NHS

Leicestershire Partnership NHS Trust

annual report 2016-2017

compassion • respect • integrity • trust

Contents

The 2016-17 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.

Our Trust's 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"

We are proud of our staff and their commitment and passion for providing the best possible quality of care. We are committed to living our values of compassion, respect, trust and integrity in everything that we do.

Over the last two years we have been working hard to create a values-based Trust that delivers high quality integrated health and social care developed around the needs of our local people, families and communities. We want LPT to be a great place to work, where we have a culture of continuous improvement and recognition, and where our collective leadership empowers high performing, innovative teams.

We have invested significantly in developing leaders at all levels because we recognise that this will be 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**

We welcome external scrutiny of our services and in November 2016 we welcomed 86 CQC inspectors into the trust to provide a comprehensive assessment of our services. Overall we were rated as 'requires improvement' however the CQC recognised improvement in many areas and we were particularly pleased to see the improvement in overall safety for the trust. Our staff are our greatest asset, and we are proud that the inspectors once again praised their care and compassion. We are particularly proud of the 'outstanding' rating we have received for the care we provide children, young people and families in the community and the improved 'good' ratings for our CAMHS inpatient ward and for end of life care.

The CQC rated our community CAMHS service as inadequate on two domains, safety and responsive. This was primarily related to the number of young people that were waiting for treatment. We will be working with all our partners and commissioners over the coming year to address this issue as part of the improvement strategy we have begun.

Although disappointing, the CQC overall rating is a fair assessment of the improvement journey we are on as a Trust. We have much to be proud of and more to do; we remain confident that we are moving in the right direction

It is a priority of the trust board to establish a process and commitment to self-regulation, to ensure that we know first if there are any risks to the quality of service, and during this past year we have worked with all of our services to embed this approach. We are committed to ensuring our services are focused around the needs of people, families, and local communities.

We support our staff in thinking creatively for continuous improvement. Our 'Listening into Action' continues to enable staff to make local changes to improve care. We have a new 'We Improve' change management training programme to mobilise energy to make changes. Our digital offer is also helping us to look at how we enhance our service offer to support more people in different ways.

We have also introduced agile working to more of our staff over the last year. This is proving to be a successful way of offering a more flexible way of working for staff, reducing travel time with technological solutions to access clinical systems rather than always coming in to a base. This in turn enables us to see more service users, in more accessible ways if needed, and will begin to lead to savings that can be better used in patient care.

Some significant achievements this year include the successful funding bid and opening of our CAMHS access model, and the launch of our new CAMHS home crisis and treatment service. In June we will introduce a new all-age place of safety facility, following significant investment from our commissioners. We have opened a new purpose-built facility for Huntingdon's Disease patients and commissioned a new enhanced mental health crisis house provision. We have won tenders to deliver 0-19 Healthy Child Programme across Leicester, Leicestershire and Rutland. Our intensive community support service has also gone from strength to strength, keeping up to 256 patients a year out of hospital with care and recovery at home.

Our top risks as a Trust centre around financial sustainability, the recruitment and retention of staff, demand and capacity pressures in our acute mental health pathway and the need to reduce out of area placements, and the need for robust information systems to monitor our progress.

The challenges around filling vacancies remain across the country, and we have also struggled to recruit well trained agency staff. The main reason for this is due to the agency cap, which limits how much we can pay an hour for agency staff, however we are working closely with our agency supplier to review this so that we can recruit appropriate agency staff.

Finally, we are seeking to transform our acute mental health pathway, learning from other successful mental health trusts in the country to introduce improvements that will reduce waiting times whilst being able to see more people that need support.

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 2016-17, and our planned revenue surplus of £1.6m was delivered; as a result, the Trust received bonus incentive funding of £0.7m from NHS Improvement. This funding was included in our final out-turn, a £2.3m surplus. In the current financial climate we continue to make efficiencies in the care we provide as stewards of public resources. Thank you to all who have contributed to this.

Looking Ahead

We have undertaken a range of public engagement events with our Better Care Together partners to test views around our local STP (sustainability and transformation plan). The formal consultation and subsequent implementation of any changes will be key to delivering a sustainable health and social care system. 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.

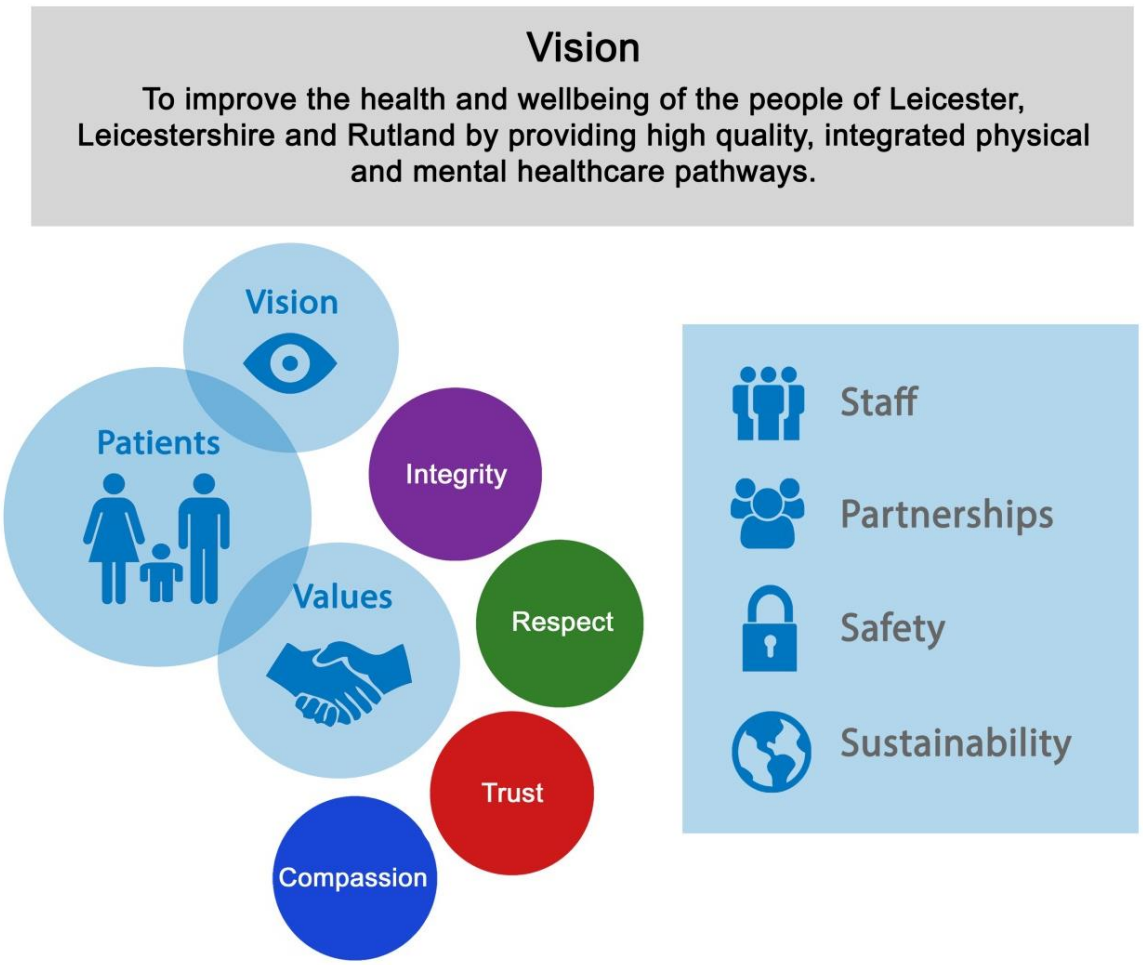
Key clinical priorities, following this year's CQC inspection, will focus on reducing waiting times by improving the flow between our care pathways, to provide safe, effective patient-centred care. We are planning to invest more than £10m to improve the safety of our older environments. We will also continue to focus on self-regulation to ensure continuous improvement of our services, with particular emphasis on clinical record keeping, medicines management, and protecting the privacy and dignity of our patients.

Thank you to all of our staff and to those service users who have contributed their thoughts and reflections on our services this year. We are committed to continuous quality improvement of our care by listening to each other and working together.

Dr Peter Miller, Chief Executive

Cathy Ellis, Chair of LPT

About Us



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 5,500 staff, through three clinical directorates:

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

LPT In Numbers

5.5k
staff

286.7k
active caseload

1.7m
community contacts

154
premises

210K
bed days

96%
of patients recommend our service

£275m
income

9.5K
members representing the population we serve

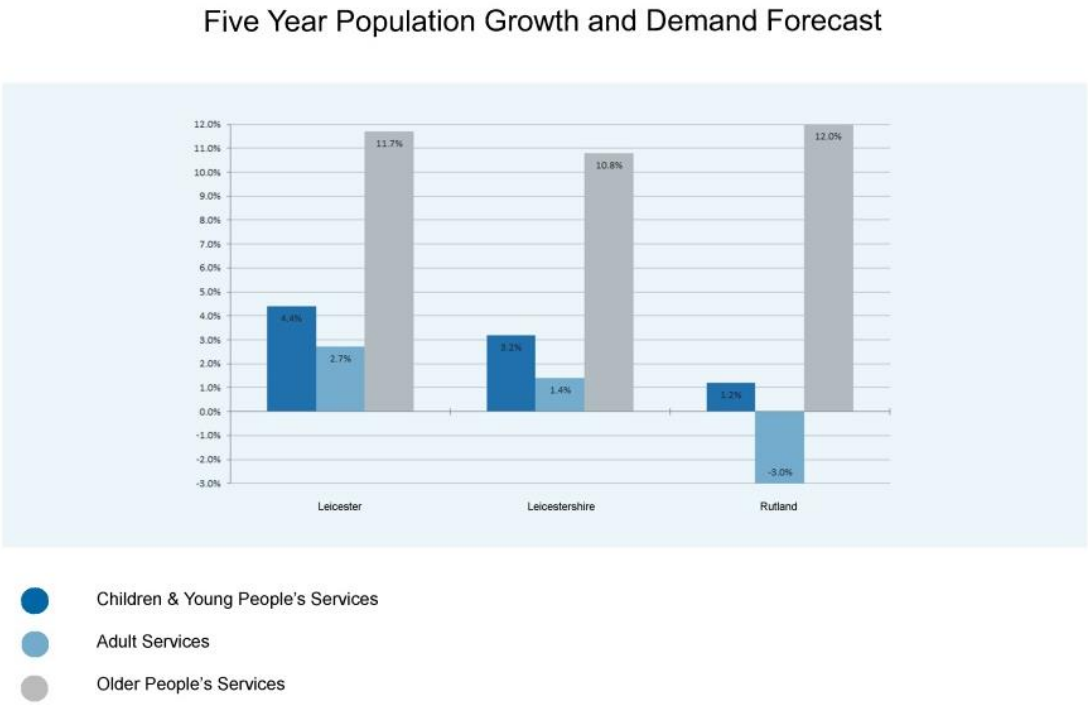
Our population and the community we serve

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, and care homes.

The population of LLR is currently estimated to be just over 1 million (1,061,800) according to 2016 Public Health Report 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



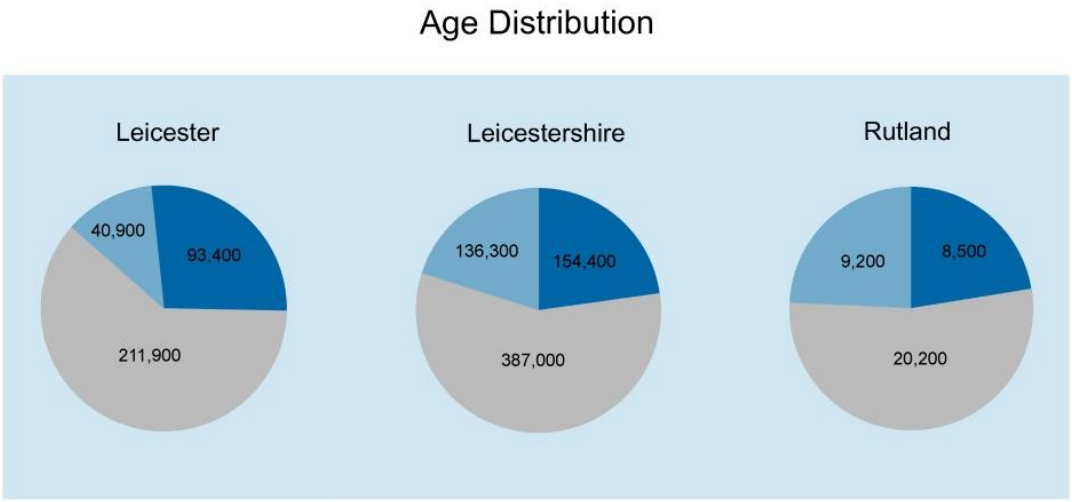
Our services are designed and delivered to meet the diverse needs of the area. The younger population has grown in both Leicester and Leicestershire. Leicester is also more ethnically diverse, with a particularly large population of south Asian origin and growing numbers from Eastern Europe and Somalia.

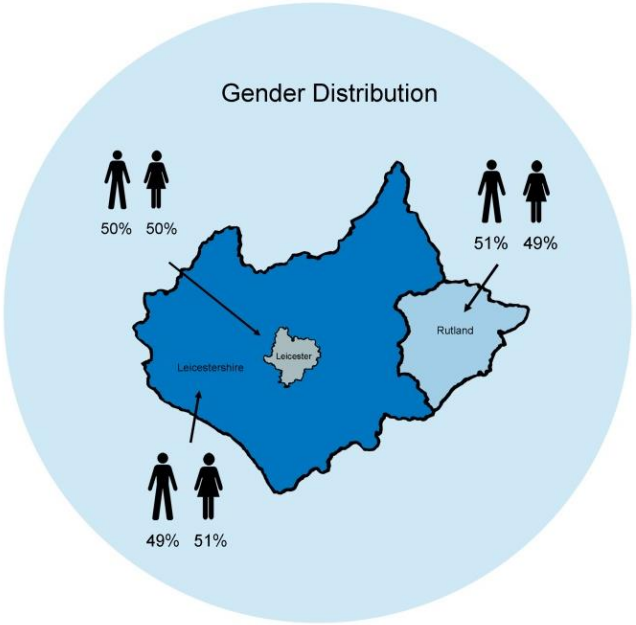
Over the next five years, demand for children's services in the region is forecast to increase by 4.4% in Leicester City, by 3.2% in Leicestershire and by 1.2% in Rutland. The demand for older people's services is likely to grow more significantly – up 11.7% in Leicester City, up 10.8% in Leicestershire and up 12% in Rutland. A rise of 1.7% is predicted for adult services.

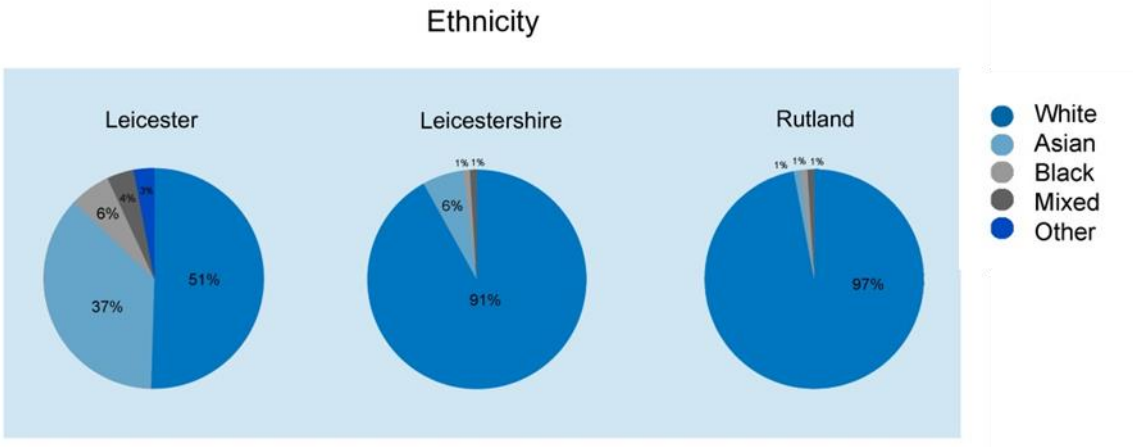
JSNA Health Needs Assessments (2016 Public Health Report)

Area	Leicester	Leicestershire	Rutland
1st Priority	Giving children the best start in life	Tackling wider determinants of health by influencing others	Giving children the best start in life
2nd Priority	Reducing early deaths and health inequalities	Getting it right from childhood	Enabling people to take responsibility for their health
3rd Priority	Improving mental health and well-being	Improving mental health and wellbeing, and services for people with learning disabilities	Helping people to live longer and healthier lives

Demographics of the population we serve







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
- Third sector organisations

Our commissioners

- Leicester City CCG
- West Leicestershire CCG
- East Leicestershire & Rutland CCG.
- Leicester, Leicestershire and Rutland councils

The three CCGs accounted for the majority of our health care revenues in 2016-17, with the balance from other commissioners including NHS Midlands and East Specialised Commissioning Team, 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

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. This plan has evolved in to our Sustainability and Transformation Plan (STP) which will be consulted on later this year. Key priority areas include:

- **Integrated teams**
- **Resilient primary care**
- **Hospital reconfiguration**
- **Urgent care**
- **Mental health**

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

We want 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.

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

Our year in review: highlights

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 Leicester. In the community, we provide general and forensic community mental health teams, crisis intervention, assertive outreach, psychological and personality disorder therapies, perinatal mental health care, care for people with Huntington's Disease and a psychiatric liaison service. We also provide a criminal liaison and diversion service working closely with partners within the justice system. Adults with a learning disability can access support from multi-disciplinary community based teams, inpatient treatment and short-break services.

£560,000 boost for place of safety and new crisis café

The Department of Health awarded our Trust £500,000 to expand and enhance our place of safety on the Bradgate site and an additional £60,000 for a crisis café.

The investment allows us to redevelop facilities to provide a calming and safe environment where people of any age or sex who are detained under Section 136 of the Mental Health Act can be assessed. The upgraded unit will provide an adult facility and separate, discreet facilities for young people under the age of 18, with en-suite facilities and access to an outside area.

We have undertaken almost £3m worth of ligature improvement works over the last three years and committed a further £250,000 in 2016-17 year and £500,000 in 2017-18, to address the remaining ligature risks identified by the CQC.

Purpose-built facility for patients with Huntington's Disease

We unveiled our new purpose-built facilities for the specialist care of people with Huntington's Disease in November 2016. The new 'Mill Lodge' in Kegworth includes 14 bedrooms with en-suite facilities, providing quality care in a modern environment. Feedback from service users, families and other visitors has been overwhelmingly positive since the opening.

Excellence rating confirmed for ECT service

The Royal College of Psychiatrists ECT accreditation service (ECTAS) gave our electro-convulsive therapy (ECT) team an 'excellence' rating in a mid-term review. This is now the third successful ECTAS accreditation for the team, demonstrating their high standard of care.

They are pictured with their ground-breaking ECT app, co-designed with service users to address the stigma.

Recovery College goes from strength to strength

Our Recovery College has gone from strength to strength in the last year, offering its widest choice of course to date, free to mental health service users, their relatives and LPT staff.

Sessions are now delivered at the Recovery College on the Glenfield Hospital site and at five new satellite centres - A Place to Grow, in Enderby, Blaby District Council offices in Narborough, Linnaeus Nursery on Cordelia Close, The Mett Centre in Lee Street in Leicester, and Rutland Adult Learning Centre in Oakham.

Learning disability team scoops top national title at Royal College of Psychiatrists awards

Our learning disability team was named the Royal College of Psychiatrists' Psychiatric Team of the Year (for Learning Disability) in November 2016.

The awards mark the highest level of achievement in psychiatry and are designed to recognise and reward excellent practice in the field of mental health.

As well as providing community and inpatient care for people with learning disabilities, the team also supports the Trust's services for adults with ADHD, Asperger's and Huntington's Disease. The team has been involved in supporting the development of national policy, been active in research, with publications in leading journals, and hosted a national therapeutics conference for more than 15 years.

Adult learning disability team move out of Mansion House after 100 years

Staff from our adult learning disability team marked the end of a 100-year era of care from their Mansion House base on the Glenfield Hospital site when they moved out in May 2016.

Clinics previously held at the site were moved to more modern facilities bettered suited for our services users, at Gwendolen House on the Leicester General Hospital site, and at The Agnes Unit on the Glenfrith site, where the Trust provides inpatient care for people with learning disability and mental health needs.

Linnaeus nursery judged as outstanding!

Our horticultural centre, Linnaeus Nursery, was judged as ‘outstanding’ by the Royal Horticultural Society for its community participation, environmental responsibility and gardening achievement in December 2016.

Research shows gardening is good for mental wellbeing. Linnaeus is our Trust-run horticultural centre offering a supported work environment for patients with mental health conditions and learning disabilities.

Expansion of specialist psychiatric support for mothers who experience mental illness

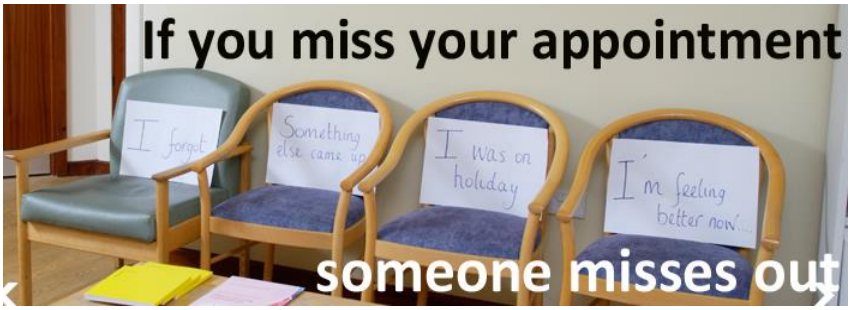
Last year our specialist perinatal mental health team provided care and support for nearly 600 women in the community. The team provides support at or close to home for mothers with moderate to serious mental health needs, both before and following

delivery of their babies. They also provide training for midwives and health visitors to help them identify women who need psychiatric care.

In 2014 the service was enhanced with financial support from CCG commissioners and since then the team has almost tripled in size, with the number of specialist mental health nurses growing from two to seven.

LPT acts to reduce 4,100 missed outpatient appointments

Around 10% of the 800 adult mental health outpatient appointments made each week are missed by service users. In October 2016 we launched action to reduce this – which stood at more than 4,100 a year.



A new booking system was piloted in South Leicestershire (Wigston base); West Leicestershire (Hinckley base) and Market Harborough teams, to ensure more people had the chance to receive timely care. Healthcare staff now write to people with four weeks' notice of their appointment instead of planning slots up to six months in advance.

Mental health conference hailed a huge success

A national mental health conference co-hosted by LPT in May 2016 and attended by service users, clinicians, managers and commissioners, was hailed as a great success.

The conference "Integrated Care in Management of Severe Mental Illness: a realistic approach", was organised in association with the Care Coordination Association (CCA) and East Midlands Clinical Networks (EMCN) and focused on integrating services to improve patient outcome. Speakers were invited from around the country and spoke on the successful integration of patients with complex psychosis through innovative service models and local community support.

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.

Leicester Pain Management Team wins Grünenthal award

A partnership team from Leicester's Hospitals and LPT won a prestigious Grünenthal Pain Award in May in recognition of the hands-on workshops they run for children in chronic pain and their parents. The workshops focus on teaching relaxation techniques, distraction strategies and art therapy as a means for diverting and managing pain. They also educate families about the cause and management of chronic pain. Dr Emma Crossley and Dr Camilla Watters were the Consultant Clinical Psychologists involved.

Independent report praises the quality of care given to young people at our CAMHS inpatient unit

Independent watchdog Healthwatch Leicestershire observed the delivery of care and support given to young people in our child and adolescent mental health (CAMHS) inpatient unit at Coalville Community hospital and judged it to have a very good standard of care. The 10-bed ward provides care for young people aged 12 to 18 years experiencing mental health problems. Their findings reflected that young people have a positive relationship with staff. They also recognised that there is a well-developed programme of activities (therapeutic and social) and thorough staff handover processes in place.

Helping local children to 'Get Happy, Get Healthy'

Pupils from Parks Primary school and Sileby Redlands Primary school took part in a range of resilience workshops run by our school nurses and community development team, in association with local charity WorthIt Projects.

The workshops were designed to help them understand the link between their physical and

mental health and to explore positive ways of dealing with thoughts, feelings and behaviours. Children were able to consider what different emotions look like in others, to learn techniques to cope with anxiety, and to understand how the body responds to stressful or risky situations.

Celebrating an award-winning and active summer for primary school kids

Our second Move it Boom activity challenge for children during summer 2016 generated 47,053 physical activities logged by pupils at 218 primary schools across Leicester city, Leicestershire and Rutland. The campaign encouraged hundreds of local primary school children to get outdoors, get moving and stay healthy, motivated and supported by interactive online content on the Health for Kids website (www.healthforkids.co.uk).

The 'Move it Boom Rio' microsite on healthforkids.co.uk, designed by creative agency Diva, was named the winner of the 'best website' category at the prestigious Northern Digital Awards.

Celebrating the graduation of new cohorts of volunteer breastfeeding peer supporters

LPT's infant feeding team trained many more volunteer breastfeeding peer supporters as part of a programme which has been run in collaboration with Children's Centres and local voluntary organisations since 2009. This year's graduates represent the Bosom Babies groups for Blaby, Oadby and Wigston and for Braunstone Town, Melton's Breast Friends group, the Coalville breastfeeding group and a group based at Visions Community and Children's Centre in Oakham. These volunteers offer new mums specialist advice, guidance and support around breastfeeding.

LPT retains 0-19 services in Leicester, Leicestershire and Rutland

We successfully secured the contract to continue delivering the Healthy Child Programme from April 2017 in Leicestershire and Rutland, and from July for Leicester City.

The new service, called ‘Healthy Together’, will build on the well-established relationships we have already developed in neighbourhoods, to provide targeted support and early intervention where appropriate. We will be working closely with sub-contracted voluntary sector partners to deliver the new service.

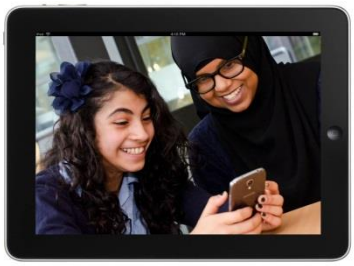
More than 47,000 local children vaccinated against flu

LPT’s community immunisations team has worked harder than ever this year to stop the flu virus in its tracks, administering the nasal flu vaccination to 1,044 children across Leicester, Leicestershire and Rutland primary schools each day of the ten-week programme which started in October. The nasal flu vaccination was offered to 78,602 healthy children across 375 schools and units. 47,464 (60.39 per cent) of those children went on to receive the vaccination, compared to 44,814 in 2016.

For the second year running, we worked closely with local pharmacies to make sure that children who did not receive their vaccination in school had a second opportunity to be protected. This option was also made available to home-schooled children.

Celebrating improved access to healthcare for a million young people

The number of young people able to access our award-winning secure text messaging service, ChatHealth, has now reached one million as we have helped 30 other organisations across the country to adopt this web-based text messaging service thanks to investment from East Midlands Academic Health Science Network.



ChatHealth enables young people of secondary school age to easily access confidential health advice. It was co-designed with both young people and school nurses to ensure that it effectively meets the needs of both young people and health professionals. Young people report that they like ChatHealth because is a quick and easy way to get advice about their physical and emotional health, and because they can do this anonymously.

We have recently made ChatHealth available to parents and carers of younger children, enabling them to contact a public health nurse easily in response to concerns about their child's health.

Innovative health websites for children and young people expand their reach

LPT's ground breaking health promotion websites for children and young people are now being adopted by other NHS providers across the UK, bringing the interactive and informative content to the attention of a much wider audience.

LPT's school nursing team launched the Health for Teens (www.healthforteens.co.uk) website in March 2015, following the success of the Health for Kids website (www.healthforkids.co.uk) a year earlier. Both sites were designed with input from local children and young people, and were the first NHS websites to provide tailored information for these audiences about a diverse range of physical and emotional health issues. All the content on both sites is written and overseen by health experts, and the sites have collectively received more than 92,500 unique visitors to date.

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.

Young onset dementia app is highly commended

A team from LPT and LHIS picked up a highly commended certificate from the Care Coordination Association for their development of a smartphone/tablet app for people with young onset dementia.

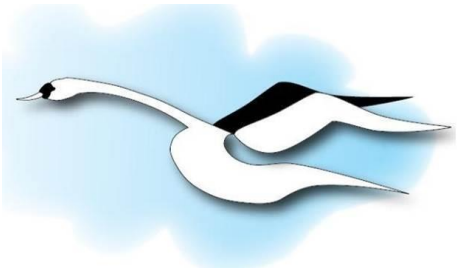
The innovative app was developed to meet a need among around 800 people in Leicester, Leicestershire and Rutland who are younger than 65 and have dementia. It can be downloaded for free and brings together a wealth of resources for people with the condition.

Pink ladies help our patients to recover quicker

Coalville Hospital has three meaningful activity coordinators to help patients recover more quickly. Known as the Pink Ladies because of their distinctive uniforms, the three-strong team work closely with various therapists to give patients constructive things to do.

The range of activities they offer includes tea-parties, games such as Connect Four and cards, and visits to the hospital's gardens. The practice was viewed as 'outstanding' by the CQC and we are now looking into how we can create similar posts across our other community hospitals.

Care for dying improves



Over the last year we have carried out significant work to improve the quality of end of life (EOL) care for our patients and families who need it. Frontline staff have embraced this vision and this was reflected in our CQC inspection results in February 2017 which rated our EOL care as "good".

Particular highlights included

- Developing a shared EOL care strategy with our partner organisations to develop an end of life care strategy.
- Demonstrating that we had good safeguarding measures in place.
- Staff recognising and responding to the changing needs of patients.
- Staff ensuring that patients had medication readily available to anticipate their changing needs.

We are proud that the CQC inspection team reported that: “There was a strong, person-centred culture with staff treating patients with compassion, dignity and respect. Patients and their relatives felt involved in the care provided.”

Thousands treated at home with Intensive Community Support

Last year more than 12,000 residents from Leicester, Leicestershire and Rutland were treated in their own home for conditions which would previously have involved prolonged stays in hospital. Our Intensive Community Support Service was setup in 2012, offering mainly older patients nursing care, physiotherapy, occupational therapy and some social care in their own surroundings for up to ten days.

The service has proved extremely popular with patients. In regular surveys, between 95 and 100 per cent of the patients have said they would recommend the service to friends or family with a similar condition.

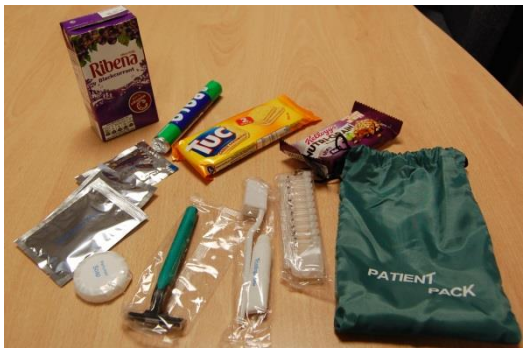
Health and wellbeing centre offers outpatient clinics following the closure of Ashby and District Hospital

After over a century of providing a setting for healthcare, Ashby and District Hospital closed in September 2016. Previous outpatient clinics held at the hospital, such as physiotherapy and community nursing clinics were moved to a new health and wellbeing centre in Ashby Hood Park Leisure Centre. The move is helping our patients complete their recovery by using the centre’s sports and gym facilities.

Project funded by The Health Foundation aims to cuts falls and aggression on our dementia wards

LPT was awarded £75,000 by the independent charity The Health Foundation to bring in new ways of working on our two specialist dementia wards. The wards at The Evington Centre care for up to 42 people from across Leicester, Leicestershire and Rutland with advanced dementia. The new approach 'Enriched Model of Dementia' is hoped to reduce falls and aggression among our patients.

Introduction of comfort packs for relatives of dying patients



LPT now offers basic comfort packs to relatives who visit dying patients in our community hospitals. Around 200 patients a year spend their final days in our community hospitals and relatives often stay longer in hospital than they had initially expected when their loved ones are on the point of death.

The packs - introduced in 2016 - aim to help the relatives through their stay and include basic toiletries such as soap, a hair brush, razer, toothbrush and toothpaste, as well as light snacks and a drink.

Rutland unites health and social care

There is now a joint manager for our community nursing team in Rutland and their local authority social care staff colleagues.

This has produced a single team with a wider range of multi-disciplinary skills to best match the individual patient's needs. Workers from the two organisation share the information they have, meaning patients don't have to repeat the same history and symptoms several times. The team also have nurses and social workers who see patients who have been admitted to Peterborough and Rutland Memorial Hospitals to help make better preparations for patients transferring from hospital to home.

Since the new arrangements came into effect, there has been a 30 per cent reduction in delays faced by patients who are ready for discharge from hospital.

Developing integrated care hubs

Our 30 community nursing teams have organised into 11 planned community team hubs, which align with GP practice hubs and social care (local authority) teams. This development will promote closer working for all those professionals, and a co-ordinated approach to caring resulting in a better patient experience.

Our community staff working for planned teams deliver nursing care across Leicester, Leicestershire and Rutland, will continue to deliver treatments to frail and housebound older people with ongoing conditions – in their own homes. Our therapy services will also be aligned to the hubs.

The LLR vision for integration is health and social care teams, supported by specialists and the voluntary and community sector, clustered around groups of general practices within identified placed based communities. These are designed to improve health outcomes and well-being, increase our citizens, clinician and staff satisfaction and at the same time moderate the cost of delivering that care.

Primary care coordinators develop integrated discharge teams

During the year our 25-strong team of Primary Care Coordinators began moves towards developing integrated teams with their counterparts from University Hospitals of Leicester, Leicester City and Leicestershire County Councils.

All four organisations have staff at the Leicester Royal Infirmary and Glenfield Hospital who aim to speed up and smooth a patient's discharge from hospital to home care.

Future plans are for them to share forms and computer records. The results are likely to be realised in 2017-18, with quicker discharges and a better patient experience.

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).

We are smokefree

We introduced a ban on smoking in all Trust buildings, grounds and vehicles on Monday 1 October 2016.

As an NHS organisation, we have a responsibility to promote and improve 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.

A key part of our smoke-free policy has been 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. This has been supported with the provision of nicotine replacement therapy and, if required, products for vaping.

Our pledge to employ more people with learning disabilities

In recent years the employment rates for people with a learning disability have dropped and now stand at just six per cent in England. Research shows that 65 per cent of people with a learning disability want to work and with the right support make extremely valuable employees. Our Chief Executive Dr Peter Miller and Director of Human Resources and Organisational Development, Alan Duffell, signed up to the NHS employers' learning disability pledge in May 2016 – showing our commitment to actively employ more people with a learning disability. In October 2016 LPT was certified as a Disability Confident employer.

Collaborative arts competition celebrated positive mental health

LPT collaborated with arts mental health charity rethinkyourmind to run a creative competition which celebrated positive mental health and wellbeing. The Yellow Book competition invited our service

users, staff and the public to create and submit a piece of art or poetry inspired by the line *“I feel better when…”*

Over 300 pieces of fantastic art, photography and poetry were submitted in total. Winning entrants for the LPT Yellow book were announced in April and celebrated at an awards ceremony in July 2017.

Donation of surplus beds to overseas hospitals

At the end of 2016 we donated 30 redundant hospital beds to the charity National Police Aid Convoys (NPAC). Half were dispatched to health care centres in a remote part of Pakistan and the rest were donated to healthcare teams in war-torn Syria.

Although we updated to more modern, electronically powered beds, the donated hydraulically powered beds are still highly valued in countries where electricity is scarce and where there is a shortage of medical equipment.

Introduction of the new Accessible Information Standards

The Accessible Information Standards was introduced by NHS England in July 2016 as a requirement for all health and social care services. The standards aim to ensure that people who have a disability, impairment or sensory loss are provided with information that they can easily read or understand with support, so they can communicate effectively with our services.

Long service awards and AGM

More than 200 people attended our Trust’s annual general meeting on 8 September 2016 at the Leicester Racecourse. Almost 60 services and organisations showcased their services at our health fair. The AGM was followed by the presentation of our long-service awards, which thanked 100 members of staff who had clocked up 2,810 years of service between them.

WeNurture our talent

We are committed to developing and nurturing the talent of our staff – the WeNurture talent management programme was introduced as an open, inclusive and transparent framework that aims to maximise the potential of our workforce, support organisational succession planning and shape the development of our future employees. Since its launch in August 2016, 30 successful applicants have commenced their personal journey to gain new skills, knowledge and experience.

Over 250,000 miles completed in our Global Corporate Challenge

92 teams from across the Trust took part in the Global Corporate Challenge – clocking up more than a quarter of a million miles altogether. As a Trust we managed 253,564 miles after making a commitment to improve our health and performance. Overall 94 per cent of those who took part said they would participate in the challenge again and 88 per cent rated the overall experience as either good or excellent. 89 per cent said their activity levels had improved with the challenge.

Double success at Excellence in Education awards

LPT won two awards at the Health Education England (HEE) East Midlands Excellence in Education Awards in March 2017, which celebrated the quality of educational provision across the East Midlands.

Our multi-professional education and quality team won “Placement of the Year” for their collaboration with The Medical School at Leicester University which introduced a new clinical placement for medical students. Our Diana children’s community service training team won a "Special Recognition" award to reflect their contribution to education and training in the East Midlands.

Princes Trust ‘Get into work’ scheme

In March 2017, LPT supported a group of young people through the Princes Trust ‘Get Into’ work placement initiative to gain valuable work experience. This is the 5th year we have supported this programme. 13 ‘work ready’ young people (age 16-25) were took part in the four week programme that also enabled them to access classroom education teaching key employability skills and interview training.

Honorary degrees awarded to our clinicians

Nine of our consultants were recognised with honorary titles from the University of Leicester in July 2016.

Awards of Professorships, Readerships, Senior Lectureships, and Lectureships were conferred at the inaugural University of Leicester Honorary Appointment Conferral Ceremony in recognition of our research partnerships and strong medical education links.

Raising Health: Fundraising

LeicesterShire and Rutland's
Community and Mental Health Charity

Our registered charity, Raising Health, plays an important and pivotal part in improving the experience, care and wellbeing of our patients, service users and our staff - with our key aim being to raise funds and spend them to make these areas even better.

10 Peaks, 45 starters, 14 finishers and £5,000 target achieved!

An intrepid 45-strong team from across the Trust took on the challenge of climbing ten peaks in the Lake District on 14 May 2016, raising over £5,000 for our charity Raising Health.

14 of the 45 team members were successful in completing all ten peaks after an exhausting 15 hours and 22 minutes, completing an overall distance of 26 miles. The money raised has gone towards buying extra equipment and funding innovative projects to improve care across our community and mental health services.

Eight-year fundraising drive delivers new vehicle for HD patients

Mill Lodge, our Huntington's Disease (HD) inpatient unit, bought a new £30,000 wheelchair-accessible Ford Tourneo in January to support patients, thanks to the fundraising efforts and generosity of staff, patients, families and supporters.

Their efforts included two UK-wide sponsored tractor rides, a 10-peaks mountain climb by staff and donations from Ashby Rotary Club and Raising Health.

The new vehicle (which can comfortably carry three passengers and a patient in a wheelchair) has brought new levels of freedom for patients at the unit and has enabled them to go on mini-outings, that wouldn't have previously been possible.

Fundraising comes full cycle!

Patients on our wards at the Bradgate Mental Health Unit received a major boost for their physical health and wellbeing, in the shape of a recumbent exercise bike.

Thanks to the fundraising efforts of colleagues at the unit and supporters, more than £2,000 was generated for the Sport at the Bradgate Appeal.

The refurbished bike makes physical exercise easier for people with limited mobility and will provide a key part of the activities supported by the unit's occupational therapy team.

Sport at the Bradgate funding was raised through a series of sporting activities, including the NHS Cup football tournament in July 2016 and sponsored participation in the Wolf Run, a tough 10K run across hard terrain. Table Tennis England and the Leicestershire and Rutland County FA have also donated equipment to the unit to support the appeal.

Marathon man ran for mum's mental health

Terry Holland attempted his first half marathon in October 2016, completing it in just over two hours – to help raise money for the NHS service which he said 'changed my mum's life'.

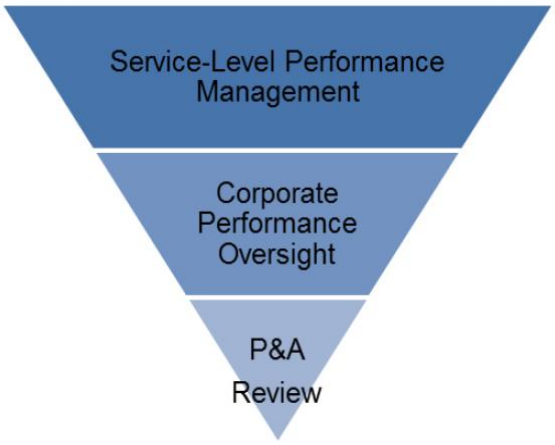
Terry raised £1,630 in total for our Mett Centre, who provides therapeutic activities and training to support recovery – helping people to move onto education, work and independent living.

Terry's mum, Josie, experienced severe mental ill health for decades and found it almost impossible to leave the house. That changed after she was referred to our occupational therapy and nursing team at the Mett Centre so Terry wanted to raise vital funds to support the centre, whilst also raising the profile of mental health.

Performance 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.

Our four organisational objectives

We measure our performance against four key trust-wide objectives.

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

Performance against our objectives

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

Demand and capacity pressures in our acute mental health pathway and the need to reduce out of area placements remain high on our risk register. Nevertheless, we have continued to make improvements in safety and quality.

- Sustained quality improvement programme in our Adult Mental Health Services, including safety improvements, responding to CQC recommendations
- Strengthened self-regulation processes
- Improved compliance with the Mental Health Act and clinical supervision
- Our Friends and Family Test results consistently show that 96% of our patients are extremely likely or likely to recommend our services
- Introduction of 'whole-family' approach across adult and children's services
- New access model in CAMHS reducing initial waiting times down to 13 weeks
- 49 clinical audits undertaken of our services followed up with actions to improve the quality of healthcare provided
- We have joined the 'Sign up to Safety' campaign to strengthen patient safety within our services with an aim to deliver harm-free care for every patient, every time and everywhere, with particular emphasis on medication, medical devices and falls.
- Significant improvements in our end of life care, reviewing our care pathway
- Community health services have introduced learning boards from all serious incidents to enable the sharing of learning amongst staff.
- We continue to work on more robust information systems to monitor our progress.

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

The recruitment and retention of staff remains a challenge for the Trust. Our new people strategy addresses how LPT will become an employer of choice. We continue to create a culture where staff feel valued and empowered.

- Enhanced leadership development offer for all our staff
- Staff survey results have seen another improvement in engagement
- Listening into Action is supporting teams to implement their own solutions
- A new interactive weekly enews, regular Board Walks and a new monthly 'Ask the Boss' webchat, alongside regular vodcasts, team briefs and increased use of social media is improving staff communications

- Monthly Valued Star Awards, annual Staff Excellence Awards and Long Service Awards recognise and reward staff
- Increased focus on staff health and wellbeing through our online 'Wellbeing Zone', and participation in initiatives like the Global Corporate Challenge
- Introduction of agile working is reducing stress and improving communication

3. Ensure Sustainability

Remaining financially sustainability is a top priority and risk for the Trust.

We are seeking to transform our acute mental health pathways across children and adult services, learning from other successful mental health trusts in the country to introduce improvements that will reduce waiting times whilst being able to see more people that need support. At the same time we are looking to make our community health service pathways more efficient and effective to deliver care at the right time and place for older people.

This year we have introduced many new service improvements:

- Enhanced CAMHS eating disorders service
- Enhanced mental health crisis house provision
- Successful retender contracts won for delivering the 0-19 healthy child programme
- Successful charitable funding to enhance environments including for dementia care at the Evington Centre and sports provision at Bradgate mental health unit.
- Sustained investment in our intensive community support service
- Children's nasal flu programme partners with community pharmacy provision to offer a second chance to missed sessions in schools.
- New digital offer for LPT including plans for a new website and a secure health and wellbeing portal for patients and service users.
- Achieving all four of our statutory financial duties

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

- An active partner in the STP (sustainable transformation plan) for Leicester, Leicestershire and Rutland with health and social care providers.
- Multi-agency hate crime initiative and mental health triage scheme with the police.
- Working with housing colleagues as part of integrated projects at Bradgate mental health unit and in community health services.

- RUOK mental health multi-agency awareness raising partnership.
- Integrated health and social care team in partnership with Rutland council.
- 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 with health and social care partners around localities.
- Resilience partnership with WorthIt Projects charity in schools.

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. The agreed LPT quality priorities for the next three years are;

1. Ensuring our service users are safe (Safe care)
2. Ensuring are care is effective (Effective care)
3. Ensuring Person Centred care

Our three quality priorities are underpinned by our approach to self-regulation which is reliant on good leadership and accountability at every level of the organisation for delivering high quality services. It is all of our responsibilities to be curious about our work and to create a culture of improvement that is patient focused.

Improving safety, effectiveness and patient and carer experience aligns with our 'Sign up to Safety' pledges and workforce and leadership plans. We are passionate about creating a culture that supports learning where people are comfortable asking questions, asking for and receiving feedback and are encouraged to innovate.

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 include:**

- Adult mental health/learning disabilities: recording of clinical supervision has improved over the year from 37.7% in February 2016 to 57.7% in January 2017
- Community health services: current record keeping and care planning training for the service as of 1st January 2017 is above 85% compliance.
- Families, young people and children's services: the standard for first Episode Psychosis since April 2016 is that 50% of cases accepted for treatment have been seen and allocated within 2 weeks. The compliance rate for 2016-17 to date is 78%.

- Duty of Candour training has been delivered to all senior managers. Staff training is delivered and a new e-learning package is available on line.
- We have a Freedom to Speak Up Guardian in place to support staff.
- Our clinical audit team supported 271 audits and achieved a 55% re-audit rate. Over 400 audit criteria have been used to re-audit whether standards have been applied to practice, for the benefit of patients in our care.
- 100% of patients discharged from the Memory Clinic had a discharge care plan in place.
- 100% of the patients seen by the eating disorders team received appropriate psychological treatment in line with NICE guidelines.
- 89% of patients seen by the heart failure specialist nurse team had a waterlow score recorded, a 25% improvement on last year.
- 100% of mental health service older people's service (MHSOP) inpatients had a blood test within 24 hours of admission, a 34% improvement on last year.

CQC report February 2017

The Care Quality Commission (CQC) inspected LPT in November 2016. Although their overall rating was 'Requires Improvement', we were pleased that they acknowledged the improvement we have made since our last inspection, particularly in relation to safety. This is a breakdown of ratings for each of our core services.

	Safe:	Effective:	Caring:	Responsive:	Well-Led:	**Overall:**
Community health inpatient services						
Child and Adolescent Mental Health Wards						
Community based services for People with Learning Disabilities or Autism						
Acute Wards for Adults of Working Age and Psychiatric Intensive Care Units						
Forensic Inpatient/Secure Wards						
Community based Mental Health Services for Adults of Working Age						
Community based Mental Health Services for Older People						
Long stay/Rehabilitation Mental Health wards for working age adults						
Community Health Services for Children, Young People and Families						
Community Health Services for Adults						
Wards for People with Learning Disabilities or Autism						
Mental Health Crisis Services and Health based places of safety						
Specialist Community Mental Health Services for Children and Young people						
Wards for Older People with mental health problems						
Community End of Life Care						
LPT – Overall Provider Report						

Financial performance

Read our full financial statement from our director of finance, Pete Cross, on page 76.

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.

In March 2016 our Trust Board approved a five-year Corporate Social Responsibility (CSR) strategy. The strategy has four themes: **transport, community building, procurement and estate.**

Community Building

We are developing a staff volunteering scheme called 'WeCitizen'. This aims to provide staff with up to two days pro rata a year to give something back to our local communities by offering to volunteer their skills or services to local community capacity building projects.

A team of 'back office' staff from the Trust's finance, business and estates services were the first to test the scheme, spending a day transforming a courtyard garden at Stewart House, LPT's adult mental health rehabilitation inpatient unit in Narborough. The aim was to revitalise the tired-looking garden so that patients and staff could make the most of the landscaped outdoor space for relaxation and therapy activities. Over the course of five hours the teams cleared the area of overgrown bushes, weeds and debris – filling two large skips - and replanted it with winter and spring plants and bulbs donated by the volunteers themselves and by Linnaeus Nursery, a community garden centre run by the Trust for service users.

Procurement

We work 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 sustainable procurement strategy is part of the work underpinning the CSR strategy.

We remained committed to reducing the amount of black bin bags we send to landfill. We have also commissioned an online physical asset re-cycle database for use by all staff so as to minimise disposals of unwanted but fit for purpose office and medical physical assets.

Reducing energy use and costs

The total gas and electricity cost comparison for LPT has decreased from £1.378m for the year 2015-16 to £1.204m for the year 2016-17 (excluding water and VAT). This equates to a 12% decrease in cost overall, based on almost identical electricity consumption and an 8% decrease in gas consumption.

	2014-15	2015-16	2016-17
Electricity consumption (KWH)	10,250,219	14,162,031	14,182,656
Gas consumption (KWH)	27,772,871	35,272,885	32,425,733

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 CO2 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. In the past few years we have introduced automatic meter reading, the centralisation of printers on sites, thermostatic mixer valves, and smart lighting.

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

	2014-15	2015-16	2016-17
Carbon emissions as a result of electricity consumption (tonnes)	5,588	7,706	7,733
Carbon emissions as a result of gas consumption (tonnes)	5,143	6,532	6,005

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

	2014-15	2015-16	2016-17
Water consumption	133,127	114,118	100,453

Estate

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.

The Trust opened its new Huntingdon's Disease inpatient and community services building at the Stewart House site in November 2016. The property, costing £4.5 million to construct provides purpose bespoke accommodation for 14 patients all in single bedrooms.

The building has been awarded an 'excellent' rating under the Building Research Establishment Environmental assessment Method (BREEAM) – this assessment methodology sets the standard for best practice in sustainable building design, construction and operation and is a nationally recognised measure of a building's environmental performance.

This year marked the second implementation year of our estates transformation strategy. The strategy is based on aligning different ways of working with a rationalisation of the property portfolio – by the end of March 2017 we will have reduced our occupied floor space by around 10,000m² which equates to an annual saving of £2.8million to the operating budget.

Following on from initial Listening into Action event and successful pilot study, our agile working programme is now being rolled out across the Trust – this allows staff to work in a more flexible manner and thereby reduce reliance on 'fixed' desks and traditional estate. Around 450 staff are either working in an agile manner or currently being helped to go agile providing both productivity benefits to the Trust and improved work/life balance for staff involved.

For example, agile working is having a very positive impact upon the number of daily commutes to work and between meetings, saving an average of 5 hours travel time per week. The infographic opposite gives a good flavour of the benefits we are seeing from agile working.

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. Patient voice is an important part of our continuous improvement journey.

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

During 2016-17 the Trust developed and launched the Friends and Family Test (FFT) via an app for IPads across all appropriate commissioned services. The IPads are currently in the process of being rolled out across all services in the Trust.

The FFT app 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'. Some services have also developed further Patient Experience surveys for service users to complete after they have completed the FFT questions.

We received over 13,500 responses in 2016-17 with an average of 96% of patients saying that they would recommend the service we provide.

The overall score for LPT in 2016-17 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. The overwhelming majority of comments received are positive with recurrent themes around caring compassionate staff, the usefulness of therapies and courses and the quality of care.

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
FYPC - Patient feedback for the School Nursing and Health Visiting services raised themes of easier access, clearer expectations and consistent support and advice.	A co-design approach was used where staff and service users worked together to find solutions to the themes found. This was used to inform the tenders which resulted in a co-designed service. A 0-5 health and wellbeing website is currently being produced, a parents text messaging service has been developed which will improve access, and new leaflets/letters have been produced to give clear expectations of the services.
AMH - Feedback from patient at the Bradgate Mental Health Inpatient Unit regarding communication not being accessible for dyslexic patients.	Materials and information have been produced that are suitable for dyslexic patients. Advertisement of services such as barbers and chaplaincy are now more visible.
CHS – several feedback comments from FFT in relation to Muscular Skeletal Services (MSK) have been received by the service.	This has resulted in a range of actions including prioritising and clearing waiting lists, reminding teams to ensure that staff are discussing patient's treatment and condition with them fully and giving them opportunities to ask questions.

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

- End of life care
- Community psychiatric nurse led services at police stations, magistrate's courts and the mental health police triage car.
- Assessments on looked after children (LAC) – however the team and local children in care councils have co-designed a new young person's FFT app, specifically for looked after children. This is being trialled across LLR.

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 which we have consolidated by undertaking activities to extend the way that patients and carers are involved in improving services. We have undertaken a "Listening into Action" project to work with staff and patients to understand how we can make sure we are listening to patients. This has led to an Involvement Toolkit for staff.

Our Chief Executive, Dr Peter Miller, meets quarterly with leads from the Leicester, Leicestershire and Rutland Healthwatch teams. At these meetings, Healthwatch raise issues and concerns from their membership group and the public. These have included topics such as:

- Access to podiatry services
- How the Trust works with the charitable sector
- How the Trust encourage older people to be active and healthy

Volunteering

The Trust benefits from having around 425 local people volunteering their time and skills for the benefit of patients and service users. There are around 40 different volunteer roles spread across a wide range of Trust sites and departments.

The financial value of this contribution is over £500,000 per year.

Highlights from 2016 include:-

- 170 new volunteers joined the Trust in the last year.
- New roles developed this year include Family Support with the Diana Service and Patient Experience Feedback.
- Our team of 25 volunteer drivers completed an average of 540 journeys per month, enabling patients and service users to access our services.
- During Volunteers Week a new Valued Volunteer Award was launched. The first winner was Jack Corten, who volunteered at Coalville Hospital before heading off to university. BBC Radio Leicester interviewed Jack and members of staff on the ward and there was also coverage in the Leicester Mercury.

- The Voluntary Services Team led a fundraising project for the first time, raising just over £1000 to support planned future developments for volunteers, including celebration events and a volunteer conference.
- New systems were successfully introduced in the voluntary transport service to enable it to become a paperless office.
- Changes were made to volunteer induction to introduce a one-day induction programme and a new starter pack for volunteers.

Mental Health Surveys

Inpatient survey

When compared to the Trust's 2015 results, there have been improvements in the scores for 26 questions. These included questions about service user rights, hospital staff, care and treatment and leaving hospital. Feedback included being listened to, given enough time, having confidence and trust in and being treated with respect and dignity by staff, having access to talking therapy and knowing who to contact and having contact from staff after discharge.

By looking at questions where scores are worse than 2015 or worse than other Trusts in the survey the following areas have been identified for improvement.

- reducing disturbance due to noise at night
- delivering single sex accommodation standards
- improving cleanliness of wards and bathrooms
- improving contact from the mental health team within 1 week of discharge

A Trust wide action plan has been implemented to drive improvement in these areas.

The Care Quality Commission National Community Mental Health Survey 2016

There was a 31% response rate from patients. This was slightly better than response rate of all Trusts, which was 28%.

LPT scored “about the same” as other trusts in the ten areas of care measured. This is an improvement on 2015 when the Trust had scored ‘worse than’ other trusts in two of the areas measured.

An improvement from “worse than” in 2015 to “about the same” was seen in the following three questions:

- How well care and services are organised
- Involvement in agreeing what care will be received
- Involvement of family or someone else close as much as desired

In 2016 there were three questions where the Trust received the lowest scores received by all Trusts.

- Knowing who to contact out of office if in crisis
- Obtaining support to take part in activity
- Being provided information about support from people who have experience of the same mental health needs

The Trust has put in place an action plan to drive improvement informed by the results of this survey.

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 2016-17 we received 3572 contacts, an increase of 25% compared to the previous year. The contacts include general patient and public enquiries, such as signposting to different services and providing information, to compliments, concerns and complaints which required a formal investigation.
In 2016-17 a new reporting system was implemented which allows staff to log compliments and resolved concerns. This resulted in an increase in the logging of compliments given directly to services and accounts for most of the 25% increase. We received over 1700 compliments this year.

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:

This year we received 372 complaints, and in addition we provided input to 58 complaints which were led by other organisations. This is a slight increase compared to the 398 received last year.

12 complaints were referred to the Parliamentary and Health Service Ombudsman in 2016/17. Of these, six were not upheld and six are part of an ongoing investigation by the Ombudsman

Developing our Trust membership

We first established our membership scheme in 2009 to comply with the terms of applying to be a Foundation Trust. Since that time we have developed a membership base of approximately 9,500 members of public who have expressed an interest in Leicestershire Partnership Trust.

We believe that our members should feel valued and be as well informed about the Trust as they want to be. In turn, our local communities are a valuable resource for the Trust in terms of seeking views about our services.

In early 2017 we launched our Membership Charter. We hope this simple charter will illustrate at a glance how members can help, and the 'offer' from LPT. Two-way engagement with members will be the main emphasis; what we will do, aligned to what members can do.

During 2016/17 we have continued our aim to ensure that public membership is as representative of the population we serve as possible. We work with others in the Trust, and with our stakeholders and partners to find ways of reaching a range of communities.

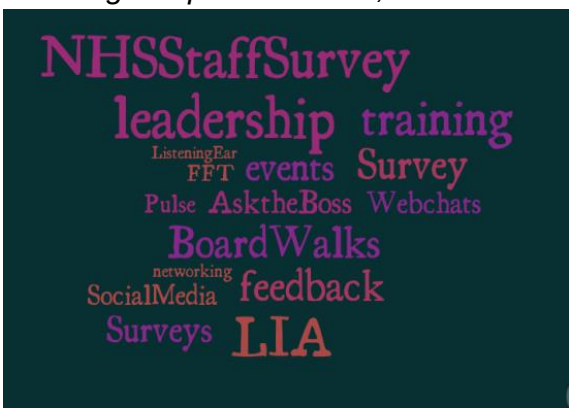
Members were offered free training sessions in 2016 to learn how to give emergency first aid, and how to improve their health and wellbeing. The training sessions were delivered by colleagues in East Midlands Ambulance Service (EMAS). All our members were invited to attend the Trust's Annual General Meeting and Health Fair on Thursday 8 September 2016 to find out more about our services and how we performed.

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 free-phone number 0800 0132 530, or by emailing membership@leicspart.nhs.uk.

Engaging our staff

Engaging our staff

"We are LPT; a values based Trust that delivers high quality integrated health and social care developed around the needs of our local people, families and communities. We want LPT to be a great place to work, where we have a culture of continuous improvement and recognition and where collective leadership empowers high performing, innovative teams." - ***Dr Peter Miller, Chief Executive***



Our staff are our greatest asset. There are many ways that we ensure we constantly listen to and respond to them. Our national staff survey results for 2016 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 have invested in enabling collective leadership, learning and innovation. We continue to embed our values of compassion, trust, integrity, and respect across the organisation, including through our appraisal process and have this year developed a staff pledge to identify behaviours we can expect from staff, the organisation and our managers and leaders.

'Our Pledge' reflects our values and has been developed with staff and staff side representatives to make clear the expectations we have of each other in order for us all to deliver high quality, patient-centred care.

Staff experience

We value our staff, and want to ensure that they 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 developing 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	staff wanting more career development
new communication strategy	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	dealing with change
flexible working opportunities	team development

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.

Top 5 ranking scores (i.e. where the Trust compares most favourably with other Trusts)	KF15. Percentage of staff satisfied with the opportunities for flexible working patterns
	KF6. Percentage of staff reporting good communication between senior management and staff
	KF11. Percentage of staff appraised in last 12 months
	KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months
	KF12. Quality of appraisals
Where staff experience has improved most in LPT	KF15. Percentage of staff satisfied with the opportunities for flexible working patterns
	KF8. Staff satisfaction with level of responsibility and involvement
	KF18. Percentage of staff attending work in the last 3 months despite feeling unwellbecause they felt pressure from their manager, colleagues or themselves
	KF19. Organisation and management interest in and action on health and wellbeing
	KF12. Quality of appraisals
Bottom 5 ranking scores (i.e. where the Trust compares least favourably with other Trusts)	KF2. Staff satisfaction with the quality of work and care they are able to deliver
	KF13. Quality of non-mandatory training, learning or development
	KF10. Support from immediate managers
	KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse
	KF3 Percentage of staff agreeing that their role makes a difference to patients / service users

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 areas for focus during the year fell under the key themes of:

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

Focus following the 2016 survey would still fall under those main themes but we are looking specifically at support provided by line managers, improving our approach to bullying and harassment and increasing engagement.

Consultation with staff

Effective staff involvement is essential for us to shape and improve service delivery.

During 2016 - 17 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 (which is now produced using new software that enables staff to comment on, like and share articles), 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) meet 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:

- Occupational Health Service available to all staff
- confidential counselling and psychological support services (Amica)
- disabled staff support group
- interfaith forum
- black and minority ethnic staff support group

- carers support group
- lesbian, gay, bisexual, transgender group
- anti-bullying and harassment advice service (ABHAS)
- access to mediation for resolving workplace conflict.

The staff ombudsman who had been in post for many years providing a route for staff to seek advice about raising concerns/whistleblowing retired in year and a Freedom to Speak Up Guardian has taken up their role within the Trust, directly accountable to the Chief Executive.
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:

- An 'Ask the Boss' monthly web chat has been introduced to give staff a direct line to the chief executive who answers all queries and shares 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 Freedom to Speak Up Guardian for advice – referring to the 'Raising Concerns (Whistleblowing Policy)' for further sources of advice
- If they have concerns about a work issue, they can contact their trade union representative or a member of our human resources team.
- An e-learning package is available for staff to increase awareness of how to raise concerns.

Listening into Action (LiA)

We introduced Listening into Action (LiA) to our staff in May 2013. It has seen 74 traditional teams use the approach of a 20-week programme and is now one of the key ways that the Trust empowers staff to make changes that improve their working life and patient care.

The introduction of two extra tiers has enabled even more teams to use the LiA approach. 'LiA lite' allows teams/individuals to pick up the resources at any point in the year to engage staff in an idea for improvement/change. Eight teams have used this approach since its introduction in September 2016. LiA managing change enables staff engagement in an organisational change and again eight leaders have used this to help inform the process (examples of these being the 5 year plan, the BME engagement event, the people strategy and creating rotational posts across UHL/LPT). The past year has seen two cohorts complete their LiA journey. The celebration of their achievements took place for cohort 6 in September 2016 and cohort 7 in March 2017

Cohort 6:

Community hospitals: made improvements to their discharge procedure by reviewing their

discharge documentation and removing duplication where necessary.

A campaign to support young people looked at how we could support and retain young people at LPT. Leading Together sessions and a new award in our Celebrating Excellence Awards have been introduced to recognize and celebrate their contribution.

The violence and risk reduction team looked at how they could support Positive Behavioural Support (BPS) to be implemented across the Trust – a PBS lead and workstreams have been established.

The flu fighters looked into what could be done to increase the uptake of the flu vaccination leading to a new campaign, providing golden tickets at milestones which LiA supported by providing incentives.

The Information Requests Team (IRT) created information leaflets and ran an awareness campaign to help to raise awareness of their team, Subject Access Requests and Freedom of Information Requests.

Care navigators looked at how care navigation could be improved – actions were identified, and timescales and processes to review cases with a clinical team leader were agreed.

CPA care planning introduced: recording of carers, patient stories in training, information leaflets and awareness-raising in community groups, to help improve how we involve carers and service users in their care.

Leading for change group identified that with a coordinated approach we could use skills from across the Trust to create an internal consultancy. The group meet regularly and continue to progress with making this happen.

The prospects group raised its profile by promoting the great support they provide to patients with a forensic history, in providing first steps in linking with the community and continued support when discharged.

The patient safety team reviewed the process for serious incident investigations and are now piloting several new templates for internal investigations to cut down the number of full root-cause analysis investigations as internal investigations.

The veterans group setup a support group for veterans from across Leicester, Leicestershire and Rutland, to address how they can support each other.

Cohort 7:

The patient experience and involvement team explored how we could get better at involving service users and created some ‘Top Tip Cards’ for service user engagement.

The healthcare support workers from Aston Ward acted on feedback from patients about what they thought would improve the ward, and

created a ‘comfort room’ with a range of resources where people can go to feel calmer.

The Best Evidence for Best Care Team identified a series of relevant apps that could be shared with staff to raise awareness of relevant research to inform clinical practice.

The Whole Family Approach Team highlighted the importance of joined up working across the Trust in order to safeguard families and have already identified champions within clinical areas.

The Loughborough Physiotherapists actively promoted health and wellbeing to our services users and staff, encouraging them to take steps to include more activity in their day.

The Clinical Supervision Team have promoted what support and training is available to support clinical supervision, so that it is embedded in practice and valued.

The Clozapine Initiation Team developed a demo-version of an information based app for patients, carers and healthcare professionals, to help create a robust process for outpatient initiation of clozapine.

The Non-Medical Prescribing Group within our adult mental health and learning disability services, explored ways to increase the number of non-medical prescribers by promoting clinical opportunities, training and management support for non-medical prescribers.

The Community Therapy Services Team, with the input of patient experience, social care and service users, have taken immediate action to re-triage waiting lists and reviewed the triage criteria – promoting telephone management, follow up and improving communication with patients.

The Healthcare Support Workers (HCSW) Progression Team created a dedicated area on uLearn specifically for HCSWs to give this workforce a voice and a place for their talent to be recognised and to help them to progress.

Centralised Staffing Solutions explored improving training provided for bank staff and have plans to introduce a full induction booklet for bank staff.

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 2016/17 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, including coaching and mentoring for leaders at all levels in the organisation. We also introduced our line manager pathway for all new managers at LPT acknowledging that having a supportive line manager is key to successful staff engagement at work.

We know that working in high performing teams is another factor that enhances staff experience at work. During the year we developed our team assessment, accompanied by a range of tools and resources, to support teams across the organisation in their growth and development.

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 support all our clinical staff through the provision of clinical supervision which provides development of knowledge and competence, assume responsibility for their own practice and enhance the safety of care in complex clinical situations. It is central to the process of learning and to the expansion of the scope of practice and encourages self-assessment and reflective skills.

We offer a blended approach to learning to support staff to learn in a way that suits them. During 2016/17 we have continued to increase our portfolio of e-learning modules for a range of topics.

Embracing diversity

Over the last twelve months, we have seen substantial progress in mainstreaming the diversity and inclusion agenda into the day-to-day work of LPT.

Being an inclusive employer is key to ensuring that we have a workforce with the skills and knowledge to provide the best service possible to the people of Leicester, Leicestershire, and Rutland; delivering on our vision and values.
Inclusive services ensure that the local community receive the right care at the right time.

Twelve months, twelve key achievements:

April 2016 Recognition of our partnership working with NHS Employers on their Equality and Diversity Partnership Programme.	**May 2016** LPT signs the 'Pledge' to support the Learning Disability Programme - promoting the employment of people with learning disabilities, finding suitable posts and supporting them in their work.	**June 2016** Gradings against the Equality Delivery System 2 (EDS2) four goals and 18 outcomes, giving an overview of how well we are doing for our workforce and service users in terms of the equality agenda.
July 2016 Launch of the Accessible Information Standard; meeting the national NHS England requirement to ensure that services users' communication needs are met, enabling them to better access our services.	**August 2016** We reported against the Workforce Race Equality Standard aimed at identifying gaps for minority ethnic groups in employment and putting in place appropriate actions that address those gaps.	**September 2016** Attendance at Leicester Pride 2016 event to raise awareness of mental health services to the LGBT community. We also participated in a deaf community event with other LLR partners.
October 2016 Leona Knott joined the Equality and Human Rights team as Equality and Human Rights Co-ordinator - to drive forward the equality agenda.	**November 2016** Support for the Personal, Fair and Diverse (PFD) campaign launched by NHS Employers.	**December 2016** The Equality and Human Rights team drafted a new e-learning equality and diversity module for staff.
January 2017 Equality monitoring information published on our workforce and service	**February 2017** Attended partnership event at the Town Hall to promote and raise	**March 2017** Participated in the International Women's Day event at Curve

users, in line with the Public Sector Equality Duty. Draft LPT Diversity and Inclusion Approach for 2017 to 2021.	awareness of the 'Time to Talk Day' campaign. Supported raising of the LGBT flag in partnership with local partners, to promote and celebrate inclusion and diversity across LLR.	Theatre. Staff member Natasha Garraway-Charles talked about career progression and the mental health services delivered by the Trust.

Our equality objectives 2017 - 2021

The Equality and Human Rights team has developed a strategy for the next four years, referred to as the Diversity and Inclusion Approach. This is aimed at improving services and employment practices for target groups. The team will look to rebrand, with a more positive and all-encompassing team title: the 'Diversity and Inclusion Team'.

The Equality Delivery System 2

The Trust is required by NHS England to embed the 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 in the implementation of employment practices. The Equality and Human Rights team are engaging with services to improve how evidence is gathered to help us to prove that we are progressing against the EDS2 standard.

Workforce Race Equality Standard

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).
The Trust reports against the nine indicators of the WRES on an annual basis and acts where there is evidence of disadvantage and inequality.

Workforce Disability Equality Standard

The NHS Equality and Diversity Council (EDC) announced the introduction of the Workforce Disability Equality Standard (WDES) in 2016. This standard aims to address that disabled people in the workforce often have poorer experiences of employment than their colleagues who are not disabled. Reporting against the WDES will begin in April 2018, with a preparatory year during 2017/18.

Due regard

LPT has a process for carrying out the 'Due Regard' (equality analysis) 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.

A toolkit and templates are available to support staff in ensuring that they have due regard to the aims of the Equality Act, ensuring that we meet our equality duty and moral obligations. Where there is a need, the Equality and Human Rights team offers bespoke training on undertaking “due regard” and ensuring that the requirements of the Equality Act are embedded into the day-to-day work of the Trust.

Equality and diversity training

The Equality and Human Rights team has launches an e-learning module in March 2017 as part of an e-learning programme around equality, diversity and inclusion. It looks at our legal duties in relation to the Equality Act as well as giving insight into meeting the needs of different people and communities. The programme has a focus upon the needs of, and difficulties faced by, lesbian, gay, bi-sexual and transgender (LGBT) people.

The Equality and Human Rights team also designs and deliver training to external partners. For instance, recently the team has provided training for staff at the Rainbows Hospice in Loughborough and currently supports Leicestershire LOROS to embed the equality and diversity agenda. The team has also worked with the Learning and Development team to incorporate training on equality and diversity in to team building sessions.

Looking ahead: 2017 Activity

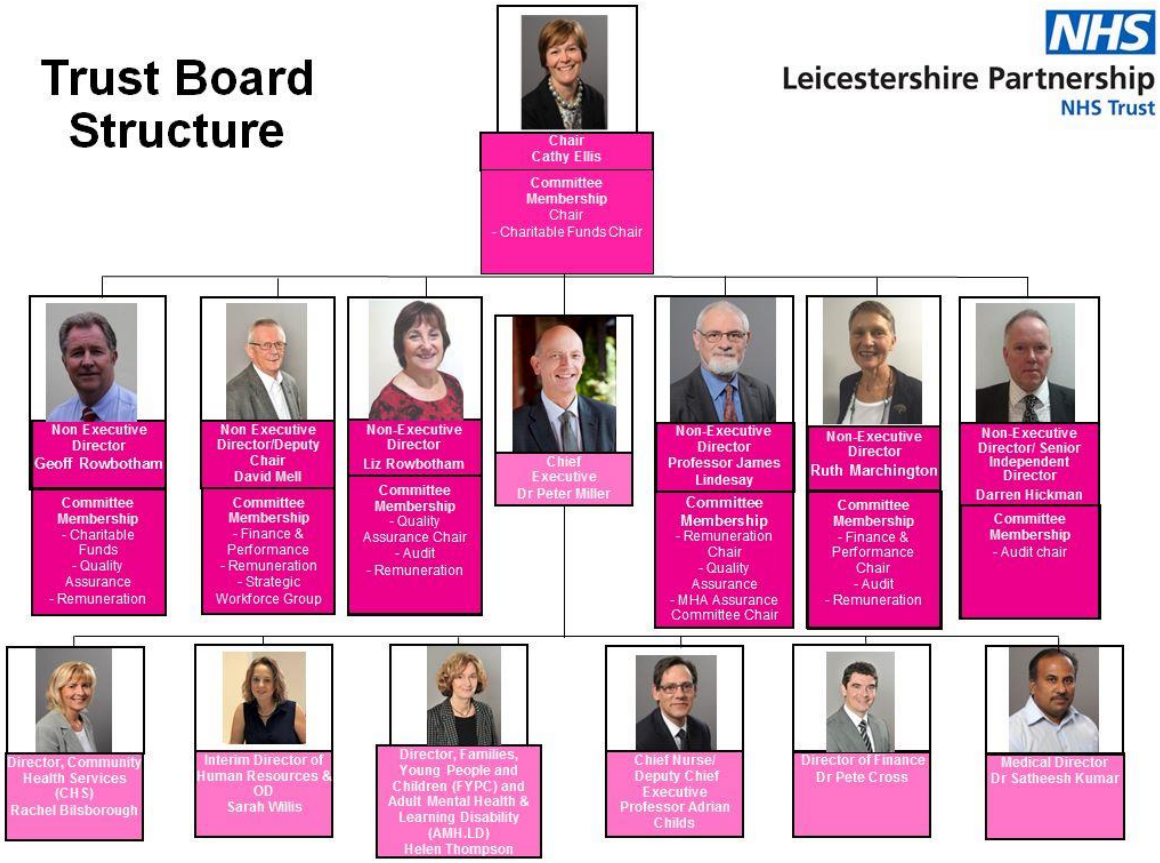
Activity 1:	**To comply with the Equality Act 2010 and the Public Sector Equality Duty (PSED).**
Activity 2:	To report and develop actions to address issues identified in the course of the equality monitoring of the workforce and service users.
Activity 3:	To embed and mainstream the Equality Delivery System 2 (EDS2) into all service and enabling activity.
Activity 4:	To report and develop actions to address gaps identified against the Workforce Race Equality Standard, Workforce Disability Equality Standard, and Gender Pay Gap reporting metrics.
Activity 5:	To work in partnership locally, regionally and nationally to share best practice and develop inclusive initiatives that improve outcomes for staff and patients.
Activity 6:	To design, develop and deliver training programmes that help staff and managers to foster positive working relationships that lead to a higher quality of care.

Accountability report

How we govern - Director's Report

There are now seven non-executive directors (including the chair) at the Board. This is an increase over the last year back to the level seen in prior years and reflects the workload required of our directors. Ruth Marchington and Geoff Rowbotham were appointed in October 2016 and Chris Burns stepped down in July 2016. There were no changes to the four executive directors (including the chief executive), and one change with four directors (non-voting) becoming three following the retirement of our Adult Mental Health and Learning Disabilities Director and the merger of that role with the director for Families Young People and Children services.

Members of the Trust Board at 31 March 2017 are shown below.



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 97 Board Walks were undertaken during 2016-17, and increase of nearly 50% on the previous year. 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.



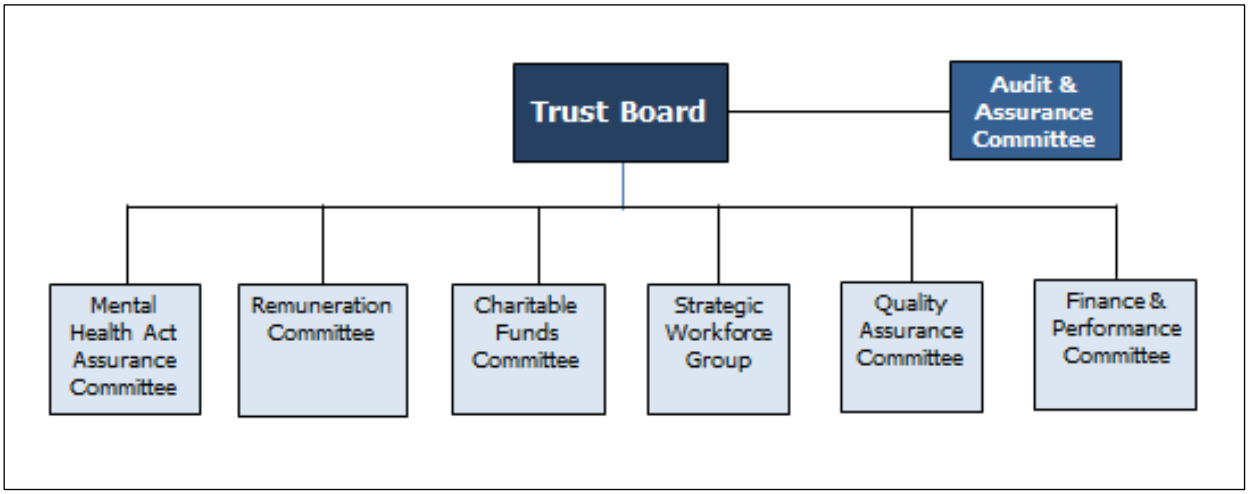
Providing assurance

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



Key Board committees

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 one other non-executive director. 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 2016-17.

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 of one 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 **Mental Health Act Assurance Committee** (MHAAC) is chaired by a Non-Executive Director and also has the Medical Director, Chief Nurse and a Service Director as members. It provides assurance to the Board for the continued management and monitoring of key aspects of the MHA and the Code of Practice (2015) commensurate with its Terms of Reference.

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 and a non-executive director attends.

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.

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

Non-executive director responsibilities during 2016-17 were as follows:

Remuneration Committee	Darren Hickman (Chair) – up to July 2016 James Lindesay (Chair) – from August 2016 David Mell Liz Rowbotham Geoff Rowbotham Ruth Marchington
Charitable Funds Committee	Cathy Ellis (Chair) Geoff Rowbotham James Lindesay – up to November 2016
Quality Assurance Committee	Liz Rowbotham (Chair) James Lindesay Geoff Rowbotham
Mental Health Act Assurance Committee	James Lindesay (Chair)
Finance and Performance Committee	Cathy Ellis (Chair) – up to January 2017 Ruth Marchington (Chair) – from February 2017 David Mell
Audit and Assurance Committee	Chris Burns (Chair) – up to July 2016 Darren Hickman (Chair) – from August 2016) Liz Rowbotham Ruth Marchington

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 2016-17

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 are 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 923 requests during 2016-17 as subject access and access to health records requests, and 389 as Freedom of Information and Environmental Information Regulations.

We also attained compliance with the information governance toolkit standards, and a Level 2 for the NHS Digital IG Audit for Clinical Coding.

Data losses

We take the security and integrity of patient data and confidentiality very seriously. During 2016-17 we had three 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 NHS Digital guidance on data losses. 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 learn from incidents and reflect this in our working practices.

We are continually reviewing policies and procedures relating to reflect any learning from incidents and to support the drive towards greater integration with social care.

Issues of information and cyber security have been priority areas during 2016/17, with the Trust registering under NHS Digitals CareCERT Programme. The Information Governance Team work proactively with the Leicestershire Health Informatics IT

Assurance Manager to monitor and action alerts received through the CareCERT programme ensuring that advice, guidance and policy development reflect best practice and national guidance.

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 role specific training to line managers throughout the Trust
- carried out specific prevention activities in relation to the threat of invoice fraud
- continued the Trust's participation with the National Fraud Initiative
- 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

EPRR compliance

The self-assessment compliancy rate against the EPRR Core Standards that LPT report against has raised from 82% to 92%, due to the development of a consistent training package for the on call frame work, and completion of work around Chemical, Biological, Radiological and Nuclear, (CBRN) resilience.
A self-assessment was conducted against the national EPRR core standards and LPT were deemed as substantially compliant, also during this period, 360 Assurance conducted an audit of Emergency Planning in LPT and we achieved significant assurance, both good results.

Business continuity and emergency planning

All Business Continuity Plans where reviewed to achieve a 100% compliancy prior to last CQC Inspection. This has set an effective process of effectively monitoring the Trust's BCP, managed by the EPRR Working group. LPT Planned for a number of periods of Junior Doctors Industrial Action (JDIA) in year 16/17, an emergency

planning group was formed prior to the first period of industrial action, and contingencies where put in place to ensure that LPT could deliver business as usual in quite a challenging situation. There is continuous developmental work around the process of identifying our Vulnerable Service Users in the event of a major incident, and clinical IT Systems business continuity. The Trust delivered a successful seasonal Flu campaign that saw 62% of frontline staff having the seasonal flu vaccination, a 15% increase on the previous year.

Internal/external exercises and training

LPT have delivered four 'Lockdown' exercises in community hospitals as part of an ongoing testing schedule. In July a table top exercise for the on-call directors was conducted as part of the on-call framework emergency response CPD. The exercise incorporated facilitators from the wider emergency response community to add an authentic feeling to the training. A resilience exercise was conducted on Unit C18 based on a scenario of the loss of the vaccination fridges at a peak period. This provided a robust overhaul of the contingency plans in place and provided some valuable learning points that have been fed back into plans. LPT had representation at the National Flu Pandemic Exercise in October 16, and the trust had a valuable input into the development of Leicester, Leicestershire and Rutland (LLR) Surge and Capacity Plan validation exercise. Our communications team took part in Exercise Distant Harmony, which was a multi-agency emergency communications exercise that focused on delivering a joined up communications plan during a major incident.

Next Steps

The emergency planning and business continuity work plan for 17/18 includes the reviewing of and development of all incident response plans; reviewing the LPT Business Continuity Management System (BCMS) and developing Cyber awareness and resilience across LPT.

Modern Slavery Act Statement 2015

The UK Modern Slavery Act became law on the 26 March 2015. It aims to prevent all forms of labour exploitation, and to increase transparency of labour practices in supply chains. Under the additional clause (clause 6) added retrospectively to the Act, it also requires eligible commercial organisations (over £36m turnover per annum) to make a public statement as to the actions they have taken to detect and deal with forced labour and trafficking in their supply chains – the 'Transparency in Supply Chains obligation'.

We are committed to meeting the requirements of this Act. You can read our progress statement, published on March 2017, on our website here: http://www.leicspart.nhs.uk/_Aboutus-ModernSlaveryActStatement.aspx

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; Sarah Willis, Director of Human Resources and Organisational Development; Helen Thompson, Director of Families, Young People and Children Services and Adult Mental Health and Learning Disability Services; Professor Adrian Childs, Chief Nurse/Deputy Chief Executive; Dr Peter Miller, Chief Executive.

Dr Peter Miller, Chief Executive and Dr Peter Cross, Director of Finance

Statement of Accountable Officer’s responsibilities

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.

Dr Peter Miller, Chief Executive, Leicestershire Partnership NHS Trust

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. 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 NHS Improvement 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 NHS Improvement 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 NHS Improvement (Appointments Commission up to 30 September 2012). There is no provision for compensation due to early termination of contracts.

Dr Peter Miller, Chief Executive

Salaries and allowances of senior managers

TABLE 1: SALARIES AND ALLOWANCES OF SENIOR MANAGERS

Name and Title	2016/17					2015/16				
	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
Rachel Bilsborough, Divisional Director CHS	105-110	0	0	22.5-25	130-135	105-110	0	0	40-42.5	145-150
Chris Burns, Non-Executive Director	0-5	0	0	0	0-5	5-10	0	0	0	5-10
Professor David Chiddick, Chairman (upto 30/06/15)	0	0	0	0	0	5-10	0	0	0	5-10
Adrian Childs, Chief Nurse/Deputy Chief Executive	120-125	0	0	27.5-30	150-155	120-125	0	0	27.5-30	150-155
Peter Cross, Director of Finance, Business & Estates	115-120	0	0	30-32.5	145-150	110-115	0	0	35-37.5	150-155

Alan Duffell, Director of HR & Organisational Development	105-110	0	0	20-22.5	125-130	105-110	0	0	25-27.5	130-135
Cathy Ellis, Chair (w.e.f. 01/07/2015)	35-40	0	0	0	35-40	25-30	0	0	0	25-30
Dr Satheesh Kumar Gangadharan, Medical Director	95-100	0	75-80	27.5-30	205-210	95-100	0	75-80	57.5-60	230-235
Darren Hickman, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
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	0	0	0	0	0-5	0	0	0	0-5
Ruth Marchington, Non-Executive Director (w.e.f. 05/09/2017)	0-5	0	0	0	0-5	0	0	0	0	0

David Mell, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Peter Miller, Chief Executive	160-165	0	0	32.5-35	195-200	155-160	0	0	27.5-30	185-190
Elizabeth Rowbotham, Non-Executive Director	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Geoff Rowbotham, Non-Executive Director (w.e.f. 05/09/2016)	0-5	0	0	0	0-5	0	0	0	0	0
Teresa Smith, Divisional Director AMHS (Upto 25 Nov 2016)	65-70	0	0	155-157.5	225-230	95-100	0	0	30-32.5	130-135
Helen Thompson, Divisional Director FYPC	105-110	0	0	27.5-30	135-140	100-105	0	0	20-22.5	120-125

TABLE 2: PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and Title	Real increase in pension at 60 (bands of £2,500)	Real increase in lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2017 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2017 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2016	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	110-115	702	651	51
Adrian Childs, Chief Nurse/Deputy Chief Executive	0-2.5	5-7.5	45-50	145-150	1048	976	72
Peter Cross, Director of Finance, Business & Estates	0-2.5	0-2.5	30-35	35-40	277	251	25
Alan Duffell, Director of HR & Organisational Development	0-2.5	2.5-5	20-25	60-65	428	386	43

Dr Satheesh Kumar Gangadharan, Medical Director	2.5-5	0	35-40	95-100	661	596	65
Dr Peter Miller, Chief Executive	2.5-5	7.5-10	65-70	195-200	1232	1153	80
Teresa Smith, Divisional Director AMHS	2.5-5	12.5-15	20-25	70-75	0	339	0
Helen Thompson, Divisional Director FYPC	0-2.5	5-7.5	35-40	110-115	696	643	54

Pay Multiples

Table 3: Pay Multiples

	2016-17	2015-16
Mid band of highest paid director's total remuneration (£)	175,000-180,000	175,000-180,000
Median total remuneration (£)	28,462	27,090
Ratio	6.24	6.55

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 2016/17 was £175,000-180,000 (2015/16: £175,000-180,000). This was 6.24 times (2015/16: 6.55) the median remuneration of the workforce, which was £28,462 (2015/16: £27k).

In 2016-17, 0 (2014-15, 0) employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £6,500 to £175,000 (2015-16 £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 increased in year largely due to pay awards and 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.

Staff composition

Our staff in numbers

At the end of March 2017 the Trust employed 5,556 substantive members of staff. That is a full time equivalent (FTE) of 4,775.5 people in a wide range of roles and professions.

Staff Group	FTE	Headcount		
		Total	*Of which female*	*Of which male*
Medical Career Grade	142.3	160	*74*	*86*
Training Medical Grade	56.9	61	*39*	*22*
Qualified Nurses	1678.5	1930	*1679*	*251*
Qualified AHP	516.8	639	*563*	*76*
Qualified S&T	135.7	181	*145*	*36*
Unqualified Nurses	848.4	991	*847*	*144*
Unqualified AHP	155.6	176	*152*	*24*
Unqualified S&T	88.8	99	*86*	*13*
Ancillary	12.6	22	*22*	*0*
Admin & Clerical	901.0	1038	*835*	*203*
Managers	156.6	169	*115*	*54*
Senior Managers	82.3	90	*56*	*34*
Grand Total	**4775.5**	**5556**	***4613***	***943***

To help ensure safe and appropriate staffing levels, the Trust also has a bank of 1,003 flexible workers including healthcare support workers, registered nurses, allied health professional and administrators.

Senior managers by band and gender

The table below shows the number of senior managers in the Trust both in numbers and as a percentage of the overall workforce and by gender.

			Gender		Ethnicity		
Pay Band	Headcount	% of Workforce	*% Female*	*% Male*	*% White British*	*% BME*	*% Not declared*
Band 8a (managerial)	66	1.2%	68%	32%	79%	15%	6%
Band 8b (managerial)	38	0.7%	68%	32%	92%	5%	3%
Band 8c (managerial)	28	0.5%	64%	36%	86%	11%	4%
Band 8d (managerial)	10	0.2%	50%	50%	90%	10%	0%
Band 8a (clinical)	146	2.7%	82%	18%	84%	12%	3%
Band 8b (clinical)	72	1.3%	82%	18%	83%	13%	4%
Band 8c (clinical)	14	0.3%	79%	21%	86%	14%	0%
Band 8d (clinical)	8	0.1%	50%	50%	88%	13%	0%
Very Senior Managers	7	0.1%	29%	71%	86%	14%	0%
Total	**389**	**7.1%**	**74%**	**25%**	**84%**	**12%**	**4%**

Reducing staff sickness and absence levels

Sickness absence

The Trust's average rate of sickness absence in 2016/17 was 5.1%, an increase from the 2015/16 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 muscular-skeletal (MSK) problems.

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

- emotional resilience workshops and bespoke programmes for staff groups
- encouraging staff to 'take a break'
- 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
- promotion 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
- enabling 644 staff to participate in the Global Corporate Challenge (GCC)
- raising awareness of mindfulness
- support for staff to attend Mental Health First Aid Training
- development of volunteering opportunities for staff

In addition, the Trust has continued to deliver a programme of supportive management behaviour, Essential HR and Healthy Conversations training for all new line managers. 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 have a positive impact on staff health and wellbeing.

Supporting disabled staff

The Trust meets all requirements to use the 'Disability Confident' 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 2016-17 financial period the Trust

spent £0.96m with various consultancies. The vast majority of this spend, £751k related to general management and IT consultancy services. 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.

Exit Packages

No exit packages or severance payments were agreed during 2016/17 for staff leaving the Trust.

Table 1: Off-payroll engagements

For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2017	6
Of which, the number that have existed:	
for less than one year at the time of reporting	3
for between one and two years at the time of reporting	2
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	1
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 for all engagements that meet the criteria laid out by the Treasury. However, guidance stipulates the Trust only has to obtain assurance from 20% of workers.

Table 2: Off-payroll engagements

For all new off-payroll engagements between 1 April 2016 and 31 March 2017, 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 2016 and 31 March 2017	9

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	9
Number for whom assurance has been requested	9
Of which:	
assurance has been received	6
assurance has not been received	3
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 2016 and 31 March 2017:

	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 4: 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	14,758	15	89,516	18	104,274	0	0
£10,000-£25,000	2	24,990	0	0	2	24,990	0	0
£25,001-£50,000	3	95,722	0	0	3	95,722	0	0
£50,001-£100,000	1	53,366	0	0	1	53,366	0	0
£100,001 - £150,000	0	0	0	0	0	0	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	**9**	**188,836**	**15**	**89,516**	**24**	**278,352**	**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.

Note 5: Exit Packages

All departures outside of compulsory redundancies are detailed below.

Other Exit packages - disclosures (Exclude Compulsory Redundancies)	**Number of exit package agreements**	**Total Value of agreements**
	Number	**£**
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	15	89,516
Exit payments following Employment Tribunals or court orders		
Non contractual payments requiring HMT approval *		
Total	**15**	**89,516**

Other financial information

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 2016 to 31 March 2017 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 2016/17 audit fee of £68k relates to £57k for the audit of the annual accounts and £11k for audit related assurance services.

Financial statement and board remuneration

Summary of financial statements

The Summary Financial Accounts for 2016/17 are presented with the Annual Report in Appendix A and I am pleased to confirm that we have achieved all our statutory and planned financial duties. In the current context of NHS finances, this is an excellent achievement and I would like to thank all our teams that have contributed to balancing the financial and clinical demands of providing healthcare to our local population.

Our planned revenue surplus of £1.6m was delivered, as a result, the Trust received bonus incentive funding of £0.7m from NHS Improvement. This funding was included in our final out-turn, a £2.3m surplus.

In 2017/18, we will be aiming to further improve our financial position by delivering a £3.1m surplus, in line with national expectations. This will be a major challenge for the Trust with increasing demand for our services, the need to improve flow through our

adult mental health services, the required delivery of approximately £8m of cost efficiencies as well as maintaining or improving the quality of patient care. It is clear this will be our most demanding financial year to date but we have a proven track record of delivery and recognise the need to make some difficult decisions that will influence the sustainability of our services. The hard work, dedication and commitment of our staff will remain a key asset for the Trust in maintaining our financial performance throughout 2017/18.

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.

Copies of the full accounts, including the statement of internal control, are available free of charge, from feedback@leicspart.nhs.uk.

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 2016-17, 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 رقم0116 295 0903أو 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 کریںPatient.Information@leicspart.nhs.uk

KPMG

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 2017 on pages 86 to 130 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 set out on pages 83 to 84, 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 2016, 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 2017.

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 2017 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 Department of Health Group Accounting Manual 2016/17; 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 2017.

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
Birmingham
B4 GH

31 May 2017

INDEPENDENT AUDITOR'S STATEMENT TO THE DIRECTORS OF LEICESTERSHIRE PARTNERSHIP NHS TRUST ON THE NHS TRUST CONSOLIDATION SCHEDULES

We have examined the consolidation schedules designated TRU01 to TRU26 (TRU09a, TRU23, TRU24 and TRU26 are excluded) of Leicestershire Partnership NHS Trust for the year ended 31 March 2017, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This statement is made solely to the Board of Directors of Leicestershire Partnership NHS Trust in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and paragraph 4.2 of the Code of Audit Practice and for no other purpose.

For the purpose of this statement, reviewing the consistency of figures between the audited financial statements and the consoldiation schedules extends only to those figures within the consolidation schedules which are also included in the audited financial statements.

Auditors are required to report on any differences over £250,000 between the audited financial statements and the consolidation schedules.

Unqualified audit opinion on the audited financial statements; no differences identified:

The figures reported in the consolidation schedules are consistent with the audited financial statements, on which we have issued an unqualified opinion.

Andrew Bostock
for and on behalf of *KPMG LLP,* Appointed Auditor

KPMG LLP, One Snowhill, Queensway, Birmingham, B4 6GH

31 May 2017

Appendix A: Audited Accounts

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of NHS Improvement. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the trust;

- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

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 judgments required for determining that it is fair, balanced and understandable.

Signed 

Chief Executive

26 May 2017

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

26 May 2017  Chief Executive

26 May 2017  Finance Director

Statement of Comprehensive Income for year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Gross employee benefits	10.1	**(206,050)**	(202,670)
Other operating costs	8	**(72,037)**	(63,164)
Revenue from patient care activities	5	**247,185**	244,237
Other operating revenue	6	**30,479**	31,185
Operating surplus/(deficit)		**(423)**	9,588
Investment revenue	12	**16**	24
Other gains and (losses)	13	**(67)**	(74)
Finance costs	14	**(952)**	(902)
Surplus/(deficit) for the financial year		**(1,426)**	8,636
Public dividend capital dividends payable		**(5,903)**	(5,771)
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		**(7,329)**	2,865

Other Comprehensive Income

	2016-17 £000s	2015-16 £000s
Impairments and reversals taken to the revaluation reserve	**(6,040)**	1,512
Net gain/(loss) on revaluation of property, plant & equipment	**262**	10,124
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 comprehensive income for the year	**(13,107)**	14,501

Financial performance for the year

Retained surplus/(deficit) for the year	**(7,329)**	2,865
Prior period adjustment to correct errors and other performance adjustments	**0**	0
IFRIC 12 adjustment (including IFRIC 12 impairments)	**119**	88
Impairments (excluding IFRIC 12 impairments)	**9,453**	(1,612)
Adjustments in respect of donated gov't grant asset reserve elimination	**1**	15
Adjustment re absorption accounting	**0**	0
Adjusted retained surplus/(deficit)	**2,244**	1,356

Statement of Financial Position as at 31 March 2017

	NOTE	31 March 2017 £000s	31 March 2016 £000s
Non-current assets:			
Property, plant and equipment	16	**188,000**	201,581
Intangible assets	17	**1,579**	218
Investment property	19	**0**	0
Other financial assets		**0**	0
Trade and other receivables	22.1	**526**	389
Total non-current assets		**190,105**	202,188
Current assets:			
Inventories	21	**289**	175
Trade and other receivables	22.1	**13,380**	11,558
Other financial assets	24	**0**	0
Other current assets	25	**0**	0
Cash and cash equivalents	26	**2,992**	7,209
Sub-total current assets		**16,661**	18,942
Non-current assets held for sale	27	**1,497**	0
Total current assets		**18,158**	18,942
Total assets		**208,263**	221,130
Current liabilities			
Trade and other payables	28	**(20,769)**	(24,923)
Other liabilities	29	**0**	0
Provisions	35	**(675)**	(1,219)
Borrowings	30	**(226)**	(167)
Other financial liabilities	31	**0**	0
DH revenue support loan	30	**0**	0
DH capital loan	30	**(163)**	0
Total current liabilities		**(21,833)**	(26,309)
Net current assets/(liabilities)		**(3,675)**	(7,367)
Total assets less current liablilities		**186,430**	194,821
Non-current liabilities			
Trade and other payables	28	**0**	0
Other liabilities	29	**0**	0
Provisions	35	**(1,557)**	(1,011)
Borrowings	30	**(8,476)**	(8,703)
Other financial liabilities	31	**0**	0
DH revenue support loan	30	**0**	0
DH capital loan	30	**(3,837)**	0
Total non-current liabilities		**(13,870)**	(9,714)
Total assets employed:		**172,560**	185,107
FINANCED BY:			
Public Dividend Capital		**82,940**	82,380
Retained earnings		**34,677**	41,589
Revaluation reserve		**54,943**	61,138
Charitable Funds Reserve			
Other reserves		**0**	0
Total Taxpayers' Equity:		**172,560**	185,107

The financial statements on the following pages were approved by the Board on *26-5-17* and signed on its behalf by:

Chief Executive: Date: **26th May 2017**

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2017

	Public Dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	**82,380**	**41,589**	**61,138**	**0**	**185,107**
Changes in taxpayers' equity for 2016-17					
Retained surplus/(deficit) for the year		(7,329)			**(7,329)**
Net gain / (loss) on revaluation of property, plant, equipment			262		**262**
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			0		**0**
Impairments and reversals			(6,040)		**(6,040)**
Other gains/(loss) (provide details below)				0	**0**
Transfers between reserves		417	(417)	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**
Temporary and permanent PDC received - cash	560				**560**
Temporary and permanent PDC repaid in year	0				**0**
PDC written off	0	0			**0**
Transfer due to change of status from Trust to Foundatior	0	0	0	0	**0**
Other movements	0	0	0	0	**0**
Net actuarial gain/(loss) on pension		0		0	**0**
Other pensions remeasurement		0		0	**0**
Net recognised revenue/(expense) for the year	**560**	**(6,912)**	**(6,195)**	**0**	**(12,547)**
Balance at 31 March 2017	**82,940**	**34,677**	**54,943**	**0**	**172,560**
Balance at 1 April 2015	**82,430**	**37,282**	**50,944**	**0**	**170,656**
Changes in taxpayers' equity for the year ended 31 March 2016					
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 assets held for sale			0		0
Impairments and reversals			1,512		1,512
Other gains / (loss)				0	0
Transfers between reserves		1,442	(1,442)	0	0
Reclassification Adjustments					
Transfers between revaluation reserve & retained earnings reserve in respect of assets transferred under		0	0		0
On disposal of available for sale financial assets			0		0
Originating capital for Trust established in year	0				0
New PDC received - cash	0				0
PDC repaid in year	(50)				(50)
Other movements	0	0	0	0	0
Net actuarial gain/(loss) on pension				0	0
Other pension 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**

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2017

Consolidated

	Public Dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Charitable Funds Reserve £000s	Other reserves £000s	Total reserves £000s
Balance at 1 April 2016	**82,380**	**41,589**	**61,138**	**0**	**0**	**185,107**
Changes in taxpayers' equity for 2016-17						
Retained surplus/(deficit) for the year		(7,329)				**(7,329)**
Net gain / (loss) on revaluation of property, plant, equipment			262			**262**
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			0			**0**
Impairments and reversals			(6,040)			**(6,040)**
Other gains/(loss) (provide details below)					0	**0**
Transfers between reserves		417	(417)		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**
Temporary and permanent PDC received - cash	560					**560**
Temporary and permanent PDC repaid in year	0					**0**
PDC written off	0	0				**0**
Transfer due to change of status from Trust to Foundation	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	**560**	**(6,912)**	**(6,195)**	**0**	**0**	**(12,547)**
Balance at 31 March 2017	**82,940**	**34,677**	**54,943**	**0**	**0**	**172,560**
Balance at 1 April 2015	**82,430**	**37,282**	**50,944**	**0**	**0**	**170,656**
Changes in taxpayers' equity for the year ended 31 March 2016						
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 assets held for sale			0			0
Impairments and reversals			1,512			1,512
Other gains / (loss)					0	0
Transfers between reserves		1,442	(1,442)		0	0
Reclassification Adjustments						
Transfers between revaluation reserve & retained earnings reserve in respect of assets transferred under		0	0			0
On disposal of available for sale financial assets			0			0
Originating capital for Trust established in year	0					0
New PDC received - cash	0					0
PDC repaid in year	(50)					(50)
Other movements	0	0	0		0	0
Net actuarial gain/(loss) on pension					0	0
Other pension remeasurement					0	0
Net recognised revenue/(expense) for the year	**(50)**	**4,307**	**10,194**	**0**	**0**	**14,451**
Balance at 31 March 2016	**82,380**	**41,589**	**61,138**	**0**	**0**	**185,107**

Information on reserves

1 **Public dividend capital**
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities. Additional PDC may also be issued to NHS trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

2 **Income and expenditure reserve**
The balance of this reserve is the accumulated surpluses and deficits of the NHS trust.

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

Statement of Cash Flows for the Year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Cash Flows from Operating Activities			
Operating surplus/(deficit)		**(423)**	9,588
Depreciation and amortisation	8	**7,138**	7,104
Impairments and reversals	18	**9,571**	(1,612)
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
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**(114)**	7
(Increase)/Decrease in Trade and Other Receivables		**(1,778)**	(2,564)
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**(2,401)**	2,695
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions utilised		**(634)**	(1,296)
Increase/(Decrease) in movement in non cash provisions		**636**	(127)
Net Cash Inflow/(Outflow) from Operating Activities		**11,995**	13,795
Cash Flows from Investing Activities			
Interest Received		**16**	24
(Payments) for Property, Plant and Equipment		**(12,587)**	(11,572)
(Payments) for Intangible Assets		**(1,469)**	0
(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)		**427**	1,018
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		**(13,613)**	(10,530)
Net Cash Inform / (outflow) before Financing		**(1,618)**	3,265
Cash Flows from Financing Activities			
Gross Temporary and Permanent PDC Received		**560**	0
Gross Temporary and Permanent PDC Repaid		**0**	(50)
Loans received from DH - New Capital Investment Loans		**4,000**	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**	0
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		**(167)**	(156)
Interest paid		**(907)**	(883)
PDC Dividend (paid)/refunded		**(6,289)**	(5,767)
Capital grants and other capital receipts (excluding donated / government granted cash receipts)		**204**	0
Net Cash Inflow/(Outflow) from Financing Activities		**(2,599)**	(6,856)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(4,217)**	(3,591)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**7,209**	10,800
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**	**2,992**	7,209

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 Accounting Manual 2016-17 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 Accounting Manual 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.

Going Concern

These accounts have been prepared on a going concern basis

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 2016-17 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.

NOTES TO THE ACCOUNTS

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.

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 asked the District Valuer to carry out a desktop exercise on its estate. This was prompted due to a large amount of investment over recent years.

During the year the Trust valued its PFI property; the Agnes Unit, net of VAT. The unit had previously been valued gross of VAT. This decision was made to better reflect the property's true value given that the Trust reclaims VAT on payments made for the unit. This treatment is in line with that highlighted in the most recent Department of Health Group Accounting Manual.

New Provisions

During the year the Trust has provided for new provisions totalling £702k. These mainly relate to additional restructuring, injury benefit and annual leave provisions recognised in 2016/17.

In addition to the above, the Trust has also provided for £202k of doubtful debts. These are revenue sources for which the Trust has significant concerns over the debtors ability to repay. When calculating the value the Trust considers the level of engagement with the debtor and also the Trust's debt collection partners previous success rate in recovering outstanding amounts.

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 Medical equipment and Buildings. To get the maximum benefit out of the Trust's assets, asset lives have been extended for some medical equipment. Buildings lives have been updated to reflect advice from the Trust's Surveyor. These changes have 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

1.7 Revenue

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.

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

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

Retirement benefit 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 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

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 NHS trust commits itself to the retirement, regardless of the method of payment.

c) Scheme Provisions

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 2017, 82 employees were members of NEST.

Note 1

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

1.10 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 trust;
● it is expected to be used for more than one financial year;
● the cost of the item can be measured reliably; and either
● the item cost at least £5,000; or
● Collectively, a number of items have a total 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.

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. Assets that are held for their service potential and are in use, are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment 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. Current values in existing use are determined as follows:
● Land and non-specialised buildings – market value for existing use.
● Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

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 and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

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

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.

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 cost. Software that is integral to the operation 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; and
● 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 current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

NOTES TO THE ACCOUNTS

1.12 Depreciation, amortisation and impairments

Freehold land, assets under construction or development, and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated useful lives. 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 the shorter of the lease term and the estimated useful lives.

At each financial year-end, the NHS trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, 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 at the financial year end.

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 are 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 current value in existing use, if they will be held for their service potential, or otherwise at 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 treated in the same way as 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 current value in existing use, if they will be held for their service potential, or otherwise at 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.

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.

NOTES TO THE ACCOUNTS

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 of 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.

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 NHS 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 or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

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 initial 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 NHS 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 accrual 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 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.

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.

NOTES TO THE ACCOUNTS

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. 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 rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.24% (2015-16: positive 1.37%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A short term rate of negative 2.70% (2015-16: negative 1.55%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.95% (2015-16: negative 1.00%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 0.80% (2015-16: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

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.

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 trust 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 where 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.

NOTES TO THE ACCOUNTS

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

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.

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.

Financial assets are initially recognised at fair value. Fair value is determined by reference to quoted market prices where possible, otherwise by 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 that occurred after the initial recognition of the asset and that have 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 historic 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 NHS trust's functional 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.

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.

NOTES TO THE ACCOUNTS

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

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 NHS 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 'Raising Health'. 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 trust 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.

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 2016-17. 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 from Contracts with Customers - 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 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.

1.37 Gifts

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

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 2016/17 were:

Local Authority	Service	Pooled Budget £000	LPT Contribution £000
Leicester City Council	Assertive Outreach	312	73
Leicestershire County Council	Assertive Outreach	171	84
Leicestershire County Council	Crisis Resolution	232	143
Total Pool		**715**	
LPT contribution			**300**

3. Operating segments

The figures contained in the Trust's Annual Accounts relating to the financial year 2016/17 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	2016/17 Total Revenue £000s	%	2015/16 Total Revenue £000s	%
Adult Mental Health & Learning Disabilities	84,705	31%	85,867	31%
Adult Learning Disabilities	0	0%	0	0%
Community Health Services	103,616	37%	101,592	37%
Families, Young People and Children Services	60,224	22%	62,406	23%
Enabling Services	11,633	4%	11,961	4%
Trust Central reserves	2,961	1%	-1,024	0%
Sub-total healthcare	263,139	95%	260,802	95%
Hosted Services & Estates	14,525	5%	14,619	5%
Total revenue	277,664	100%	275,421	100%

4. Income generation activities

As in 2015/16, the Trust did not undertake income generation activities in 2016/17 (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

	2016-17 £000s	2015-16 £000s
NHS Trusts	**2,579**	1,928
NHS England	**13,611**	21,657
Clinical Commissioning Groups	**209,164**	203,787
Foundation Trusts	**29**	159
Department of Health	**0**	0
NHS Other (including Public Health England and Prop Co)	**0**	0
Additional income for delivery of healthcare services	**0**	0
Non-NHS:		
Local Authorities	**21,802**	16,706
Private patients	**0**	0
Overseas patients (non-reciprocal)	**0**	0
Injury costs recovery	**0**	0
Other Non-NHS patient care income	**0**	0
Total Revenue from patient care activities	**247,185**	244,237

6. Other operating revenue

	2016-17 £000s	2015-16 £000s
Recoveries in respect of employee benefits	**154**	161
Patient transport services	**0**	0
Education, training and research	**10,420**	10,649
Charitable and other contributions to revenue expenditure - NHS	**0**	0
Charitable and other contributions to revenue expenditure -non- NHS	**0**	0
Receipt of charitable donations for capital acquisitions	**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	**11,337**	10,026
Sustainability & Transformation Fund Income	**2,389**	
Income generation (Other fees and charges)	**0**	0
Rental revenue from finance leases	**0**	0
Rental revenue from operating leases	**465**	203
Other revenue	**5,714**	10,146
Total Other Operating Revenue	**30,479**	31,185
Total operating revenue	**277,664**	275,422

7. Overseas Visitors Disclosure

The Trust had no overseas visitors during 2016/17

8. Operating expenses

	2016-17 £000s	2015-16 £000s
Services from other NHS Trusts	**1,259**	1,421
Services from CCGs/NHS England	**29**	148
Services from other NHS bodies	**0**	0
Services from NHS Foundation Trusts	**0**	51
Total Services from NHS bodies*	**1,288**	1,620
Purchase of healthcare from non-NHS bodies	**4,195**	3,989
Purchase of Social Care	**0**	**0**
Trust Chair and Non-executive Directors	**95**	65
Supplies and services - clinical	**6,215**	7,318
Supplies and services - general	**3,747**	3,467
Consultancy services	**955**	1,392
Establishment	**7,687**	7,893
Transport	**329**	324
Service charges - ON-SOFP PFIs and other service concession arrangements	**441**	456
Service charges - On-SOFP LIFT contracts	**43**	31
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	**1,356**	1460
Premises	**25,935**	25,873
Hospitality	**12**	83
Insurance	**14**	226
Legal Fees	**313**	396
Impairments and Reversals of Receivables	**126**	83
Inventories write down	**17**	17
Depreciation	**7,030**	6,989
Amortisation	**108**	115
Impairments and reversals of property, plant and equipment	**8,060**	(1,612)
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	**1,511**	0
Internal Audit Fees	**174**	181
Audit fees	**52**	56
Other auditor's remuneration [detail]	**11**	38
Clinical negligence	**1,073**	792
Research and development (excluding staff costs)	**34**	108
Education and Training	**1,006**	1,147
Change in Discount Rate	**157**	80
Capital Grants in Kind	**0**	0
Other	**53**	577
Total Operating expenses (excluding employee benefits)	**72,037**	63,164
Employee Benefits		
Employee benefits excluding Board members	**204,795**	201,421
Board members	**1,255**	1,249
Total Employee Benefits	**206,050**	202,670
Total Operating Expenses	**278,087**	265,834

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

9. Operating Leases

9.1. Leicestershire Partnership NHS Trust as lessee

	Land £000s	Buildings £000s	Other £000s	2016-17 Total £000s	2015-16 £000s
Payments recognised as an expense					
Minimum lease payments				**7,184**	6,039
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**7,184**	6,039
Payable:					
No later than one year		4,090	442	**4,532**	4,499
Between one and five years	0	13,167	372	**13,539**	13,328
After five years	0	7,260	10	**7,270**	4,669
Total	**0**	**24,517**	**824**	**25,341**	22,496
Total future sublease payments expected to be received:				0	0

9.2. Leicestershire Partnership NHS Trust as lessor

	2016-17 £000s	2015-16 £000s
Recognised as revenue		
Rental revenue	465	203
Contingent rents	0	0
Total	**465**	203
Receivable:		
No later than one year	890	790
Between one and five years	2,344	2,876
After five years	843	449
Total	**4,077**	4,115

10. Employee benefits

10.1. Employee benefits

	2016-17 Total £000s	2015-16 Total £000s
Employee Benefits - Gross Expenditure		
Salaries and wages	**170,958**	171,182
Social security costs	**14,386**	10,681
Employer Contributions to NHS BSA - Pensions Division	**20,660**	20,394
Other pension costs	**106**	107
Termination benefits	**348**	680
Total employee benefits	**206,458**	203,044
Employee costs capitalised	**408**	374
Gross Employee Benefits excluding capitalised costs	**206,050**	202,670

10.2. Retirements due to ill-health

	2016-17 Number	2015-16 Number
Number of persons retired early on ill health grounds	**6**	5
	£000s	£000s
Total additional pensions liabilities accrued in the year	**438**	222

10.3. Staff Sickness absence

	2016-17 Number	2015-16 Number
Total Days Lost	56,676	54,335
Total Staff Years	4,827	4,787
Average working Days Lost	**11.7**	11.4

The figures provided for staff sickness relate to the calendar year 2016. This is in-line with Department of Health guidance and is not expected to by materially different from the financial year.

11. Better Payment Practice Code

11.1. Measure of compliance

	2016-17 Number	2016-17 £000s	2015-16 Number	2015-16 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**40,894**	**135,804**	51,684	121,553
Total Non-NHS Trade Invoices Paid Within Target	**39,663**	**129,803**	48,131	116,326
Percentage of NHS Trade Invoices Paid Within Target	**96.99%**	**95.58%**	93.13%	95.70%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**1,227**	**53,491**	952	**41,612**
Total NHS Trade Invoices Paid Within Target	**1,145**	**52,085**	857	**40,895**
Percentage of NHS Trade Invoices Paid Within Target	**93.32%**	**97.37%**	90.02%	98.28%

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

The Trust paid no interest on late commercial debts in this financial period.

12. Investment Revenue

	2016-17 £000s	2015-16 £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	**16**	24
Other loans and receivables	**0**	0
Impaired financial assets	**0**	0
Other financial assets	**0**	0
Subtotal	**16**	24
Total investment revenue	**16**	24

13. Other Gains and Losses

	2016-17 £000s	2015-16 £000s
Gain/(Loss) on disposal of assets other than by sale (PPE)	**(67)**	**(74)**
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	**(67)**	(74)

14. Finance Costs

	2016-17 £000s	2015-16 £000s
Interest		
Interest on loans and overdrafts	**0**	**0**
Interest on obligations under finance leases	**0**	**0**
Interest on obligations under PFI contracts:		
- main finance cost	**527**	**535**
- contingent finance cost	**151**	**137**
Interest on obligations under LIFT contracts:		
- main finance cost	**143**	**147**
- contingent finance cost	**59**	**64**
Interest on late payment of commercial debt	**0**	**0**
Total interest expense	**880**	883
Other finance costs	**54**	**0**
Provisions - unwinding of discount	**18**	**19**
Total	**952**	902

15. Audit Costs

15.1. Other auditor remuneration

	2016-17 £000s	2015-16 £000s
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	43	47
2. Audit-related assurance services	9	32
3. Taxation compliance services		
4. All taxation advisory services not falling within item 3 above		
5. Internal audit services	174	181
6. All assurance services not falling within items 1 to 5		
7. Corporate finance transaction services not falling within items 1 to 6 above		
8. Other non-audit services not falling within items 2 to 7 above	11	16
Total	**237**	**275**

All external audit fees are shown net of VAT. The VAT applicable is sown under Other non-audit services. The prior year figures have been restated to matched the changed presentational method.

15.2. Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2016/17 or 2015/16.

16.1. Property, plant and equipment

2016-17	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 2016	46,622	136,052	0	6,750	4,892	0	19,298	3,344	**216,958**
Additions of Assets Under Construction				2,150					**2,150**
Additions Purchased	0	6,488	0		928	0	1,103	120	**8,639**
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	4,916	0	(4,378)	(238)	0	0	(300)	**0**
Reclassifications as Held for Sale and reversals	(1,115)	(2,473)	0	0	0	0	0	0	**(3,588)**
Disposals other than for sale	0	(142)	0	0	(38)	0	0	0	**(180)**
Revaluation	(5)	(7,444)	0	0	0	0	0	0	**(7,449)**
Impairments/reversals charged to operating expenses	0	(8,368)	0	0	0	0	0	0	**(8,368)**
Impairments/reversals charged to reserves	0	(6,338)	0	0	0	0	0	0	**(6,338)**
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 Accounting	0	0	0	0	0	0	0	0	**0**
At 31 March 2017	**45,502**	**122,691**	**0**	**4,522**	**5,544**	**0**	**20,401**	**3,164**	**201,824**
Depreciation									
At 1 April 2016	0	4,574	0		2,416	0	6,524	1,863	**15,377**
Reclassifications	0	276	0		(115)	0	0	(161)	**0**
Reclassifications as Held for Sale and reversals	0	(153)	0		0	0	0	0	**(153)**
Disposals other than for sale	0	(78)	0		(35)	0	0	0	**(113)**
Revaluation	0	(7,711)	0		0	0	0	0	**(7,711)**
Impairment/reversals charged to reserves	0	(298)	0		0	0	0	0	**(298)**
Impairments/reversals charged to operating expenses	0	(308)	0		0	0	0	0	**(308)**
Charged During the Year	0	3,948	0		390	0	2,419	273	**7,030**
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**
At 31 March 2017	**0**	**250**	**0**	**0**	**2,656**	**0**	**8,943**	**1,975**	**13,824**
Net Book Value at 31 March 2017	**45,502**	**122,441**	**0**	**4,522**	**2,888**	**0**	**11,458**	**1,189**	**188,000**
Asset financing:									
Owned - Purchased	45,502	114,397	0	4,522	2,882	0	11,458	1,189	**179,950**
Owned - Donated	0	425	0	0	6	0	0	0	**431**
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	7,619	0	0	0	0	0	0	**7,619**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2017	**45,502**	**122,441**	**0**	**4,522**	**2,888**	**0**	**11,458**	**1,189**	**188,000**

Note 16-16.2

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 2016	23,571	37,351	0	0	160	0	10	46	**61,138**
Movements (specify)	(5)	(6,040)	0	0	0	0	0	0	**(6,045)**
At 31 March 2017	**23,566**	**31,311**	**0**	**0**	**160**	**0**	**10**	**46**	**55,093**

Additions to Assets Under Construction in 2016-17

Land	0
Buildings excl Dwellings	1,033
Dwellings	0
Plant & Machinery	1,117
Balance as at YTD	**2,150**

16.2. Property, plant and equipment prior-year

2015-16	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 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)**
Revaluation	0	10,496	0	0	0	0	0	0	**10,496**
Impairment/reversals charged to reserves	0	1,661	0	0	0	0	0	0	**1,661**
Impairments/reversals charged to operating expenses	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 Accounting	0	0	0	0	0	0	0	0	**0**
At 31 March 2016	**46,622**	**136,052**	**0**	**6,750**	**4,892**	**0**	**19,298**	**3,344**	**216,958**
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)**
Revaluation	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 Accounting	0	0	0		0	0	0	0	**0**
At 31 March 2016	**0**	**4,574**	**0**	**0**	**2,416**	**0**	**6,524**	**1,863**	**15,377**
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**

16.3. (cont). Property, plant and equipment

The Trust has a number of non-material assets donated over multiple years. The current net book value of these assets stands at £450k.

The Trust's new Huntington's Disease Service building; Mill Lodge on the Stewart House site has received a full valuation by the Trust's district valuer. It is carried at this MEA value in the accounts.

All other Trust Assets have received a "desktop exercise" by the district valuer and are carried at these amounts.

The Trust has made the decision to carry its PFI building; the Agnes Unit net of VAT. This is due to invoices for the scheme being VAT reclaimable. The value of this unit has therefore decreased by the relevant VAT amounts.

The Trust relies on an NHS surveyor with specialist knowledge of the Trust's buildings and capital programme to assess the useful life of the Trust's properties.

The Trust carries all equipment at the useful life provided by the manufacture or specialist advisors for the relevant products. Further details can be seen in the below table:

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	3	3
Development Expenditure	1	4
IT - in house & 3rd Party Software	2	3
Property, Plant and Equipment		
Buildings exc Dwellings	1	49
Plant & Machinery	1	15
Information Technology	1	10
Furniture and Fittings	1	10

In the current financial period the Trust has written off £67k worth of assets. These all relate to works carried out in buildings the Trust no longer occupies.

17. Intangible non-current assets

17.1. Intangible non-current assets

2016-17	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Intangible Assets Under Construction	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	**87**	**131**	**0**	**0**	**482**	**0**	**700**
Additions of Assets Under Construction						1,314	**1,314**
Additions Purchased	155	0	0	0	0	0	**155**
Additions Internally Generated	0	0	0	0	0	0	**0**
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations and Government Grants	0	0	0	0	0	0	**0**
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	**0**
Transfer (to)/from Other Public Sector bodies under Absorption	0	0	0	0	0	0	**0**
At 31 March 2017	**242**	**131**	**0**	**0**	**482**	**1,314**	**2,169**
Amortisation							
At 1 April 2016	**68**	**77**	**0**	**0**	**337**		**482**
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	**6**	**25**	**0**	**0**	**77**		**108**
Transfers to NHS Foundation Trust on authorisation as FT	**0**	**0**	**0**	**0**	**0**		**0**
Transfer (to)/from Other Public Sector bodies under Absorption	**0**	**0**	**0**	**0**	**0**		**0**
At 31 March 2017	**74**	**102**	**0**	**0**	**414**	**0**	**590**
Net Book Value at 31 March 2017	**168**	**29**	**0**	**0**	**68**	**1,314**	**1,579**
Asset Financing: Net book value at 31 March 2017 comprises:							
Purchased	168	29	0	0	68	1,314	**1,579**
Donated	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	**0**
Finance Leased	0	0	0	0	0	0	**0**
On-balance Sheet PFIs	0	0	0	0	0	0	**0**
Total at 31 March 2017	**168**	**29**	**0**	**0**	**68**	**1,314**	**1,579**

Note 17-17.3

17.2. Intangible non-current assets prior year

2015-16	IT - in-house & 3rd party software £000's	Computer Licenses £000's	Licenses and Trademarks £000's	Patents £000's	Development Expenditure - Internally Generated £000's	£000's	Total £000's
Cost or valuation:							
At 1 April 2015	87	131	0	0	482	0	**700**
Additions - purchased	0	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	**0**
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	**0**
Transfer (to)/from Other Public Sector bodies under Absorption	0	0	0	0	0	0	**0**
At 31 March 2016	87	131	0	0	482	0	**700**
Amortisation							
At 1 April 2015	61	52	0	0	254	0	**367**
Reclassifications	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
Charged during the year	7	25	0	0	83	0	**115**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	**0**
Transfer (to)/from Other Public Sector bodies under Absorption	0	0	0	0	0	0	**0**
At 31 March 2016	68	77	0	0	337	0	**482**
Net book value at 31 March 2016	19	54	0	0	145	0	**218**
Net book value at 31 March 2016 comprises:							
Purchased	19	54	0	0	145	0	**218**
Donated							**0**
Government Granted							**0**
Finance Leased							**0**
On-balance Sheet PFIs							**0**
Total at 31 March 2016	19	54	0	0	145	0	**218**

17.3. Intangible non-current assets

Of the Trust's £265k of Intangible assets (Excluding AUC), £53k were developed in-house with the remaining £212k being purchased.

The useful life of each intangible is assessed by the period of license or the useful life of the product. The Trust holds no indefinite use assets.

18. Analysis of impairments and reversals recognised in 2016-17

	Property Plant and Equipment	Intangible Assets	Financial Assets	Non-Current Assets Held for Sale	Total
					£000s
Impairments and reversals taken to SoCI					
Loss or damage resulting from normal operations	0	0	0	0	**0**
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	**0**	**0**	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0	0	**0**
Loss as a result of catastrophe	0	0	0	0	**0**
Other	1,367	0	0	0	**1,367**
Changes in market price	6,693	0	0	1,511	**8,204**
Total charged to Annually Managed Expenditure	**8,060**	**0**	**0**	**1,511**	**9,571**
Total Impairments of Property, Plant and Equipment changed	**8,060**	**0**	**0**	**1,511**	**9,571**

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**

19. Investment property

The Trust does not hold any investment properties

20. Commitments

20.1. Capital commitments

Besides the Department of Health capital loan the Trust has no other financial commitments.

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 2016	**175**	**0**	**0**	**0**	**0**	**0**	**175**	182
Additions	2,303	84	0	0	0	0	**2,387**	0
Inventories recognised as an expense in the period	(2,256)	0	0	0	0	0	**(2,256)**	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 2017	**205**	**84**	**0**	**0**	**0**	**0**	**289**	**182**

22.1. Trade and other receivables

	Current		Non-current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
	£000s	£000s	**£000s**	£000s
NHS receivables - revenue	**7,895**	6,505	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**893**	508	**0**	0
Non-NHS receivables - revenue	**2,057**	1,297	**0**	0
Non-NHS receivables - capital	**0**	204	**0**	0
Non-NHS prepayments and accrued income	**1,742**	2,247	**0**	0
PDC Dividend prepaid to DH	**195**	0	**0**	0
Provision for the impairment of receivables	**(202)**	(80)	**0**	0
VAT	**621**	720	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income excluding PFI lifecycle	**0**	0	**526**	389
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**179**	157	**0**	0
Total	**13,380**	11,558	**526**	389
Total current and non current	**13,906**	11,947		
Included in NHS receivables are prepaid pension contributions:	**0**			

The great majority of trade is with NHS bodies. As NHS bodies are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2. Receivables past their due date but not impaired

	31 March 2017	31 March 2016
	£000s	£000s
By up to three months	**1,512**	1,642
By three to six months	**1,644**	631
By more than six months	**1,153**	212
Total	**4,309**	2,485

22.3. Provision for impairment of receivables

	2016-17 £000s	2015-16 £000s
Balance at 1 April 2016	**(80)**	(48)
Amount written off during the year	**4**	51
Amount recovered during the year	**59**	5
(Increase)/decrease in receivables impaired	**(185)**	(88)
Transfers to NHS Foundation Trust on authorisation as FT	**0**	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	**0**	0
Balance at 31 March 2017	**(202)**	(80)

23. NHS LIFT investments

Not relevant for trust

24.1. Other Financial Assets - Current

The Trust did not have any other current financial assets. (2015/16: none)

24.2. Other Financial Assets - Non Current

The Trust did not have any other non-current financial assets. (2015/16: none).

25. Other current assets

As in 2015/16 the Trust did not have any other current assets.

26. Cash and Cash Equivalents

	31 March 2017 £000s	31 March 2016 £000s
Opening balance	**7,209**	10,800
Net change in year	**(4,217)**	(3,591)
Closing balance	**2,992**	7,209
Made up of		
Cash with Government Banking Service	**2,936**	7,160
Commercial banks	**56**	49
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	**2,992**	7,209
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**2,992**	7,209
Third Party Assets - Bank balance (not included above)	**23**	98
Third Party Assets - Monies on deposit	**136**	181

27. Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Financial Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	0	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	1,115	2,320	0	0	0	0	0	0	0	0	**3,435**
Less assets sold in the year	(230)	(197)	0	0	0	0	0	0	0	0	**(427)**
Less impairment of assets held for sale	0	(1,511)	0	0	0	0	0	0	0	0	**(1,511)**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	**0**
Transfers to Foundation Trust on authorisation as FT	0	0	0	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	0	0	**0**
Balance at 31 March 2017	**885**	**612**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,497**
Liabilities associated with assets held for sale at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 1 April 2015	1,019	0	0	0	0	0	0	0	0	0	**1,019**
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0	**0**
Less assets sold in the year	(1,019)	0	0	0	0	0	0	0	0	0	**(1,019)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	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	0	0	**0**
Balance at 31 March 2016	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2016	0	0	0	0	0	0	0	0	0	0	0

Assets held for sale comprises of two surplus to requirement buildings; Mill Lodge and Ashby & District Hospital. The Hospital in Ashby has been sold in year while Mill Lodge is expected to sell in the first quarter of the 2017-18 financial year

28. Trade and other payables

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
NHS payables - revenue	**4,118**	1,889	**0**	0
NHS payables - capital	**184**	0	**0**	0
NHS accruals and deferred income	**922**	2,246	**0**	0
Non-NHS payables - revenue	**2,478**	4,334	**0**	0
Non-NHS payables - capital	**2,097**	4,079	**0**	0
Non-NHS accruals and deferred income	**4,415**	5,992	**0**	0
Social security costs	**2,210**	1,827		
PDC Dividend payable to DH	**0**	190		
Accrued Interest on DH Loans	**27**	0		
VAT	**0**	0	**0**	0
Tax	**1,562**	1,610		
Payments received on account	**0**	0	**0**	0
Other	**2,756**	2,756	**0**	0
Total	**20,769**	24,923	**0**	0
Total payables (current and non-current)	**20,769**	**24,923**		
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	**2,756**	2,755		

29. Other liabilities

The Trust did not have any other liabilities in 2016/17. (2015/16: None).

30. Borrowings

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
Loans from Department of Health	**163**	0	**3,837**	0
Loans from other entities	**0**	0	**0**	0
PFI liabilities - main liability	**172**	137	**7,266**	7,438
LIFT liabilities - main liability	**54**	30	**1,210**	1,265
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**389**	**167**	**12,313**	**8,703**
Total other liabilities (current and non-current)	**12,702**	**8,870**		

Borrowings / Loans - repayment of principal falling due in:

	31 March 2017		
	DH £000s	**Other £000s**	**Total £000s**
0-1 Years	163	226	**389**
1 - 2 Years	163	231	**394**
2 - 5 Years	489	782	**1,271**
Over 5 Years	3,185	7,463	**10,648**
TOTAL	**4,000**	**8,702**	**12,702**

31. Other financial liabilities

Except for PFI and LIFT schemes, the Trust did not have any other financial liabilities during 2016/17. (2015/16: None)

32. Deferred income

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
Opening balance at 1 April 2016	**526**	313	**0**	0
Deferred revenue addition	**496**	526	**0**	0
Transfer of deferred revenue	**(526)**	(313)	**0**	0
Current deferred Income at 31 March 2017	**496**	526	**0**	0
Total deferred income (current and non-current)	**496**	526		

33. Finance lease obligations as lessee

The Trust did not have any finance lease obligations as at 31st March 2017, other than the PFI and LIFT contracts. (2015/16: none).

34. Finance lease receivables as lessor

The Trust did not have any finance lease receivables as at 31st March 2017. (2016/17: none).

35. Provisions

	Total	Comprising: 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 2016	**2,230**	311	59	0	0	0	1,658	202
Arising during the year	**702**	0	55	0	0	0	332	315
Utilised during the year	**(634)**	(106)	(33)	0	0	0	(378)	(117)
Reversed unused	**(241)**	(1)	(20)	0	0	0	(135)	(85)
Unwinding of discount	**18**	3	0	0	0	0	15	0
Change in discount rate	**157**	36	0	0	0	0	121	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 2017	**2,232**	**243**	**61**	**0**	**0**	**0**	**1,613**	**315**
Expected Timing of Cash Flows:								
No Later than One Year	**675**	68	61	0	0	0	442	104
Later than One Year and not later than Five Years	**460**	153	0	0	0	0	307	0
Later than Five Years	**1,097**	22	0	0	0	0	864	211

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

As at 31 March 2017	15,515
As at 31 March 2016	15,516

The Other provision relates to:

	£'000
Dilapidation costs for leased properties	187
HR tribunals	179
Injury benefit provision	1,247
	1,613

36. Contingencies

	31 March 2017 £000s	31 March 2016 £000s
Contingent liabilities		
NHS Litigation Authority legal claims	**(56)**	(57)
Employment Tribunal and other employee related litigation	**0**	0
Redundancy	**0**	0
Other *[give details]*	**0**	0
Net value of contingent liabilities	**(56)**	(57)
Contingent assets		
Contingent assets *[give details]*	**0**	0
Net value of contingent assets	**0**	0

37. Analysis of charitable fund reserves

The Trust does not consolidate Charitable Funds into the accounts. These are reported separately.

38. 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 £1.256m for the period to March 2017. The PFI contract is for hard facilities management services only, incorporating the maintenance and life cycling 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 PFI building is £6.357m as at 31 March 2017, with a corresponding liability of £7.438m. At the end of the 30 year concession period the Trust will own the asset.

The information below is required by the Department of Heath for inclusion in national statutory accounts

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

	2016-17 £000s	2015-16 £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	**441**	456
Total	**441**	456

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

No Later than One Year	**421**	447
Later than One Year, No Later than Five Years	**1,798**	1,792
Later than Five Years	**10,006**	10,580
Total	**12,225**	12,819

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

	2016-17 £000s	2015-16 £000s
No Later than One Year	**689**	664
Later than One Year, No Later than Five Years	**2,750**	2,738
Later than Five Years	**11,084**	11,785
Subtotal	**14,523**	15,187
Less: Interest Element	**(7,085)**	(7,612)
Total	**7,438**	7,575

Present Value Imputed "finance lease" obligations for on SOFP PFI contracts due Analysed by when PFI payments are due	**2016-17 £000s**	2015-16 £000s
No Later than One Year	**172**	137
Later than One Year, No Later than Five Years	**812**	747
Later than Five Years	**6,454**	6,691
Total	**7,438**	7,575

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 £1.262m. 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

	2016-17 £000s	2015-16 £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	**43**	31
Total	**43**	31

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.	**2016-17 £000s**	2015-16 £000s
LIFT scheme expiry date:		
No Later than One Year	**31**	44
Later than One Year, No Later than Five Years	**182**	171
Later than Five Years	**463**	521
Total	**676**	736

	2016-17 £000s	2015-16 £000s

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**2016-17 £000s**	2015-16 £000s
No Later than One Year	**193**	173
Later than One Year, No Later than Five Years	**702**	718
Later than Five Years	**1,638**	1,815
Subtotal	**2,533**	2,706
Less: Interest Element	**(1,269)**	(1,411)
Total	**1,264**	1,295

Present Value Imputed "finance lease" obligations for on SOFP LIFT contracts due Analysed by when LIFT payments are due	**2016-17 £000s**	2015-16 £000s
No Later than One Year	**54**	30
Later than One Year, No Later than Five Years	**201**	195
Later than Five Years	**1,009**	1,070
Total	**1,264**	1,295

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**

39. Impact of IFRS treatment - current year

Not relevant for trust

The information below is required by the Department of Heath for budget reconciliation purposes	2016-17 Income £000s	2016-17 Expenditure £000s	2015-16 Income £000s	2015-16 Expenditure £000s
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g PFI / LIFT)				
Depreciation charges		**195**		243
Interest Expense		**880**		884
Impairment charge - AME		**118**		0
Impairment charge - DEL		**0**		0
Other Expenditure		**484**		493
Revenue Receivable from subleasing	**0**		0	
Impact on PDC dividend payable		**(9)**		1
Total IFRS Expenditure (IFRIC12)	**0**	**1,668**	**0**	**1,621**
Revenue consequences of PFI / LIFT schemes under UK GAAP / ESA95 (net of any sublease revenue)		**1,549**		1,533
Net IFRS change (IFRIC12)		**119**		**88**
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

	2016-17 Income/ Expenditure IFRIC 12 YTD **£000s**	**2016-17** Income/ Expenditure ESA 10 YTD **£000s**	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	**195**		243	
Interest Expense	**880**		884	
Impairment charge - AME	**118**		0	
Impairment charge - DEL	**0**		0	
Other Expenditure				
Service Charge	**484**	**1,549**	493	1,533
Contingent Rent	**0**		0	
Lifecycle	**0**		0	
Impact on PDC Dividend Payable	**(9)**		1	
Total Revenue Cost under IFRIC12 vs ESA10	**1,668**	**1,549**	**1,621**	**1,533**
Revenue Receivable from subleasing	**0**	**0**	**0**	**0**
Net Revenue Cost/(income) under IDRIC12 vs ESA10	**1,668**	**1,549**	**1,621**	**1,533**

40. Financial Instruments

40.1. 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.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

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 2017 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.

40.2. 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		0		**0**
Receivables - non-NHS		0		**0**
Cash at bank and in hand		2,992		**2,992**
Other financial assets	0	0	0	**0**
Total at 31 March 2017	**0**	**2,992**	**0**	**2,992**
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

40.3. Financial Liabilities

	At 'fair value through profit and loss'	Other	Total
	£000s	£000s	£000s
Embedded derivatives	0		**0**
NHS payables		0	**0**
Non-NHS payables		0	**0**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2017	**0**	**0**	**0**
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

[If fair value of financial assets or financial liabilities differs from carrying amount:
- give the fair values by class of financial asset and financial liability (classes chosen according to type of
- state how the fair values have been obtained
- state the assumptions used in applying any valuation technique]

41. Events after the end of the reporting period

The Trust had no events after the reporting period.

42. 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 Foundation Trusts
NHS Trusts
NHS Litigation Authority
NHS England
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 'Raising Health'.

43. Losses and special payments

The total number of losses cases in 2016-17 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	21,537	28
Special payments	38,020	40
Gifts	0	0
Total losses and special payments and gifts	59,557	68

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

44. 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.

44.1. Breakeven performance

	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s	2016-17 £000s
Turnover	133,189	137,552	134,307	138,873	138,466	282,464	281,886	267,367	273,950	275,422	277,664
Retained surplus/(deficit) for the year	7	303	683	(6,492)	(9,900)	2,739	1,292	4,066	(1,338)	2,865	(7,329)
Adjustment for:											
Timing/non-cash impacting distortions:											
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustments	0	0	0	0	0	0	0	0	0	0	0
Adjustments for impairments	0	0	0	8,108	11,605	3,842	2,941	(1,175)	3,908	(1,612)	9,571
Adjustments for impact of policy change re donated/government grants assets						0	(10)	14	15	15	1
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*				116	(5)	(19)	5	6	41	88	1
Absorption accounting adjustment							0	0	0	0	0
Other agreed adjustments	0	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**	**2,244**
Break-even cumulative position	**94**	**397**	**1,080**	**2,812**	**4,512**	**11,074**	**15,302**	**18,213**	**20,839**	**22,195**	**24,439**

* 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 %	2016-17 %
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	0.81
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	8.80

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.

44.2. 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%.

44.3. External financing

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

	2016-17 £000s	2015-16 £000s
External financing limit (EFL)	8,610	3,445
Cash flow financing	8,814	3,385
Finance leases taken out in the year	0	0
Other capital receipts	(204)	0
External financing requirement	**8,610**	3,385
Under/(over) spend against EFL	**0**	60

44.4. Capital resource limit

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

	2016-17 £000s	2015-16 £000s
Gross capital expenditure	12,260	11,867
Less: book value of assets disposed of	(494)	(1,094)
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	0	0
Charge against the capital resource limit	**11,766**	10,773
Capital resource limit	11,863	11,095
(Over)/underspend against the capital resource limit	**97**	322

45. 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 2017 £000s	31 March 2016 £000s
Third party assets held by the organisation	**159**	279

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), Mental Health Act Assurance Committee (MHAAC) 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 Commissioner. I confirm that arrangements are in place for the discharge of these, and all 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 NHS Improvement (NHSI). 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 moved from three to two Non-Executive Directors during 2016/17 as a result of a review of Board committee membership undertaken by the Chair. 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 and performance 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 2016/17.

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 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.

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.

Mental Health Act Assurance Committee (MHAAC) is chaired by a Non-Executive Director and also has the Medical Director, Chief Nurse and a Service Director as members. It provides assurance to the Board for the continued management and monitoring of key aspects of the MHA and the Code of Practice (2015) commensurate with its Terms of Reference.

Audit and Assurance Committee (A&AC) is chaired by a Non-Executive Director with full 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 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 Instructions, 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. Commencing with the 26 May 2017 meeting the Board will self-certify the Trust's compliance with the NHS Provider licence conditions.

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 2016/17 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 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
- Freedom to Speak up Guardian (appointed October 2016) following the Francis Report recommendation
- Guardian of Safe Working Hours (appointed July 2016). The Guardian is a senior person, independent of the management structure within the organisation, for whom the doctor in training is working and/or the organisation by whom the doctor in training is employed. The Guardian is responsible for protecting the safeguards outlined in the 2016 TCS for doctors and dentists in training. The Guardian will ensure that issues of compliance with safe working hours are addressed, as they arise, with the doctor and /or employer, as appropriate; and will provide assurance to the Trust Board or equivalent body that doctors' working hours are safe.
- 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.
- The outcomes following the Trust–wide programme of Self-regulation
- The associated ratings of compliance with regulatory requirements following the Trusts CQC inspection undertaken in November 2016.

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 2016/17 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 the Comprehensive inspection of November 2016
- Review of the Trust's Quality Strategy including quality priorities, Clinical Audit Strategy, Research Strategy and 2016/17 Quality Accounts.
- Approving the Trust's Risk Management Strategy
- An Access to Services Policy was adopted by the Trust Board with robust demand and capacity planning alongside Patient Tracking Lists processes. Combined with targeted work on data quality improvement this has enabled the Trust to resume to national reporting for Referral to Treatment (RTT) services after a period of non-reporting as well as demonstrating improved and sustained performance against our national targets for both Diagnostics and RTT services.
- Receiving reports and assurance of actions following complaints and learning from patient experience, Friends and Family Test.
- Establishing a Mortality Surveillance Group (MSG) to develop and embed the Trusts approach to mortality governance, including the enhancement of

information systems, local level mortality and morbidity review groups, and ensuring the Trust's response to the Secretary of State commissioned Southern Health NHS Trust review and Care Quality Commission Learning from Deaths review.

The Trust assures the quality and accuracy of elective waiting time data and the risks to the quality and accuracy of this data. Nationally defined wait targets are in place for consultant led services (Asperger's and Attention Deficit Hyperactivity Disorder (ADHD) services), diagnostic services (Children's Audiology), and Early Intervention in Psychosis (EIP) services. CAMHS Eating Disorder Services has monitoring for national reporting with a trajectory being introduced in 2017/18 for 95% by 2020. These services actively participate in patient tracking list (PTL) processes and conform to standard operating procedures (SOPs) which are aligned to national definitions and the Trust Access policy. The roll out of patient tracking list (PTL) processes during 2017/18 will continue to embed Trust-wide. Each clinical directorate will continue to prioritise cohorts of services participating in PTLs. These processes are based on cleansing patient waiting lists on a weekly basis as well as developing standard operating procedures (SOPs) to improve the quality and accuracy of wait time data entered onto our clinical systems. In addition the Trust maintains a zero tolerance for 52 week waits. Wait time performance by service is reviewed at the Trusts Finance and Performance Committee each month and is included in the Trust Board Integrated Quality and Performance Report (IQPR).

Self-Regulation during 2017/18 will continue to embed Trust-wide. Each clinical directorate will continue to prioritise cohorts of services participating in self-regulation during each quarter. These team led assessments are based on demonstrating compliance with CQC regulatory requirements. During 2016/17 360 Assurance independently reviewed the effectiveness of the Trusts approach to Self-regulation and they confirmed that the model was robust and had the capability to achieve its objectives.

The 2016/17 Quality Accounts will provide assurances about how we have achieved quality outcomes for the year 2016/17, and identify our clinical quality priorities for 2017/18 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 2016/17 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. 06251. 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 percentage of patients on Care Programme Approach who were follow-up within 7 days after discharge from psychiatric in-patient care during the reporting period.

The final Quality Account will be presented to Trust Board on 26 May 2017 for approval, prior to being published on NHS Choices by 30 June 2017.

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 ("CSTF").

During 2016/17 we have been active participants in the East Midlands. The content of the CSTF is defined by Skills for Health who is commissioned by NHS England to maintain this framework. Skills for Health complete the framework by referencing all guidelines such as those provided by National Institute for Heath and Care Excellence or the UK Resuscitation Council. This is reviewed by a reference group consisting of NHS Trusts nationwide who meet at least annually. Leicestershire Partnership NHS Trust is a member of the reference group.

During 2016/7 we have been active participants in the East Midlands Streamlining project to benchmark, standardise and streamline mandatory training requirements within the region. From April 2017 funding for the streamlining project team ceases with the expectation that those Trusts engaged in the project will continue the work without the support of the project team. The Learning & Development team will seek to put in place arrangements designed to consolidate the gains made through streamlining with regards to mandatory training.

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 2016/17 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 2016/17 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.

Individual compliance with mandatory training requirements is linked to appraisal and incremental progression. Appraisal compliance rates have been consistently above the target of 80% during 2016/17.

Since August 2016 Leicestershire Partnership NHS Trust has been an accredited course centre with the UK Resuscitation Council. We have appointed a Senior Resuscitation Officer to lead our resuscitation service and this will address not only the Trust's training needs but also audit, quality and governance. We also became an accredited centre for Qualsafe first aid courses during the year.

In the last 12 months change to the delivery of the Management of Actual and Potential Aggression (MAPA) courses has resulted in bank staff being able to access equivalent training to their substantive colleagues. In addition to this staff from the HCL Nursing Agency have also been able to attend our MAPA courses, protecting our patients and supporting our services. In Mental Health for Older Persons Services a dementia specific MAPA course has been introduced.

In order to support our new Line Managers to be competent in their roles, the Organisational Development team implemented a Line Managers Pathway in June 2016. All new Line Managers are booked onto a number of HR and Leadership programmes which enables them to gain an induction in our major HR polices, including the Management of Ill Health. They also gain Appraisal training and Healthy Conversations training. Supportive Management Behaviour training is also part of this pathway, which introduces the Trust Values and good, supportive management and leadership practices.

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. Electronic recording of clinical supervision is directly on uLearn (Trust's appraisal and learning management system) 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 now focus on areas of concern and provide additional support to those teams.

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

- 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.
- Clinical Supervision e-learning training course for all staff.
- Introduction of group clinical supervision sessions for bank staff.

The action plan to continue to improve clinical supervision for all clinical staff is overseen by the Clinical Effectiveness Group. 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. During late 2016/17 we held an LIA event to find out how we could respond to staff needs in respect of their clinical supervision; the results will inform further developments to the action plan.

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 2017/18 we will continue to maintain compliance levels and focus our attention on any areas of concern. We will also work on changes to our corporate

induction, developing our resuscitation service and implementing appropriate training recommendations from the Positive and Proactive project.

Significant Issues
During 2016/17 the significant control reportable, regulatory, or reputational issues were:

CQC Inspections
On 14 November 2016 the CQC commenced a comprehensive inspection of Trust services. 86 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 February 2017. The Trust received sixteen reports, covering fifteen 'Core Services' plus an overarching 'Provider Level' Report. Within these reports the CQC issued Requirement Notices across a range of areas where the Trust is required to make improvements. In response each 'Core service' has identified improvement plans to address the findings progress is monitored monthly through our Quality Assurance Committee.

The Trust has not participated in any special reviews or investigations by the CQC in 2016/17.

HM Coroner
During 2016/17 the Trust received 3 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 and the CQC.

Red Rated Serious Incidents (SIs)
Homicides
A patient open to the Learning Disability Service was found in a park in Leicester having sustained a fatal head injury. The alleged perpetrator of the head injury was also a patient open to the Learning Disability Service and has been charged with murder. This has been undertaken as a joint investigation.

A patient open to Adult Mental Health Services was arrested and charged with the murder of a member of the public.

Two patients currently open to Adult Mental Health Services were arrested and charged with the murder of a female who was also open to Adult Mental Health Services.

Inpatient Deaths
An in-patient who was on home leave from the Bradgate Unit was found deceased at his home. The cause of death has been confirmed as multiple drug toxicity and the death is being treated as a suspect suicide.

An in-patient was found in the en-suite bathroom of her room having ligated. She was unconscious and was taken to the acute hospital where she was initially placed on a life support. She later died in hospital of a hypoxic brain injury and the death is being investigated as a suicide.

Information Governance
A member of the public rang to report that he had received a letter and opened it that had been sent to him in error. The letter contained clinical and personal details of a patient currently open to Adult mental Health Services.

A patient notified their care team that a copy of her care plan and referral for Psychology had been posted to her home address. The patient has previously given clear instructions that are documented that she will collect all correspondence in person and that no information should be posted to her home address as she did not want her husband to be aware of the details of her treatment. The patient's husband had opened and read the information sent to her home.

During a routine visit, a patient informed a substantive health care assistant that when they were previously visited, the nurse had been accompanied into their property by an unknown male. It transpired that this was an agency HCA who was accompanied by her husband as her car had gone in for repair. The information available to the husband included patient's names and addresses of up to 12 patients along with keysafe codes to properties visited.

All Information Governance incidents are scrutinised by the Trusts' Information Governance Steering Group (Records and Information Governance Group) in order to ascertain any organisational learning, which is shared through Service Directorate Information Governance and IM&T Groups. The outputs of which has taken the form of targeted communication campaigns, development of standard operating procedures, development of policies and procedures; and making local changes to Information Governance eLearning.

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.

The Trust has provided evidence of compliance against the Emergency Preparedness Resilience and Response core standards to NHS England and received significant assurance.

NHS Protect reviewed and agreed significant assurance on the self-assessment tool that was completed against the standards.

Limited Assurance Internal Audit Reports
Whilst the Trust had 7 significant assurance reports issued by Internal Audit there were 5 limited assurance reports for:

- Green IT Audit
- MCA & DoLS
- Mental Health Act Services Data Set – data quality review
- Health Care Income – non-contract activity
- Review of Restrictive Interventions

and 2 split opinion limited assurance opinion reports covering:

- Review of Mandatory Training
- Review of Temporary Workforce Arrangements

Post the issue of the Head of Internal Audit Opinion for 2015/16 there were 4 significant assurance reports issued and 1 limited assurance report covering Temporary Workforce Arrangements – Agency caps.

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 or split opinion assurance reports are considered by the Executive lead and lead manager and by the pertinent corporate governance assurance group. QAC in particular plays a very active role and receives on a regular basis a tracker report on progress against all internal audit reports issued covered by its scope of assurance.

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 oversight Board committee for ongoing review of progress. The A&AC receives regular updates on the overall status of progress for these outstanding actions.

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 2016/17

Dr Pete Miller, Chief Executive Officer
Leicestershire Partnership NHS Trust (RT5)

Signature

Date 26 May 2017

Annex: Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
BAF/4 /1043	Delivery of our financial plan may not be achieved without adequately embedded financial ownership, controls and monitoring arrangements. Non delivery of our planned core mandatory financial duties would put the Trust into a formal turnaround position with direct intervention from NHSI. All planned investments would be jeopardised. This 'umbrella' corporate finance risk is directly affected by a number of other individual risks as follows: Risk 311 (failure to achieve CIPs). Risk 367 (financial impact of UHL deficit/LHE financial failure). Risk 312 (insufficient transformational funding - where this could lead to a financial deficit). Risk 314 (insufficient capital funding). Risk 321 (risk of growth costs exceeding available funding). Risk 320 (risk of income loss through contract underperformance). Risk 1238 (absence of robust performance framework) NOTE THAT THE INDIVIDUAL FINANCE RISKS THAT FEED INTO THIS 'UMBRELLA' RISK SHOULD BE VIEWED TO OBTAIN FURTHER DETAILS OF CONTROLS, ASSURANCES, GAPS AND THE FORMAL ASSIGNED ACTIONS.	↔	High (Red) 25	High (Red) 15	DoF	FPC	33	✔
CRR/1 /1119	We cannot assure ourselves of the accuracy and validity of the information we provide from our patient information systems to support good decision making across the Trust. It should be noted that process are in place to assure ourselves of national reporting including ASD/ ADHD RTT, first episode of psychosis and audiology diagnostic wait times. In excess of 370 reports are produced by the Information team each month This 'umbrella' corporate data quality risk is directly affected by a number of other individual risks as follows: Data entry by services (T1 Risk CHS 1525, FYPC 1199, AMHLD 1197) Systems (T1 Risk 702, T1 Risk 992) SystmOne Data (HIS Risk 1896) Reporting (Corporate Risk 729) Systems include: Electronic patient record (EPR) - RiO and SystmOne; Patient Administration System (PAS) - Tiara, Clinicom (legacy), Maracis (legacy) NOTE THAT THE INDIVIDUAL DATA, INFORMATION AND PERFORMANCE RISKS THAT FEED INTO THIS 'UMBRELLA' RISK SHOULD BE VIEWED TO OBTAIN FURTHER DETAILS OF CONTROLS, ASSURANCES, GAPS AND THE FORMAL ASSIGNED ACTIONS.	↑	High (Red) 20	High (Red) 16	CN/DepCEO	QAC	27	✔
CRR/1 /1356	When Adult Mental Health bed demand outstrips capacity, there can be a time delay in identifying and accessing an acute bed. The delay impacts on both patient safety and patient experience. Informal patients who refuse an out of area placement are offered home treatment options, potentially increasing the imminent risk for those individuals.	↔	High (Red) 20	High (Red) 16	DD AMH.LD	QAC	16	✔
BAF/3 /1036	Without recruiting adequate staff we may be unable to run safe and efficient services as our services transform.	↑	High (Red) 20	High (Red) 16	DoHR/OD	SWG	33	✔
CRR/4 /1502	A worsening financial climate increases the risk of cash shortfalls. A sudden shortage of cash could make it difficult for the Trust to pay creditors, thus requiring an emergency short-term working capital loan During 2016/17 the cash position became critical, with cash balances being reported consistently below plan and leaving very little 'buffer'. A cash shortfall is also likely to trigger an undershoot of the Trust's External Financing Limit which is a mandatory financial target. Adjustment of the target can however be negotiated in-year.	↔	High (Red) 20	High (Red) 16	DoF	FPC	7	✔
CRR/4 /1805	Risks to financial stability/sustainability due to inability to identify and deliver required efficiency savings (CIPs) in the longer term (Risk 311 deals with current year CIPs, this risk therefore covers subsequent years)	↑	High (Red) 20	High (Red) 16	DoF	FPC	5	✔
BAF/4 /640	If we lose market share then we risk compromising our financial viability. Risk reflects significant increase in volume of upcoming tenders, the threat of competition from other organisations and the impact of the	↑	High (Red) 20	High (Red) 15	DoF	FPC	56	✔

Annex: Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
	development of new models of care (Dalton Review). Risk also reflects the difficulties of producing winning bids and the significant resource (human and financial) required to achieve these.							
CRR/3 /1260	Substantive staffing on inpatient units is below the funded establishment and this could have an impact on patient care and the ability to deliver effective care on a consistent basis (Linkage with risk 1036 for workforce actions)	↑	High (Red) 16	Moderate 12	CN/DepCEO	QAC	16	✓
CRR/1 /1863	Mental Capacity Act compliance is not consistently demonstrated by staff in relation to patient admission to hospital or treatment. Consequently there is a risk that the Deprivation of Liberty Safeguards are not being correctly applied where required.	↔	High (Red) 16	Moderate 12	CN/DepCEO		4	✗
BAF/4 /1040	Failure to deliver an appropriate Estates Strategy and associated benefits (service transformations and appropriate environments) could impair our ability to deliver efficient and effective care	↔	High (Red) 16	Moderate 12	DoF	FPC	33	✓
CRR/4 /320	Risk of contribution loss due to inability to accurately cost services and identify profitable or loss-making service lines. Incorporates potential future income/contribution loss through increased use of Payment by Results/activity based contract mechanisms and data quality issues. Also includes risk of other contract financial penalties (including waiting list related issues).	↔	High (Red) 16	Moderate 12	DoF	FPC	69	✓
CRR/4 /311	Efficiency savings are an integral part of our Service Development Initiatives. If we fail to deliver a sufficient level of efficiency savings (CIPs) then we may not be able to complete the transformation of our clinical services or deliver our financial plans. Risk relates to non-delivery of current year (16/17) savings target. The year end forecast CIP delivery for 16/17 is 94% and this is not now expected to change materially.	↓	High (Red) 16	Moderate 12	DoF	FPC	69	✓
CRR/4 /312	Risk of not having sufficient non recurrent funds to support transformation. This would inhibit service development or result in an adverse financial position.	↑	High (Red) 16	Moderate 12	DoF	FPC	69	✓
CRR/4 /314	Delivery of our strategic objectives could be jeopardised if planned capital funding is not available due to the worsening financial climate. In addition, the shift to greater IT capital investment is significantly increasing depreciation charges to revenue, as IT assets have much shorter lifespans than traditional investment in buildings. In 2016/17 the ability to generate and maintain 'safe' cash balances has diminished and operating with a lower retained cash balance is likely to be a reality for the foreseeable future.	↔	High (Red) 16	Moderate 12	DoF	FPC	69	✓
CRR/4 /321	Overall risk of population growth costs, inflation costs and volume increases exceeding current resources, leading to Financial Pressures. Includes risk of excess costs of safer staffing, access and waiting times - also risk share agreements e.g ICS beds.	↑	High (Red) 16	Moderate 12	DoF	FPC	69	✓
CRR/4 /367	Risk to LPT financial position of Local Health Economy financial failure. Includes impact of Sustainability and Transformation Programme.	↑	High (Red) 16	Moderate 12	DoF	FPC	66	✓
CRR/4 /858	Without sufficiently embedded processes in the Trust to ensure high quality facilities management services are provided the quality and suitability of the healthcare Estate may be at risk. Includes risks of non compliance with statutory standards and NHS regulations (e.g. CQC).	↔	High (Red) 16	Moderate 12	DoF	FPC	46	✓
CRR/1 /1403	There is a risk that the trust will not learn from lessons or be able to ensure the delivery of a high quality safeguarding service due to the lack of capacity to implement the widening safeguarding agenda which may result in harm not being prevented or unsafe services not being identified.	↓	High (Red) 15	Moderate 10	CN/DepCEO	QAC	14	✓
CRR/4 /729	Insufficient capacity and capability within the Information Team to deal with the existing and emerging reporting and information requirements for Trust/ local/ national projects and data submissions. Lack of timely information could affect patient outcomes where decisions are made on information and trend data. As at November 2016, the Information Team produce in excess of 370 reports each month	↓	Moderate 12	Moderate 9	CN/DepCEO	QAC	53	✓
CRR/1 /1336	The Trust is at risk of compromising patient safety if it fails to learn lessons from serious incidents, complaints and patient feedback.	↔	Moderate 12	Moderate 9	CN/DepCEO	QAC	17	✓
BAF/3 /1037	Without effectively engaging and supporting our staff we may be unable to deliver high quality services and support transformational change.	↑	Moderate 12	Moderate 9	DoHR/OD	SWG	33	✓

Annex: Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
CRR/1 /1862	There is a risk that the additional demands and complexities arising from unaccompanied asylum seeking children (UASC) will impact on the overall workload on the Looked After Children (LAC) service. There is also an anticipated impact on other LPT delivered services including AMH, CAMHS, Primary Health Care, School Nursing and Paediatricians. Linked to risk 1505.	↓	Moderate 12	Moderate 9	DD FYPC		4	✓
CRR/1 /1467	There is a risk that within the nursing records, patient-centred risk assessments, records and care plans are not updated consistently in line with changes to patients' needs or risks. This could lead to patient harm and have a detrimental impact on the Trust's reputation due to related complaints, concerns, incidents and inability to extract evidence to inform investigations.	↔	Moderate 12	Moderate 8	CN/DepCEO	QAC	9	✗
CRR/1 /1238	Without a robust Performance Framework the Trust cannot receive assurance that it is achieving Key Performance Indicators (KPIs) and Targets. This could lead to impact of financial loss and representational damage and may impact on patient outcomes.	↓	Moderate 12	Moderate 8	CN/DepCEO	FPC	22	✗
BAF/3 /366	If we do not meet mandatory training compliance rates there may be an adverse impact on care delivery.	↔	Moderate 12	Moderate 8	DoHR/OD	SWG	66	✓
CRR/1 /1431	Failure to be able to implement strategies to reduce restrictive practices.	↓	Moderate 12	Moderate 8	CN/DepCEO	QAC	11	✓
BAF/3 /1039	Without developing the culture of the organisation and the approach to change, we place at risk the timely delivery of our Strategic Objectives	↓	Moderate 12	Low 6	DoF	FPC	33	✓
CRR/4 /966	Unsigned contracts or non-enforceable agreements pose financial and service delivery risk eg. non-payment for services provided, unenforceable KPIs (including Quality) and increased risk of reduced notice periods. Expected increase in risk at the start of the year as number of unsigned contracts increases significantly.	↓	Moderate 9	Moderate 9	DoF	FPC	39	✓
BAF/3 /1038	Inability to create high quality management and leadership capabilities may impact on the delivery of efficient and effective services.	↔	Moderate 9	Low 6	DoHR/OD	SWG	33	✓
CRR/2 /1033	Co-ordinated care may not be successfully delivered without developing effective service models.	↔	Moderate 9	Low 6	MD	QAC	33	✓
BAF/2 /1030	Without alignment of our plans for integration and service transformation with the wider health and social care economy plans there is a risk that we will not deliver our strategic objectives.	↑	Moderate 8	Low 4	CEO	FPC	33	✓
BAF/1 /1028	The Trust is at risk of non-compliance with regulatory requirements without a fully integrated self-regulation system	↓	Low 6	Very Low 3	CN/DepCEO	QAC	33	✗

Annex: Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev

Total Number of Corporate Risks: 32

Key to acronyms

FPC	Finance & Performance Committee
QAC	Quality Assurance Committee
SWG	Strategic Workforce Group
CEO	Chief Executive
CN/Dep CEO	Chief Nurse / Deputy Chief Executive
DoF	Director of Finance
MD	Medical Director
DoHR/OD	Director of Human Resources / Organisational Development
DD AMH.LD	Divisional Director - Adult Mental Health & Learning Disabilities
DD FYPC	Divisional Director - Families, Young People & Children
DD CHS	Divisional Director - Community Health Services