board, and when the work of the Committees is reviewed annually by A&AC. Highlight reports from Board Committees are presented to the next available Trust Board meeting and reporting back is led by the Non-Executive Chair of the meeting.

Performance assessment of committees is on an annual basis. Committees reflect on their own achievements and challenges and the A&AC considers each report at one of its meeting, with the Chair and Executive lead of the Board Committee being in attendance. The final report is then submitted to the Trust Board.

The Trust Board sets up task and finish groups to consider, with pertinent membership, key issues in more depth

There is an annual review of Standing Orders and Standing Financial Orders, along with the Board's Scheme of Reservation and Delegation. The Board also reviews annually its commitment to the Codes of Conduct and Accountability for NHS Boards, and is compliant with the codes of good practice for Boards, as applicable to a provider service NHS Trust, of the HM Treasury/Cabinet Office Corporate governance code. This review also now includes self-certification checks for Fit and Proper Persons standards along with ongoing compliance work.

Risk assessment

At a corporate level, the formal mechanism through which our Board receives assurance that all risks are identified and appropriately managed is the Board Assurance and Escalation Framework (BAEF). The BAEF sets out the Trust's quality governance structure and systems through which the Trust Board receives assurance. It describes the process for the escalation of concerns and risks which could threaten the delivery of the Trust's strategic objectives, service delivery or patient safety.

As part of the Trust Assurance Framework, the Trust produces risk registers at a Local, Service, Directorate and Corporate level.

The risk registers are recorded using a standard risk assessment template each risk is rated according to the impact/likelihood risk assessment matrix identified within the Trust's Risk Management Strategy. This is based on international guidance and best practice. The Risk Registers identify:-

- The risk to achieving the local, service, divisional or strategic objectives.
- The current risk rating for each risk (at the point of risk assessment)
- The risk owner
- The controls that are in place to assist in securing delivery of the objective.
- The assurances that enable evidence to be gained that our controls are effective
- The actions that are being taken to reduce the risk.
- The residual risk rating (the predicted risk rating when the planned actions are in place)

A summary table of principal risks to our strategic objectives in 2015/16 is at the Annex.

The Risk and Control Framework

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 on-going process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Trust recognises that an effective system of internal control requires leadership and therefore the Trust's Risk Management Strategy places a responsibility on the Trust Board to satisfy itself that effective policies and systems exist and are functioning correctly. The Trust Board leadership gives oversight to all aspects of risk management and the QAC is the lead committee in monitoring the Trust's risk profile.

The Trust ensures through its management structure that staff are properly equipped to understand and manage risk through a wide range of training programmes which include:

- Incident Investigation and Root Cause Analysis (RCA)
- Corporate induction programme for all staff covering a range of risk related subjects including incident reporting and information governance, tailored for specific staff groups as well as a local induction highlighting specific to role risk management systems.
- A mandatory training programme that is delivered to all staff with an agreed refresher period. This includes incident reporting, health and safety risk management and information governance.

- Health and Safety Management and Risk Assessment
- Training for clinical staff in managing patient related risks
- A programme of financial awareness training, including 'Code of Business Conduct'
- Risk and incident management systems.

The Trust's Risk Management Strategy details risk management responsibilities and reporting arrangements from Board level down including where responsibilities are delegated to Executive Director Leads and line management. The strategy is embedded by an electronic risk management system and supported by detailed guidance that clearly explains the process for assessing and managing risk as follows:

- A common methodology is used to evaluate risks in order that risks and improvements to controls can be appropriately prioritised.
- Risks are identified at department, service-line, directorate, and corporate levels and are managed at the appropriate level with additional controls being implemented when necessary.
- The system provides for rapid escalation of risks to the next-highest level when it is considered that the risk warrants additional support and assurance or cannot be effectively mitigated at the current level.

Risk Management is embedded in the activity of the Trust as follows:

- Potential risks to on-going compliance with the Fundamental Standards of Quality and Safety are managed as risks both at care-delivery level and centrally using the electronic risk systems and are scrutinised centrally within directorates for assurance against action plans.
- Compliance with the mechanisms for the reporting of all accidents and incidents and use of incident reporting data to contribute to the identification of key risks.
- All Serious Incidents (SIs) are actively managed and monitored to ensure compliance with action plans.
- All SIs undergo Root Cause Analysis Investigation by trained investigators.
- A Corporate SI Oversight Group assures consistency and learning from SIs
- Training and education programmes for all staff and Board members, including induction programmes and mandatory training.
- Established policies in place to support risk management, (e.g. whistle blowing, complaints) and awareness of the policies is promoted within the Trust.
- Risks are considered as part of the business and capital planning process and are incorporated into service development initiatives and project management plans.

Review of the Effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the BAF and on the controls reviewed as part of Internal Audit's work. The opinion issued has given Significant Assurance that there is a generally sound system of internal control,

designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The BAF provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by a number of sources of assurance:

- Maintenance of CQC Unconditional Registration
- The CQC Intelligent Monitoring Report
- The Trust Board Reportable Issues Log
- The Board's Integrated Quality and Performance Report (IQPR)
- Clinical Audit
- Internal SIs Oversight Groups
- Internal Auditors, a process of internal auditing and reports
- External auditors
- The work of the Local Counter Fraud Specialist
- Complaints, Claims and Serious Incident monitoring and reporting to Commissioners and Trust Board
- The Information Governance Toolkit Self-Assessment
- Patient led Assessments of the Care Environment (PLACE)
- The development, internal governance scrutiny and assurance, and external review by patient groups and key stakeholder groups, of the accuracy of the Quality Accounts
- Feedback from external assessments and reviews
- Trust responses to external inquiries and reports
- Trust commissioned reviews of services
- Service Delivery Improvement Plan (SDIP). The plan is aligned to National Audit Commission's 'Standards for Better Quality Data' framework and provides a robust mechanism to provide assurance of best practices to support better data quality.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, and its Committees. In particular, the A&AC provides the Trust Board with assurance that systems and processes designed to manage risk are appropriate and robust. Plans to address any highlighted weaknesses, and to ensure continuous improvement of the system, are commissioned and monitored.

Internal Audit provides me with further assurance on the processes in place by way of specific audits, as well as through an overall opinion on the system of internal control. The review and maintenance of the effectiveness of the system of internal control is undertaken as follows:

- The Trust Board has the authority and responsibility of the establishment, maintenance, support and evaluation of the action plan to support the system for internal control. The Board owns and receives the BAF and regularly reviews this key

assurance document. The Trust Board receives highlight reports from its Committees which highlight immediately issues of assurance for the Board.

- The A&AC oversees the governance and assurance processes on behalf of the Trust so as to ensure that an effective internal control system and risk management system is maintained. This includes regular scrutiny of the BAF and follow-up actions resulting from internal audit reviews.

- The Board Committees provide assurance of effective control on significant risks and a balanced and integrated approach to clinical focus, engagement and patient/stakeholder involvement through regular scrutiny of their assigned BAF risk report.

- The FPC ensures the effective scrutiny of financial risks and performance matters, and it assures effective control on all financial matters.

- Executive Directors regularly review all operational, strategic and financial risks pertinent to their individual portfolios.

Monthly reports to QAC present a summary of the Trust's performance against key targets for the reporting and management of SIs. The reports also provide a quarterly thematic analysis of SIs reported by the Trust to date, detailing key lessons learnt and action taken in response to mitigating risks.

The QAC has a reporting-in Clinical Effectiveness Group (CEG) that approves the annual Clinical Audit Forward Plan. This Group also oversees the Clinical Audit Policy, and Strategy. It receives monthly updates against the Annual Forward Plan and escalates to QAC any concerns.

Key areas of work during 2015/16 were:

- Review of high level risks with detailed scrutiny of specific risks such as quality impact of cost improvement programmes, data quality, Never Events and quality improvement.
- Receiving assurance on CQC compliance and action taken following inspections.
- Review of the Trust's Quality Strategy including quality priorities, Clinical Audit Strategy, Research Strategy and 2015/16 Quality Accounts.
- Approving the Trust's Risk Management Strategy
- Receiving reports and assurance of actions following complaints and learning from patient experience, Friends and Family Test.

Self-Regulation during 2016/17 will be further developed as follows: each clinical directorate will prioritise cohorts of services and phase self-regulation self-assessments over each quarter. These self-assessments form self-regulation Steps 1 and 2 and mirror the CQC inspection "Time to Shine" preparation approach, reviewing their progress, and planning future changes that can lead to improvements in quality using the Plan-Do-Study- Act (PDSA) Quality improvement methodology.

Alongside self-assessment, directorates will triangulate self-assessment outcomes with existing quality and safety governance processes and reports. This will be coupled with a requirement for a quarterly compliance declaration for each clinical directorate.

The 2015/16 Quality Accounts will provide assurances about how we have achieved quality outcomes for the year 2015/16, and identify our clinical quality priorities for 2016/17 which should represent the services delivered, whilst dove-tailing with the Trust's Integrated Business Plan and Annual Report. The Quality Account includes in its review of quality performance in 2015/16 reporting against the national mandatory requirements and statements of assurance. The Quality Accounts will be subject to audit by the Trust's external auditors to ensure that it meets with regulatory requirements as stated in the Quality Accounts Toolkit and subsequent updates noted in NHS England Gateway reference No. 04730. In addition two national indicators have been selected for additional scrutiny as part of the assurance and scrutiny process:

- The percentage of admissions to acute wards for which the Crisis Resolution Home Treatment Team acted as a gatekeeper during the reporting period.
- The number and, where available, rate of patient safety incidents reported within the Trust during the reporting period.

The final Quality Account will be presented to Trust Board on 27 May 2016 for approval, prior to being published on NHS Choices by 30 June 2016.

Mandatory Training

The Trust has a mandatory training policy and framework which identifies mandatory training requirements for the organisation.

The framework consists of the following levels:

- Core mandatory training – training that applies to all staff groups
- Clinical mandatory training that applies to a majority of staff groups

A Trust Mandatory Training Register provides assurance that there is a central reference point for assuring the consistency of mandatory training. Each topic identified within the register consists of a course outline and training delivery plan which is mapped to the Skills for Health Core Skills Training Framework ("CSFT"). During 2015/16 we have been active participants in the East Midlands Streamlining project to benchmark, standardise and streamline mandatory training requirements within the region.

A Mandatory Training Annual Delivery Plan and Reporting Schedule provides further assurance for the monitoring of core mandatory and clinical mandatory training topics. This includes reporting schedules for Divisional scorecards and also integrated governance groups. During 2015/16 we have further developed a robust, responsive suite of reports to assist the organisation in managing mandatory compliance.

Trust assurance for mandatory training processes is reviewed in detail by the Learning & Organisational Development Group and metrics captured in the Board's monthly IQPR. In 2015/16 we have focussed on maintenance of our compliance rates. We have made some improvements in compliance for bank staff, including the implementation of a bespoke bank induction, and giving bank staff access to uLearn (the Trust's learning management and appraisal system). We have also increased our dedicated resource to enable the expansion of our suite of e-learning packages as alternate delivery methods for all mandatory topics suitable for this type of learning. Instrumental in much of this improvement is the development of uLearn which now provides direct access for individuals and managers to book, manage and monitor their own learning, supervision and appraisals and undertake e-learning; all of this from any device that has internet access, including smartphones and mobile devices. We have also provided access to real time reporting of compliance for mandatory topics for individuals and their managers.

Clinical Supervision is a mandatory requirement for clinical staff and it is a requirement of the Quality Schedule that all clinical staff undertake a minimum of one clinical supervision session per quarter. From April 2015 the process of recording clinical supervision was changed so that it is recorded electronically directly on uLearn by the individual. This method also allows us to capture the mode of supervision and a rating of the quality of supervision received. However this is a new system and although staff have been informed of the new monitoring requirement time is needed to embed and implement this across the organisation.

The data is collected continuously and is reported on a monthly basis at the Clinical Effectiveness Group (CEG) and also included in the detailed mandatory training reports circulated across the organisation to managers and Workforce Groups. This system provides assurance that clinicians are currently receiving Clinical Supervision, facilitates escalation of concerns to CEG and highlights where appropriate action may need to be taken for any areas of concern.

Compliance for clinical supervision remains well below the target of 85%, although anecdotally we believe this is generally due to under-reporting as staff are not inputting their records of supervision. However from the records we have, 91.7% of our staff rate their experience of supervision as good, very good or excellent. We commenced an intensive communication campaign led by our Medical Director (February 2015) to help staff understand the importance of recording their supervision and how easy this is to do on uLearn. Once we are confident that staff are recording their supervision we can focus on areas of concern and provide additional support to those teams.

The following resources are available to support staff in their clinical supervision:

- Clinical Supervision policy reviewed in 2015 and launched across the organisation.
- The clinical supervision for supervisor's workshop has been reviewed to cover the revision of the policy and provide candidates with skills to promote and encourage effective clinical supervision with their teams and work areas.

- Dedicated eSource page full of resources and links to key documents, including all the February Focus campaign material and videos.
- A short video that can be shown at other training activities to promote clinical supervision.
- Clinical Supervision is promoted within Standards 1 and 2 for Health Care Support Workers (Bands 1-4) within the Care Certificate and a dedicated supervision session in included in one of the Care Certificate Workshops.
- Linking clinical supervision with revalidation.
- Including clinical supervision within our Preceptorship programme for newly qualified nurses.
- Launch of a Clinical Supervision e-learning training course for all staff in November 2015.
- Introduction of group clinical supervision sessions for bank staff.

We have developed an action plan that is overseen by the Clinical Effectiveness Group to improve access to supervision for all clinical staff. This includes the improvement of recording, monitoring and identification of areas for further support in clinical supervision as well as improving the quality and effectiveness of supervision for our clinical staff. This action plan will be updated for 2016/17 following a review of the February Focus campaign.

Additional support and co-ordination is provided by the Trust Risk Assurance team. A wide range of information and guidance is provided to staff in a variety of ways including policy documents, team briefings, newsletters, information leaflets and through access to, and use of, the Trust's intranet and via an alert-and-cascade system targeting specific services and staff groups.

The Trust seeks to learn from good practice in a number of ways; these include networking with partnership organisations and other NHS Trusts, and internal auditing arrangements where good practice is noted. Cascade learning through the work of formal groups within the Trust, e.g. the Health and Safety Committee, and Medicines Risk Reduction Working Group, ensures learning from local issues is disseminated Trust-wide.

A dedicated Patient Safety Group of the QAC considers learning opportunities and champions lessons learned from external reviews through cascade events including updates to training and peer review workshops for incident investigators.

Our dedicated team of trainers link with experts from across the Trust to ensure that mandatory training is kept up-to-date, in line with best practice and encompasses lessons learned.

During 2016/17 our focus will remain on those areas of compliance that remain of concern. In particular from April 2016 we will be expanding our bespoke induction for bank staff to encompass all mandatory training so that new bank staff can undertake all required mandatory training before they start working a shift. We have also established a process for enabling bank staff to transfer any current compliance in mandatory topics across to avoid unnecessary duplication. This has a robust assurance framework in place in line with the

CST. In addition we will be developing our capacity to deliver sufficient training in the prevention and management of violence and aggression for both substantive and bank staff.

Significant Issues

During 2015/16 the significant control reportable, regulatory, or reputational issues were:

Interserve Contract

During the year, an agreement was reached between Interserve Facilities Management (IFM), University Hospitals of Leicester NHS Trust (UHL), NHS Property Services and the Trust for the early expiration of the contract for the provision of estates and facilities management services. The contract ceased on 30 April 2016 with all appropriate staff transferring to UHL under TUPE regulations. The provision of these services is now being undertaken within a shared service arrangement (hosted by UHL).

CQC Inspections

On 9 March 2015 the CQC commenced a comprehensive inspection of Trust services. Over one hundred inspectors visited inpatient and community based services over a period of five days. The outcome of the inspection was an overall Trust-wide rating of "Requires Improvement" received in July 2015. The Trust received seventeen reports, covering sixteen 'Core Services' plus an overarching 'Provider Level' Report. Within these reports the CQC issued Requirement Notices across a range of eighty areas where the Trust is required to make improvements. In response each 'Core service' has identified improvement plans to address the findings including: strengthening scrutiny arrangements for patients subject to the MHA; introduction of a mandatory training requirement for clinicians working with the MHA 1983; revising policy and procedures; improvements to inpatient bed management. We are implementing a comprehensive action plan and anticipate that by the end of quarter 3, 2016 our agreed improvement actions will have been fully implemented. Our progress is monitored monthly through our Quality Assurance Committee.
The Trust has not participated in any special reviews or investigations by the CQC in 2015/16.

Information Governance

There were **four** reportable data breaches during 2015/16. Three of these incidents related to the management of clinical correspondence and the impact of misaddressing.

Confidential Information Leak - Misaddressing of Clinical Correspondence

Four separate incidents relating to clinical correspondence containing highly sensitive information being sent to incorrect addresses occurred within the Child & Adolescent Mental Health Service (CAMHS). Owing to their similarity, these incidents of breaches of patient confidentiality were linked together for investigation and the Information Commissioner's Office notified.

The Information Commissioner's Office welcomed the remedial steps taken by the Trust in light of these incidents and based on the information provided the decision was not to take any formal enforcement action.

Confidential Information Leak – Unauthorised Disclosure

A qualified member of nursing staff identified that they knew a patient who was due to be admitted to an Inpatient Ward and that they had an ongoing court case involving the patient. The nurse was moved from the ward for the duration of the patient's admission. However it was discovered that the nurse had sent an email to the judge involved with the court case which included patient confidential information.

A Disciplinary Hearing was undertaken, a Referral made to the Nursing and Midwifery Council and her base was changed in order that no contact was possible with the patient at any future point.

The Incident was reported to the Information Commissioner's Office as a potential Section 55 Offence under the Data Protection Act. The Information Commissioner considered that the action taken against the employee by the Trust was proportionate to any sanction that may be imposed by a court for an offence of this nature. Consequently, they were satisfied that appropriate measures were taken and confirmed that they would take no further action against the individual.

Confidential Information Leak - Misaddressing of Clinical Correspondence
Two patients involved in an incident which occurred as a result of the Support Secretary incorrectly addressing a patient's care plan letter when a non-window envelope was used to send the care plan. A second incident related to a breach of patient confidentiality, whereby a Care Plan letter containing highly sensitive information was sent to a wrong family.

The two incidents above were investigated in parallel and a single report produced. This was approved both by the Commissioners and Information Commissioner's Office. The Information Commissioner welcomed the remedial steps taken by the Trust and based on the information provided it was decided not to take any formal enforcement action.

HM Coroner
During 2015/16 the Trust received seven Prevention of Future Death (PFD) Reports under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013. The new Regulations provides the Coroner with a duty not just to decide how somebody came about their death but also where appropriate to report the death with a view to preventing future deaths. These reports are important and are emphasised by the fact that the new law now makes it a mandatory duty for the Coroner to make a report when a concern is identified.

The concerns raised by the Coroner for each inquest are considered and responded to by the Chief Executive within the timeline set-out by the Regulation report. Any emerging themes are also considered for actions to be considered wider than the specific team or service provision. The Regulation 28 reports and the Chief Executive's responses are shared with our Clinical Commissioning Groups.

Learning from themes has informed our Trust quality priorities for 2016/17. The major themes from 2015/16 have been:

- Appropriate discharge planning
- Access to healthcare information for staff

- Mental health teams' communications with families and other stakeholders
- Quality of mental health assessments in crisis situations

Red Rated Serious Incidents (SIs)
The loss of patient records previously described under Data Breach section.

On 8 November 2015 a female informal patient, who was out on leave from a mental health ward, was found hanging at her home address. A Serious Investigation (SI) is currently being completed and the final report was submitted to the commissioners on 26 February 2016.

On 18 November 2015 the body of a teenage girl was found, she had been missing from her home since 13 November 2015. Two men were arrested in connection with her disappearance and murder. The girl had been seen by School Nursing. An SI investigation is currently being completed.

On 27 November 2015 a patient previously known to Leicestershire Partnership Trust was charged with manslaughter following the discovery of a body. An SI report was submitted to the commissioners on 29 February 2016.

Health and Safety Incidents
The Trust has not received any intervention from the Health and Safety Executive during the reporting period that resulted in prosecution or enforcement notification.

Leicestershire Fire Authority have visited and audited various sites throughout the period as part of their rolling audit programme. Advice has been communicated to the Trust which has resulted in subtle modifications of premises, environment or management arrangements for fire safety. No formal prosecution or enforcement notifications have been received.

Limited Assurance Internal Audit Reports
Whilst the Trust had nine significant assurance reports issued by Internal Audit there were three limited assurance reports for:

- Infection Control
- Clinical Coding
- Duty of Candour

and four split opinion limited assurance opinion reports covering:

- Management of Change
- Medical Appraisal and Revalidation Systems Processes
- Staff Appraisals
- Payroll Expenditure

All limited assurance reports are considered by the Executive lead and lead manager and usually also considered by the pertinent corporate governance assurance group.

All limited assurance reports are considered by the Executive lead and lead manager and by the pertinent corporate governance assurance group. All such reports have also been considered by the next A&AC committee with the Executive lead in attendance so as to give assurance on the process around actions being taken, and immediate steps made.

The Trust has a robust process for following-up all actions that arise from internal audit assurance reports. All reviews have a scheduled follow-up from Internal Audit to be assured of actions taken to complete recommendations made. Any remaining outstanding actions post the follow-up by internal audit are passed to the Trust Secretary for further review with the Trust personnel leading the management response. Escalation of continued concerns is then to the Trust's Executive Team. The A&AC receives regular updates on the overall status of progress for actions arising from internal audit assurance reports.

My review confirms that Leicestershire Partnership NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Annex: BAF Risk Summary Table for 2015/16

Dr Pete Miller, Chief Executive Officer

Leicestershire Partnership NHS Trust (RT5)

Chief Executive:  Date: 31/5/16