NHS

Leicestershire Partnership
NHS Trust

70 YEARS OF THE NHS 1948 - 2018

ANNUAL REPORT 2017-2018

'Transforming for a fitter future'

Contents

The 2017-18 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

We are proud to introduce Leicestershire Partnership NHS Trust (LPT) and our vision: **"To improve the health and wellbeing of the people of Leicester, Leicestershire and Rutland by providing high quality, integrated physical and mental health care pathways"**

Living our Trust values of compassion, respect, trust and integrity play a key part in everything we do.

We have four overarching 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 introduced a new clinical strategy this year to help create the right environment and approach for our staff to deliver the best care possible. It introduces a set of evidence-based principles to help develop the right service models and an aim to continuously improve the quality and efficiency of our care delivery, supporting people to receive the right care, in the right place at the right time, by the right staff.

This framework is reflected in our focus over the last year, which has been on how we can transform our services to be fit for the future, using a whole-family approach, alongside how we cultivate an environment of continuous improvement, and invest in our staff and their leadership. It is important that our staff feel empowered to deliver the best care; that they can make local improvements and raise concerns if they feel something isn't working. Initiatives like our Listening into Action and our Freedom to Speak up Guardian have greatly facilitated this, amongst others.

We welcome external scrutiny of our services and in October 2017 the Care Quality Commission (CQC) inspected five core LPT service areas previously rated by them as either inadequate or requires improvement. We are pleased to say that this inspection removed all 'inadequate' ratings and showed improvements in numerous areas. We received a 'good' rating for our community health services for adults and a 'requires improvement' rating for the core mental health services inspected. Overall, the Trust was rated as 'requires improvement' for safe, effective, responsive and well led and 'good' for caring.

We are pleased that our ratings are moving in the right direction and we have much to be proud of. Although our overall rating remains the same it is great to see no more ‘inadequate’ ratings; ten ratings have moved up, six of which have moved up to ‘good’. While we have made good progress since the last inspection, we still have more to do. The CQC report identified a number of areas for further focus which we have embedded into our improvement plan.

Some significant achievements this year include: the launch of an enhanced all-age mental health based place of safety, continued improvements in the safety in our wards, investment allowing us to open a new female psychiatric intensive care unit, investment to build a modern 15-bedded child and adolescent mental health inpatient unit, including for eating disorders, an enhanced adult mental health crisis house, and launch of a new mental health crisis resolution and home treatment service for young people.

We have also continued to grow our digital offer, launching a new HealthforUnder5.co.uk website, diversifying use of our ChatHealth messaging service for parents, and introducing a new app for first episode psychosis. Other improvement through innovation and research included the introduction of new roles such as medicine’s administration technicians in our community hospital wards, and through research-based enhancement of dementia ward environments. You can read more about these and other highlights in the Review of the Year.

Looking ahead, we have begun transformation programmes to improve our child and adolescent mental health services, our community nursing services and our mental health and learning disability services across all ages. All of them are focused on improving the experience of these services for our patients and families, and also for our staff – who are increasingly working to deal with rising demand and less resource. We are committed to adopting a single electronic patient record to make it easier for all our services to work together for the needs of our patients. We have also played an active role in our local strategic transformation partnership.

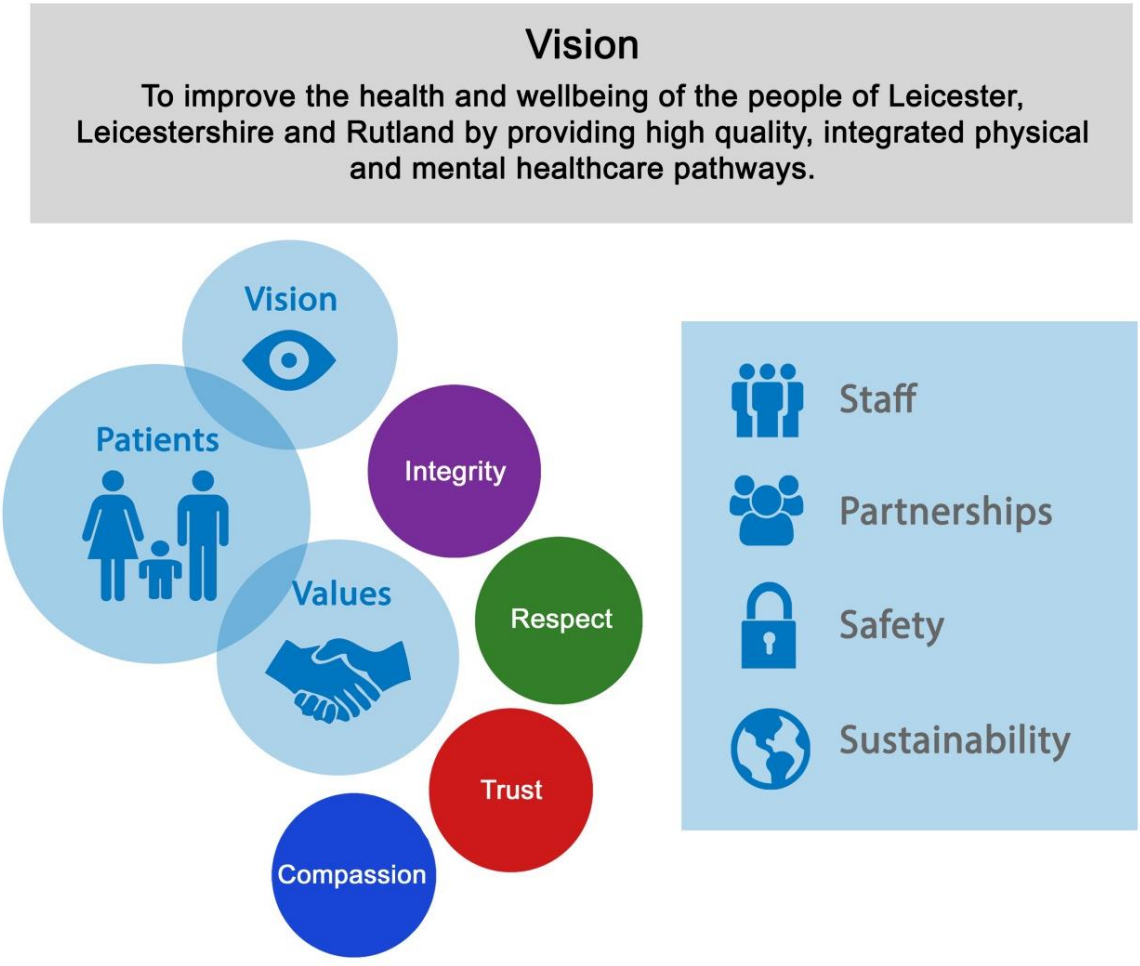
Our top risks are around financial sustainability, the recruitment and retention of staff, demand and capacity pressures in our acute mental health pathway and the need to reduce out of area placements, and the improved, robust information systems to monitor our progress. We must also ensure we are compliant with the new GDPR regulations. All of these remain key priorities for the year ahead.

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 2017-18, and our planned revenue surplus of £3.1 was delivered; as a result, the Trust received bonus incentive funding of £1.556m from NHS Improvement. This funding was included in our final out-turn, a £4.675m surplus (after taking into account impairments and other technical adjustments). 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.

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

Dr Peter Miller, Chief Executive

Cathy Ellis, Chair of LPT



About Us

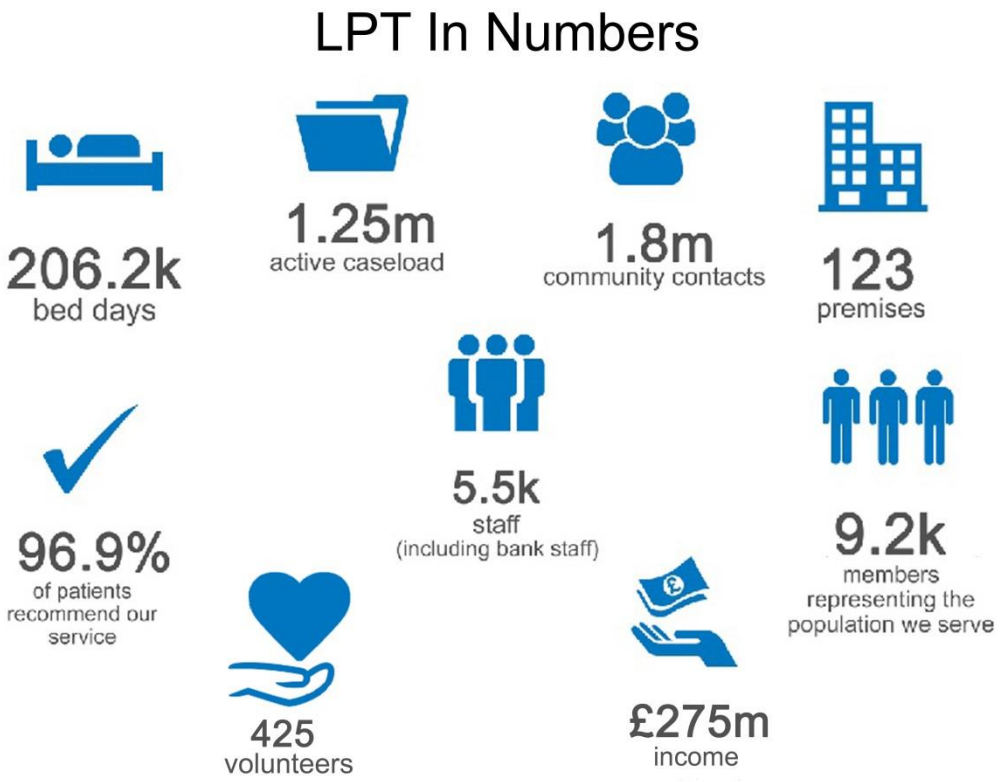
In April 2011, mental health and learning disability services in Leicester, Leicestershire and Rutland were brought together with local community services and families, children and young people's services to create Leicestershire Partnership NHS Trust as we know it today.

We provide community health and mental health support to over 1 million people living in Leicester, Leicestershire and Rutland. Our services touch lives from cradle to grave (from health visiting to end of life care), from head to foot (from mental health to podiatry) and everything in between.

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

Their work would not be possible without our enabling and corporate services staff, alongside our hosted service providers and our 425 volunteers. During 2017/18 we provided and/or subcontracted 102 NHS services. Mental health and learning disabilities account for 59 services and community health services made up 43.



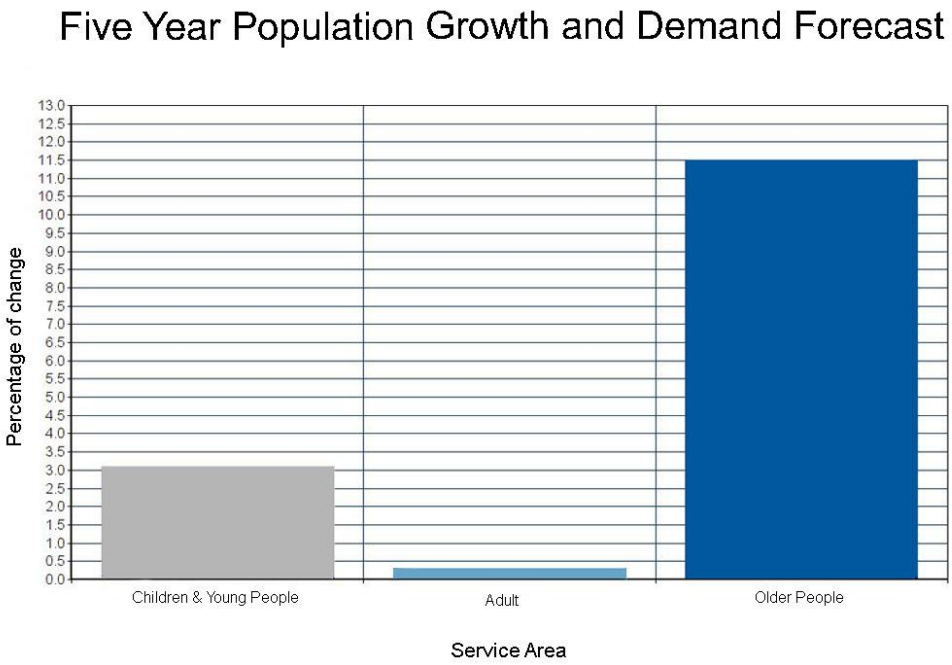
Our population and the community we serve

We provide 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, care homes and people's own 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 over two thirds of the population live in Leicestershire County, and 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.

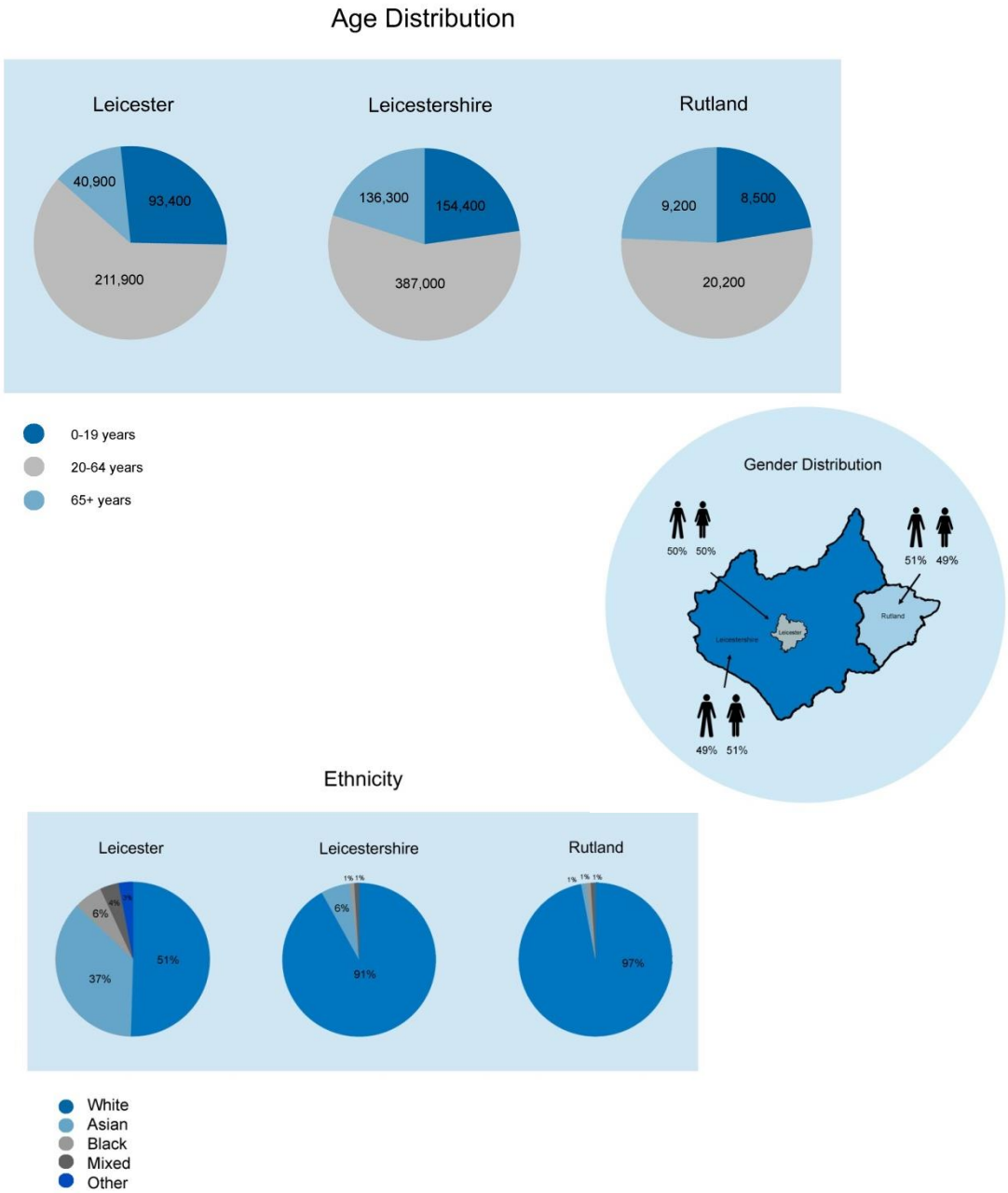
Demographics



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 across the region is forecast to increase by 3.1%. The demand for older people's services is likely to grow more significantly – up 11.5%. A rise of 0.3% is predicted for adult services. Demand is increasing not only for an ageing population and a younger one, but also for those needing support with long-term conditions and multiple illnesses.

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.

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

Commissioners

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

The three CCGs accounted for the majority of our health care revenues in 2017-18, with the balance from other commissioners including local authorities, NHS Midlands and East Specialised Commissioning Team, out-of-area commissioners and University Hospitals of Leicester. During 2017/18 there were two Commissioner-led visits to our hospitals and two NHS England quality visits to some of the places that we provide services.

Sustainability and Transformation Partnership – Better care together

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

We are a partner of Better Care Together (BCT), our local NHS sustainability and transformation partnership (STP). Together we want to ensure we deliver the best care for local people, whilst remaining clinically and financial sustainable in the face of increasing demand. We have refreshed our Sustainability and Transformation Plan.

Key priorities for our local STP plan are:

- Keep more people well and out of hospital
- More care closer to home
- Improving care in a crisis
- High quality specialist care (including mental health, learning disabilities, dementia, and children and young people)

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 (performance summary)

Adult Mental Health and Learning Disability Services

Our inpatient adult mental health services include recovery-focused general psychiatric care and psychiatric intensive care and care in a low secure environment. 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.

Launch of enhanced 'all age place of safety' mental health unit

LPT opened our refurbished 'all age place of safety' facility at the Bradgate Mental Health Unit on the Glenfield Hospital site in June 2017.

The expansion and redevelopment of these facilities has been possible thanks to £500,000 funding from NHS England, and the 'place of safety' is now able to accommodate both adults and young people under the age of 18 who are in mental health crisis, while they are waiting for an assessment – normally no longer than 24 hours.

New specialist female 'PICU' service

Our new specialist female psychiatric care unit (PICU) was opened in October 2017 to provide specialist psychiatric intensive care service for women with complex and urgent mental health needs.

The PICU is based in the six-bedroomed Griffin Ward, at the Herschel Prins Centre on the Glenfield Hospital site. LPT has recruited a multi-disciplinary team of nursing, medical, occupational therapy and psychology staff for the unit, which has undergone extensive refurbishment to further improve the environment, safety and security.

New drive to improve awareness of the effects of trauma

Representatives of organisations across Leicestershire and Rutland attended an LPT co-hosted event spearheading a new drive to improve awareness of the effects of trauma.

It showcased a new leaflet developed by LPT and our clinical commissioning groups, encouraging people troubled by events they have witnessed – either first hand or indirectly, to recognise the signs of depression and post-traumatic stress disorder (PTSD). The leaflet 'Don't Be Haunted by the Horrors of a Conflict Zone' is believed to be the first of its kind nationally.

Roadshow maps a route to recovery-focused support in community

More than 200 people attended a recovery roadshow at the Bradgate Mental Health Unit in October 2017. It was organised in response to feedback from patients and service users for more help to find out about local support and to access it. Among them was special guest, the Lord Mayor of Leicestershire, Councillor Rashmikan Joshi. The event brought together a range of organisations, including NHS services, local authority and third sector groups and services under one roof.

Recovery College launches its fourth 'satellite' base

Our Recovery College expanded into Loughborough in 2017 as part of its work to make it easier than ever for people to access free courses to help boost their recovery and resilience. Loughborough is the fourth satellite base for the college, which expanded its choices in 2016 to include The Mett Centre in Leicester, Blaby District Council offices in Narborough and A Place to Grow in Enderby.

1,000 shoppers share the RUOK? message for wellbeing

Volunteers from public, private and third sector organisations across Leicester, Leicestershire and Rutland participated in our sixth RUOK? event at the Haymarket shopping centre in March 2018.

Some 24 volunteers from nine different organisations asked city shoppers "RUOK?" and around 1,000 people responded, including 21 who were offered or received support from trained listeners on the day.

The campaign is very much about the ripple effect of talking to people about the difference they can make by asking the question, and about the small acts that can lift the mood of someone who might be feeling low.

Enhanced mental health crisis house has new city base

LPT, with our partners at Turning Point, unveiled a new mental health crisis house for adults in Leicester, Leicestershire and Rutland following the relocation to a city base.

The move to a quiet residential street just three miles from the city centre increases access to the service, providing short-term supported residential stays for adults with urgent mental health needs who might otherwise have no other option but admission to an inpatient ward.

Turning Point have enhanced the service further, with a 24-hour helpline, peer support workers, a user involvement group, new outreach crisis cafe at eight bases across Leicestershire and Rutland and online support resources.

‘Winter pressures’ funding for mental health

We successfully secured £299,000 from NHS England to extend our adult mental health services over the winter to help reduce pressure on emergency departments.

The money was invested in four initiatives to support people across Leicester, Leicestershire and Rutland - a mental health ambulance triage service, in partnership with East Midlands Ambulance Service (EMAS), an enhanced mental health triage service in the emergency department, expansion of our mental health crisis and home treatment services and short-term move on accommodation for mental health patients who are well enough to leave inpatient care.

Team PAVES the way to national recognition

Our criminal liaison and diversion team scooped a national honour in October 2017 for innovative partnerships with emergency services. The team was highly commended in the prestigious Positive Practice in Mental Health Awards, in recognition of their support work in courts and police stations, their acclaimed street triage scheme with police and the PAVE (Pro-Active Vulnerability Engagement) partnership with police.

Families, Young People and Children's Services

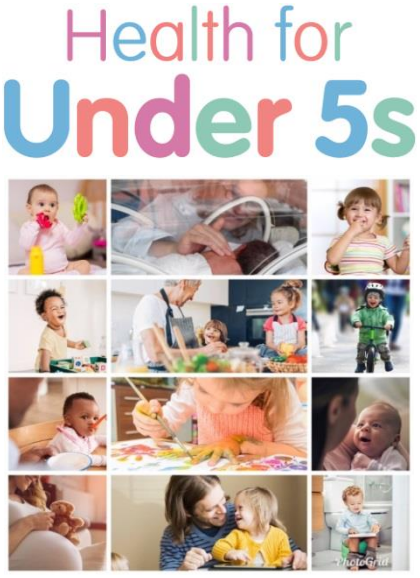
We provide universal and specialist support including child and adolescent mental health services, 0-19 public health nursing (health visiting and school nursing), paediatric medicine, nutrition and dietetics services, eating disorder services, speech and language therapy, occupational therapy and physiotherapy.

Launch of a new mental health crisis resolution and home treatment service for young people

We worked closely with young people, the three Clinical Commissioning Groups and local authorities to create a targeted crisis and home treatment service for those under 18 experiencing severe mental and emotional distress.

The CAMHS Crisis Resolution and Home Treatment Service, which launched in April 2017, is designed to ensure that children and young people receive timely and appropriate care without having to be admitted to hospital. The service is based at the Agnes Unit on Anstey Lane in Leicester, and runs 365 days a year from 8am until 10pm daily. Outside of these hours, referrals are handled by the adult crisis team.

Launch of Health for Under 5s website



Health for Under 5s (www.healthforunder5s.co.uk), our new website created to provide trusted online information and health advice from pregnancy through to when a child starts school, was launched in January 2018.

Alongside Health for Kids (www.healthforkids.co.uk) and Health for Teens (www.healthforteens.co.uk), Health for Under 5s completes the suite of websites that underpin Healthy Together, our public health programme for children, young people and families.

The site was co-designed with local families, who told us they wanted easier digital access to public health nursing support to complement face-to-face visits.

New games on the Health for Kids website

To support the public health aspects of our Healthy Together 0-19 services, we launched two new games this year on the Health for Kids website (www.healthforkids.co.uk). The first of these was a toothbrushing game called *Shine*

Time – Stop that Sugar, which was promoted to primary schools in advance of National Smile Month in a fun way to reinforce key dental health messages.

Our community dietitians also supported the development of a 'play your cards right' quiz called *Food for Thought* which promotes awareness of the amount of hidden fat, sugar and salt in a range of foods in a fun and thought-provoking way.

Move it Boom continues to inspire the athletes of the future

The latest iteration of our award-winning physical activity competition for primary school children, Move it Boom (www.healthforkids.co.uk/moveitboom) was launched in March 2018 with a focus on simple activities that children can try indoors at home to build their strength, flexibility and stamina.

To mark the launch, mascots from local sports clubs, including Leicester City Football Club, Leicester Tigers, Leicester Riders and Leicestershire County Cricket Club, braved the snow to take part in a race from the centre of Leicester to three local schools. The mascots were joined by Denise Larrad, the Hinckley based winner of the 2017 BBC Sports Personality of the Year 'Unsung Hero' award. At the end of the race, the mascots came together at Braunstone Grove for a celebratory event hosted by Braunstone Children's Centre.

Family Health Week - no accident!

As part of our annual Family Health Week in July 2017, we held several health promotion events in children's centres, schools, hospitals, youth and community centres across Leicester, Leicestershire and Rutland, focusing on different aspects of accident prevention. The aim was to support families to keep children and young people safe as the school summer holidays approached. Accidents are a leading cause of death, serious injury and acquired disability for children in the UK, accounting for three deaths every week and more than 2,000 hospital admissions.

More than 55,000 local children vaccinated against flu

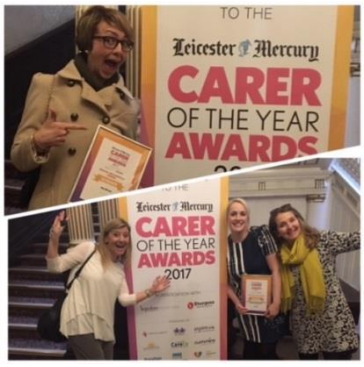
Between October and the end of December 2017, our children's community immunisations service administered the nasal flu vaccination to 55,817 primary school children across Leicester, Leicestershire and Rutland (LLR), including offering it in school to Reception age pupils for the first time.

The free nasal flu vaccination was offered to 89,821 children across 361 schools and units in LLR: that's an impressive average of 1,195 primary school children each day.

New film about the National Child Measurement Programme

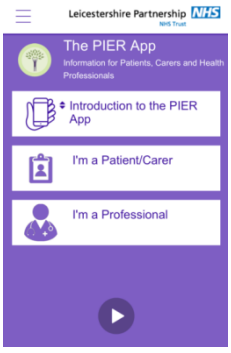
We created a short film about the National Child Measurement Programme aimed at parents and carers of children in Reception and Year 6 ahead of the results letters from the programme being issued. The film, which is hosted within the parents section of the Health for Kids website (www.healthforkids.co.uk), explains how the measurements are carried out in school, and signposts to the support available if they want a healthier lifestyle for their family.

Awards success for Diana team



Our Diana community children's nursing team were recognised at the Leicester Mercury Carer of the Year awards in February 2018, with wins in two categories. Ann Brown, from the Children and Families Support Service (CAFSS) team received the 'Special Recognition' award after being nominated by a parent for the support she provided for a child with a serious medical condition. Julie Potts, palliative care lead, along with nurses Dawn Longden and Kelly Hackett, picked up the 'Palliative Carer of the Year' award. They were nominated because of the incredible support they offer to families at a very difficult time in their lives.

Development of a new app about first episode psychosis



Dr Debasis Das, consultant psychiatrist within our psychosis intervention and early recovery (PIER) team, worked with Leicester Health Informatics Service (LHIS) to create a specialist first episode psychosis app which provides a 'one-stop-shop' source of information and advice for patients, carers and professionals alike. The free app is available on the App Store or Play Store.

Community Health Services

Community health 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.

Medicine's administration technicians hit the wards

LPT's first four ward-based Medicines Administration Technicians (MATs) hit our community wards at Coalville community hospital, Bennion Centre and the Evington Centre in December 2017.

They are carrying out the morning and afternoon drug rounds, educating patients about how and why they should take their medication once discharged, and liaising with community pharmacies to ensure discharged patients get the right medicines if their prescriptions change as a result of their admission.

We hope to have up to 35 MATs in LPT – one for almost every inpatient ward.

Improvements to community nursing

During the year we started a major improvement programme for our community nursing teams. This was designed to help us meet the challenges of increasing demand at a time when the national recruitment shortage has made recruitment increasingly challenging.

The work has involved pioneering a computerised planning tool with our software supplier, to work out the most efficient way to visit numerous patients on a given day. We have also improved the skills of healthcare support workers to allow them to administer insulin to patients; streamlined record keeping; improved the way we match staff to the tasks required on a given day; and revised care plans so they meet the needs of both staff and patients. The programme is continuing into 2018-2019.

Landmarks stimulate patient memories

Giant murals of Leicestershire landmarks have been created on the walls of Gwendolen Ward at the Evington Centre, as part of a £140,000 upgrade.

The landmarks, including Bradgate Park, Leicester railway station, the Clock Tower, the Magazine, New Walk Museum and Art Gallery, Abbey Park, and Leicester Castle, aim to stimulate reminiscence for inpatients with dementia.

As part of the upgrade, the walls have also been painted in brighter colours. The previously blue flooring has been replaced with more suitable colours, as recent research has shown patients with dementia can mistake blue flooring for water, which can upset them and can make them more likely to fall. Lighting has also been improved.

Project improves the care of patients living with dementia

A project to improve the experience of people with dementia while they are hospital patients has produced positive results for both patients and staff.

LPT won a £75,000 grant from the independent charity 'The Health Foundation' in 2016 to embed the Enriched Model of Dementia into the two dementia wards at the Evington Centre. The approach involves getting to know the patient's background, work history, culture and beliefs, in addition to their clinical history and uses this to tailor individual care. The project has been shortlisted for the Health Service Journal Value awards.

Christmas made special

Age UK supporters - including some LPT staff - donated 325 presents so that every older person in our hospital beds had a present on Christmas Day 2017. The generosity covered all of our wards in community and mental health services for older people, and extended to all of University Hospitals of Leicester wards for older people as well.

Age UK have been running the Making Christmas Special appeal with University Hospitals of Leicester for several years. This was the first time that LPT was included as a full partner.

LPT research reaches a worldwide audience

Research carried out in LPT's community hospitals has reached a worldwide audience. As part of his masters' degree dissertation, advance nurse practitioner Dan Spence, started looking at the effect reducing length of stay in hospitals had on whether a patient needed to be readmitted.

His research showed that despite a reduction of almost four days in the patient's average length of stay in a community hospital between 2013 and 2015, there was no increase in the proportion readmitted to hospital within 30 days. The change in

length of stay is saving the NHS around £3m per year. Dan was joined in the research by consultant nurse Caroline Barclay, and Dr Sudip Ghosh, CHS's clinical director for research and specialist services. Together they submitted a paper which was accepted by the Ageing and Society conference, and Caroline was invited to present it to more than 200 delegates from across the world at the University of California.

Rugby legend opens Treatment Centre

Rugby legend Martin Johnson officially opened St Luke's Treatment Centre in September 2017. He said: "The facility is a great asset for the people of Market Harborough and the surrounding areas and offers so many vital healthcare services in a single location."

The £7.5m centre opened earlier in the year, and replaced the Market Harborough District Hospital. It houses NHS services from a number of providers, including LPT's physiotherapy and podiatry services, as well as wound clinics.

SystmOne rollout complete in community hospitals

The final two of our community hospital wards went live in February 2018 with a new way of recording information about our patients. Rutland Memorial Hospital and Beechwood Ward at the Evington Centre, Leicester, complete the set adopting the SystmOne CoHo electronic patient record. It has replaced pen and paper and in many cases phone calls for essential details including the patient's basic admission details, test results, progress notes, and the information we need to pass on to GPs or other hospitals when they leave our care. It makes sharing information easier among the various professionals involved with the patient's care.

500 care home staff given boost

An LPT team has helped care home staff give better care to their residents. The Integrated Care Home Training Team began work in April 2017. In the first ten months they trained 508 care home staff in tissue viability, continence, speech and language therapy, and falls prevention. Their influence is likely to be felt by many thousands of residents.

Staff nurse Lesley is named national mentor of the year

Staff nurse at Hinckley and Bosworth community hospital, Lesley Wright, won 'mentor of the year' in the Student Nursing Times awards in April 2017, after being nominated by eight of her former students. She qualified five years ago and after several placements, became determined to provide students with a better welcome.

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).

LPT signs NHS England's tobaccos control pledge

We reaffirmed our commitment to being a smokefree trust in January 2018 by signing the NHS England tobacco control pledge at our Trust Board meeting.

The Trust was one of the early adopters of going smokefree in October 2016 and we feel passionately - as a health and wellbeing trust - that creating a smokefree environment will improve the health and wellbeing of our population. In signing this pledge, LPT has further committed to helping smokers in our care to quit and to continue to create smokefree environments that support them to do so.

Supporting military personnel through Armed Forces Covenant

We pledged our support to military personnel past and present by signing the Armed Forces Covenant on the eve of Armed Forces Day in June 2017. The charter formalises our commitment to support the health and wellbeing of serving and ex-military both in the workplace and in the community. Dr Pete Miller, our chief executive, was joined by Col Andrew Parker MBE, Commanding Officer of 158 Royal Logistical Corps, to sign the historic document during a special event at The Bradgate Unit.

LPT recruitment fairs were a huge success

Two recruitment fairs were held in May and October 2017, each with 1,000 plus people attending. We had representatives from all of our clinical directorates, as well as representation from corporate and enabling services. There were more than 27 stands on both days promoting a range of services and as a result of the events we have appointed over 100 people into a variety of roles.

Staff recognised for going above and beyond

Our monthly Valued Star Award continues to be popular with staff – receiving over 900 nominations since it first launched in June 2015. The award is about recognising members of staff who have gone the extra mile in the way they demonstrate any or all of our Trust's values of integrity, trust, compassion and respect.

Our annual Celebrating excellence awards received a record-breaking 252 inspirational entries this year, enabling us to recognise those staff who show outstanding commitment and excellence in delivering services for our patients, service users and staff. Pictured is the May 2017 evening awards ceremony to celebrate those shortlisted for 13 categories covering exceptional care to unsung hero.

Staff and volunteers celebrated at our Long Service Awards

Staff and volunteers with long service to the NHS were recognised in a special celebration event in September 2017. 66 staff were celebrated and thanked for 25, 30 and 40 years of service, giving an incredible 1,970 years of service to the NHS between them. For the first time, 69 volunteers were also celebrated for 5, 10, 15 and 20 years of voluntary service to LPT – that's a massive 495 years.

'Out of the blue' music single for mental wellbeing

LPT released our very own music single in July 2017 in collaboration with mental health arts company 'rethinkyourmind.' The single is based on a winning poem selected out of over 300 entries to the LPT Yellow Book competition which called for people across Leicester, Leicestershire and Rutland to submit art, photography and poetry inspired by the theme: 'I feel better when I am..'

Titled “Out of the Blue”, the music single is performed by Leicester band Refuge, led by rethinkyourmind’s creator, and is on our YouTube channel. We hope the single will inspire people to talk about mental health and promote positive wellbeing. The lyrics were adapted from winning poem, 'Out of the Blue' by Steve Walton.

WARP-it helps to save money, staff time and reduce wastage across LPT

LPT launched a new online portal called WARP-it in June 2017, in the aim to reduce waste, disposal costs and carbon emissions across the Trust.

WARP-it (waste action reuse portal) allows staff to register and list surplus resources from their team/service area for other LPT services to claim. Since its launch the Trust has saved over £2,000, alongside 880 minutes of staff time and avoided wasting nearly 98 kilograms.

Three consultants receive honorary appointment from University of Leicester

Three LPT consultants received an honorary appointment from the University of Leicester at a conferral ceremony in June 2017.

Dr Sudip Ghosh, clinical director and research lead for community health services, Dr Asit Biswas, consultant in learning disability services and Dr Richard Prettyman, consultant in mental health services for older people, all received the award of Associate Professor for their contribution to research and medical education.

Our Chair Cathy Ellis said: "This further strengthens LPT's relationship with the University as strategic education and research partners."

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. If you would like to support or raise money for any of our current projects please email RaisingHealth@leicspart.nhs.uk or call 0116 295 0889.

InVest-ing time and energy in a good cause

Two major challenge events in 2017, the Leicestershire Round Relay Challenge and the Lands End to John O'Groats cycle, saw more than £22,000 raised for the Vest Appeal - smashing the £18,000 target and enabling us to buy three high frequency chest wall oscillator vests. These vests are used by LPT's children's community respiratory physiotherapists in their treatment of sick children across Leicester, Leicestershire and Rutland who suffer from recurrent chest infections. The vest helps clear the child's chest meaning they become unwell less frequently and because they are very portable they can be used in the child's home, avoiding hospital stays.

More than 100 staff and friends of LPT took part in a 24-hour charity challenge over the weekend of 23 and 24 June 2017 and the 110 mile route was covered by a relay of walkers, runners and cyclists, who between them raised around £16,000. The Lands End to John O'Groats cycle was completed by Nick Taylor and Ian English from local company Giant Crushing and raised £6,000 by cycling a gruelling 969 miles across the country in some rather wild September weather. Thank you to everyone who made the Vest Appeal such a success!

Whizzybug helps kids get their wheels

Sarah Willis, from our children's occupational therapy team, made a successful Charitable Funds application for £6,000 to purchase a Whizzybug and accessories. As well as looking cute and helping children move around, this motorised wheelchair can be used therapeutically to contribute to a child's cognitive and social development.

Many of the children we work with within the children's occupational therapy and physiotherapy services experience a delay in acquiring any mobility. This means that, from as early as 10 months, many of the children known to us will be at a disadvantage in gaining skills beyond mobility due to existing delay in their ability to move independently.

Evidence tells us "that children should be provided with equipment to enable them to become independent as close as possible to the age when mobility would be occurring naturally within normal childhood development" (Butler at al, 1986), however clinicians recognise that there is a gap in provision.

NHS provision around mobility requires a child to have the ability to take their own weight and use a walking aid, or live in a fully adapted environment with a wheelchair accessible vehicle in order to access NHS powered mobility, and for many of our your children this is not the case.

Whizzybug is a powered wheelchair suitable for children from the age of one. It is suitable for indoor and outdoor mobility and works at variable speeds in order to allow children the maximum opportunity to gain competence in independent driving. It provides postural seating, and can be adapted in order to suit the individual needs of each child.

Having a Whizzybug for use with multiple children will enable our occupational therapy and physiotherapy teams to introduce children to mobility at the same time as their peers within their normal therapy provision, and to help narrow this gap in skill development. It will help children to master the controls of the Whizzybug before they are assessed for one of their own.

Hayley Biggs uses her legs to raise cash for arm support

Technical instructor, Hayley Biggs, ran the Virgin London Marathon in April 2017 to raise more than £2,600 to fund rehabilitation equipment to help people who have had a stroke.

Hayley raised enough money to buy a SaeboMAS arm support for patients who have reduced movement following a stroke. The SaeboMAS arm support takes the weight of the patient's upper limb, enabling them to practise their movements and build up their arm strength. The added advantage of the SaeboMAS is its portability, which means it can be used in patient's homes.

Miles for Smiles

Businessman Gary Brown, a marathon veteran, took on the world's 'prettiest' marathon, in Stockholm, Sweden in June 2017, raising much-needed funds for the 'Miles for Smiles' appeal to keep patients with Huntington's Disease on the move.

Gary, UK programme director for Santander, raised £1,705 in sponsorship and match funding from Santander to support the running costs of a specialist wheelchair-accessible Ford Tourneo which has brought new levels of freedom for our patients.

The vehicle looks like a 'home' car and can be driven by staff on a normal licence, but has an automatic wheelchair lift and can accommodate the patients' specialised wheelchairs. Without it, patients would have fewer opportunities to get out and about.

It took us eight years to raise the funds for the vehicle which we took delivery of in January 2017 and we need to keep fundraising to meet the ongoing running costs. Could you help us to keep the Miles for Smiles car on the road? We'd love to hear from you! Email RaisingHealth@leicspart.nhs.uk.

Performance analysis

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

Service level performance management
Each Directorate has in place a formalised, written and approved Performance Management Framework. Wherever possible the Trust encourages the development of existing fora and governance structures over establishing additional and disparate groups with a sole performance focus.

Corporate performance oversight
At the highest level within our organisation, our **Trust 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)**. FPC receives the IQPR alongside a Waiting Times Report each month ahead of Trust Board and will undertake a thorough examination of the retrospective performance information.

Accountable Officer Performance and Accountability (P&A) 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. Hence FPC will receive and monitor the outputs of the Performance and Accountability Reviews, triangulating this with the IQPR and Waiting Times report for assurance. This model works alongside the self-regulation quality framework, drawing on all available and appropriate elements of quality assurance.

Areas deemed to be in special measures will be subject to a set of specific interventions designed to rapidly improve the quality of care and/or financial balance. Operational areas deemed to be in special measures will be required to develop a clear improvement plan and review operational capacity and capability.

Following each six-monthly review, the Chief Executive will formally write to each director outlining the overall oversight category the directorate has been placed within and the agreed priorities of focus, and actions the director is expected to take in response, along with timescales.

Performance against our 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

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. We have made significant progress in improving the safety of our services.

- Sustained programme of improving the safety of our ward environments
- Continued strengthening of our self-regulation approach. Between April and December 2017 a total of 70 teams participated in self-regulation.
- 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
- 58 local clinical audits were undertaken of our services followed up with actions for improvement where required (see Quality Account)
- The Trust received one Prevention of Future Death (PFD) Report under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013.
- Development of a MCA (Mental Capacity Act) Champions group to enhance learning from cases and support practitioner compliance.
- Our ePrescribing system has helped to reduce prescribing and drug administration errors by automating key processes, releasing clinicians' time to provide care.
- introduction of a self-harm and suicide prevention group to ensure our systems and processes are robust to enable staff to help patients at risk.

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. We have continued to implement our people strategy and to create a culture where staff feel valued and empowered.

- Enhanced leadership development offer for all our staff
- Staff survey results have remained stable
- Listening into Action has supported 86 teams with local improvement.
- The new interactive weekly enews and campaigns software; monthly 'Ask the Boss' webchats, vodcasts and team briefs, new weekly screensavers, and increased use of social media, including the introduction of a closed staff Facebook group, have all improved 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 local initiatives and the introduction of health and wellbeing champions.
- Agile working roll-out to support staff to work in the most productive ways
- Engagement with local universities and surrounding trusts to review workforce strategies in respect of future recruitment and retention
- An ongoing recruitment programme and a professional development programme to enable us to maintain safer staffing levels

3. Ensure Sustainability

It is important that we remain financial sustainability. We have begun a 5-year all-age mental health and learning disability transformation programme, to co-design sustainable improvements with staff and service users. At the same time our Building on Co-ordinated Community Health Services transformation is helping to make community nursing pathways more efficient and effective to deliver care at the right time and place for older people. Other highlights:

- New mental health all-age place of safety unit, a new female psychiatric intensive care unit, and an enhanced adult mental health crisis house
- New crisis and home treatment service by our CAMHS service
- Successful implementation of new contracts worth £171m for delivering the 0-19 healthy child programme through our Healthy Together service
- £8m NHS England investment for a purpose-built CAMHS acute inpatient unit, enabling us to move from our temporary unit at Coalville Hospital to a permanent, more accessible base in the city, with new local provision for young people with eating disorders.
- £300k mental health winter pressures funding
- £250k of refurbishments to enhance our dementia wards
- Successful fundraising initiatives through our charity Raising Health
- Introduction of a new online portal called WARP-it, with the aim of reducing waste, disposal costs and carbon emissions across the Trust
- 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 (sustainability and transformation partnership) for Leicester, Leicestershire and Rutland
- Signing of the Armed Forces Covenant
- Healthy Together delivered in partnership with Barnados
- Enhance Crisis House service delivered by Turning Point
- Mental health triage scheme with the police, EMAS and UHL
- Community health services working in integrated locality teams as part of a Home First model with health and social care partners.

- Research partnerships with CRN, CLAHRC and AHSN East Midlands.
- Education and training in Leicester University and De Montfort University.

Quality improvement

Quality improvement is continuous. In line with the CQC approach we acknowledge that achieving safe, effective and person centred care can only be sustained when a caring culture, professional commitment and strong leadership are combined to provide responsive accessible services for our patients. Our focus has been on:

1. **Ensuring our service users are safe (safe care)**
2. **Ensuring are care is effective (effective care)**
3. **Ensuring person-centred care**

Our focus has been on continuous quality improvement and self-regulation, alongside improving engagement in clinical supervision, improved clinical record keeping and care planning, and improved discharge planning and follow-up.

Our Quality Account, which details our progress in more detail, is published separately alongside the Annual Report. **Key highlights from the last year include:**

- 96.9% of those who completed our Friends and Families Test (FFT) said they would recommend our services to their friends and family
- The community integrated neurology and stroke service (CINSS) has reduced the number of patients waiting for routine appointments from 641 in April 2017 to 258 in January 2018.
- Mental health services for older people (MHSOP) has reduced the number of patients waiting for urgent appointments at the end of each month from 48 in April 2017 to 21 in January 2018 and for those patients waiting for routine appointments from 200 to 115.
- We are supporting our workforce to deliver safe care through new roles like assistant practitioners, medicines technicians and activity co-ordinators to work as part of the multi-disciplinary team, and introducing rotational posts across services; there's an increased focus on staff health and wellbeing.
- We reported zero cases of MRSA bacteraemia attributed to our care delivery and 12 cases of clostridium difficile against a trajectory of seven cases. None of the cases were attributable to our care and a review has demonstrated that improvements made within the previous year have been sustained.
- All the recommendations from Care Quality Commission (CQC) Review of Health Services for Children Looked After and Safeguarding in Leicester City were completed and changes in practice are embedded and sustained through a new quality assurance framework.
- Staff with patient contact have been undertaking PREVENT Wrap training.
- The Safewards model has been introduced to all inpatient areas within adult mental health and learning disability services.
- Community hospital wards have been able to maintain their length of stay despite increased acuity and dependency. Delayed transfers of care have reduced since November 2017.

- We supported 233 audits compared with 271 last year and achieved a 59% re-audit rate compared with 55% last year.
- 100% of women with a low to moderate mood Perinatal Mental Health Indicator received active support.
- 100% of patients receiving End of Life care with a preferred place of death documented died in that place
- 90% of Looked after Children were offered the opportunity to be seen alone for their initial health assessment - a 65% improvement
- 91% of service users on the Down's Syndrome Pathway had their growth plotted in a Down's Chart - a 38% improvement
- 100% of discharge letters had comments about primary care recommended actions, in relation to blood tests – a 37% improvement.
- The Trust has a newly established Prevention of Self Harm and Suicide Group. This group has developed three task and finish groups looking at a Suicide strategy for LPT, a review of the prevention and awareness of suicide training and also a review of the Trust's Self Harm Policy. The establishing of this group is specifically designed to improve the quality of care given in relation to self-harm and suicide prevention and to enhance the awareness of staff in their approach to caring for patients who self-harm or express suicidal ideation.

Financial performance - The Summary Financial Accounts are presented with the Annual Report in Appendix A. We are pleased to have achieved all our Statutory Financial Duties for 2017-18, and our planned revenue surplus of £3.1 was delivered; as a result, the Trust received bonus incentive funding of £1.556m from NHS Improvement. This funding was included in our final out-turn, a £4.675m surplus (after taking into account impairments and other technical adjustments). Read our full financial statement from our interim director of finance, Sharon Murphy, on page 74.

CQC report January 2018

We welcome a Care Quality Commission (CQC) inspection of 5 core service areas in November 2017, previously rated as either inadequate or requires improvement*. Although their overall rating was 'Requires Improvement', we were pleased that they removed all inadequate ratings; ten ratings have moved up, six of which have moved up to 'good'. This is credit to our caring, committed staff, who have worked hard since the CQC's previous inspection in November 2016, during what has been a financially challenging year. We were particularly pleased to see acknowledged the improvements we have made since our last inspection in relation to safety in CAMHS and adult community mental health services.

*The services inspected were:

- Acute wards for adults of working age and psychiatric intensive care units
- Community-based mental health services for adults of working age
- Mental health crisis services and health-based places of safety
- Specialist community mental health services for children and young people
- Community Health services for adults.

The other 10 core services were not inspected during this inspection because they were not assessed as high risk or they were rated as good in the November 2016 inspection

Below is a summary of CQC's key findings.

Positive findings included:

Areas for improvement included:

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.

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

Community capacity building

Over the last year we have developed 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.

The processes, procedures, and publicity on WeCitizen are now in place to ensure staff are enabled to participate. As a result we have had increased numbers of teams and services identifying opportunities to volunteer. Looking ahead we hope to see an increasing participation of staff in the scheme.

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 commissioned an online physical asset re-cycle database (Warp-it) for use by all staff so as to minimise disposals of unwanted but fit for purpose office and medical physical assets, with positive benefits from increasing staff take-up.

Reducing energy use and costs

The total gas and electricity cost comparison for LPT has decreased from £2,073,941 for the year 2016-17 to £1,847,238 for the year 2017-18 (excluding water costs and NHSPS Charges). Unfortunately for this year, the overall consumption figures and costs have been skewed lower, as NHSPS have not reported their consumption or cost data for 2017-18. However, next years figures will be a direct comparison, as they will also exclude NHSPS property utility data.

	2014-15	2015-16	2016-17	2017-18
Electricity consumption (KWH)	10,250,219	14,162,031	14,182,656	9,843,983
Gas consumption (KWH)	27,772,871	35,272,885	32,425,733	24,310,383

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 also had an effect the lowered energy consumption figures.

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 for the UK to reduce carbon emissions by 34% by 2020 compared to levels in 1990. All designated premises display energy certificates and in the past few years we have introduced automatic meter reading, the centralisation of printers on sites, thermostatic mixer valves, and smart lighting.

Table: LPT carbon emissions over the last few years:

	2014-15	2015-16	2016-17	2017-18
Carbon emissions as a result of electricity consumption (tonnes)	5,588	7,706	7,733	4,035
Carbon emissions as a result of gas consumption (tonnes)	5,143	6,532	6,005	4535

Table: LPT m3 water consumption over the last few years:

	2014-15	2015-16	2016-17	2017-18
Water consumption	133,127	114,118	100,453	68,869

Estate

This year we completed the third implementation year of our estates transformation strategy. Over this period we have reduced our occupied floor space by around 14,500m², equating to annual savings in excess of £3.3million to the operating budget.

A new Estates Strategy is currently in development and will be presented to the Trust Board in early 2018. The strategy will indicate continued short term rationalisation of the estate followed by medium term objectives aligned to the BCT/STP programmes through to longer term vision for the estate built around the Trust's strategic objectives and clinical transformation projects.

In July 2017 the Trust was notified that it's capital bid for a new 15 bed in-patient CAMHS and eating disorders building (on the Glenfield site) had been successful and the full business case is currently being produced to secure final approvals. It is currently anticipated that building works will commence late 2018 with services being provided from the new facility in March 2020.

The Trust's capital plan (totalling around £6.3million spend) delivered a range of projects including a refurbishment and upgrade of the 'Place of safety' at the Bradgate Unit, a scheme to upgrade Podiatry Contamination facilities across the Trust and ligature removal works also at the Bradgate Unit. Capital was also used to purchase new medical devices and a range of IT schemes including support for Agile Working and developing the Trust's digital offer for service users.

The agile working programme continued to roll out across the Trust and further spaces to support this initiative were opened at Braunstone Health and Social Care Centre, Merlyn Vaz Health Centre, Pasley Road Health Centre and Prince Philip House.

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 Counter Fraud Authority 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. Over the last year, they have:

- investigated allegations of fraud, bribery and corruption as required
- delivered fraud, bribery and corruption awareness training to all new staff
- worked directly with trusts management to improve overall training rates
- carried out specific prevention activities, particularly in relation to agency staffing
- continued the Trust's participation with the National Fraud Initiative
- reviewed and 'fraud-proofed' Trust policies where required
- fraud and scam warnings issued to reduce the 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 Counter Fraud Authority.

Social responsibility and involvement

Patient voice is central to our continuous improvement journey across the trust. There are many ways, like those below, that we engage and listen to our patients and service users in creating, developing and improving our services and the quality of care we provide.

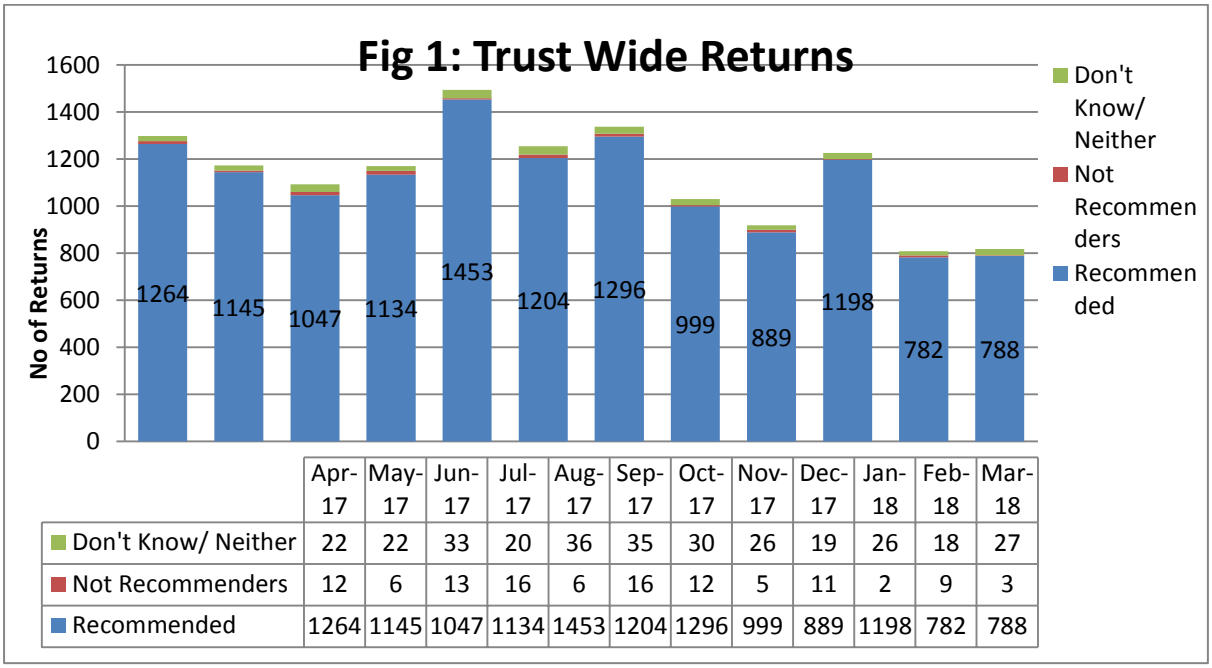
The NHS Friends and Family Test: What do our patients say?

During 2017-18 the Trust continued to promote the Friends and Family Test (FFT) via an app for IPads across all appropriate commissioned services. Paper and easy read versions of the survey are also available.

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 13,682 responses in 2017-18 with an average of 96.9% of patients saying that they would recommend the service we provide.

The overall score for LPT in 2017-18 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.



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Don't Know/ Neither	22	22	33	20	36	35	30	26	19	26	18	27
Not Recommenders	12	6	13	16	6	16	12	5	11	2	9	3
Recommended	1264	1145	1047	1134	1453	1204	1296	999	889	1198	782	788

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 and compassionate staff, the usefulness of information received at clinics and the overall 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
Patients on St Luke's ward 1 would like copies of the menus, as they order in advance and forget what they have ordered.	The idea of patients keeping a copy of their menu is being explored by the staff on the ward.
Patients on Dalgleish ward have commented that they do not have enough storage or shelves in the bathrooms to host toiletries.	A requisition has been raised to provide bathroom shelves for patients.
Musculoskeletal service users told us that there is long waiting times for the service and that they have to wait to long for appointments.	Work is ongoing to reduce waiting times and referral to treatment times is showing an improvement.

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).

Involving patients, carers and the community

We are committed to involving our patients, their relatives, carers and the local community to improve patient experience. In 2017 with the involvement of staff and patients the Trust refreshed its *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 using various ways to gather feedback from patients and carers. We will find out what we need to improve, how to improve it and then check to see if it has been improved.
- We will involve people that use and are affected by our services, especially those who find it hard to be heard and aren't often listened to. We will also show how we have listened to and involved people and what action we have taken.

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.

The Patient Experience Team is also piloting **Always Events®** across the Trust, this is a quality improvement tool which was developed in the United States, and is now being rolled out across the UK by NHS England. Always Events® are defined as 'those aspects of the care experience that should always occur when patients, their family members or other care partners, and service users interact with health care professionals and the health care system'. Always Events® should have reliable processes or behaviours that ensure optimal patient experiences of care, co-designed with patients, and integrated in person centred care strategies.

LPT is piloting Always Events® in Wakerley Ward in the Evington Centre, and the Bradgate Mental Health Unit's Heather Ward.

Volunteering

The Trust benefits from the invaluable support of around 425 local people volunteering their time and skills for the benefit of our patients and service users. There are around 50 different volunteer roles spread across a wide range of Trust sites and departments.

The financial value of this contribution is over £700,000 per year.

Highlights from 2017 include:

- 165 new volunteers joined the Trust in the last year.
- New roles developed over this year include Arts and Crafts fundraising, Hear My Voice, Healthy Together, and Bread Making Supporting Mental Health.
- Our team of 25 volunteer drivers completed an average of 454 journeys per month, enabling patients and service users to access our services.
- Our team of 31 chaplaincy volunteers saw 2,154 patients this year.
- Mental health awareness training was developed by colleagues in the Mett Centre specifically for volunteer drivers.
- The Volunteering Team led a fundraising project, raising £1,100 to support planned future developments for volunteers, including celebration events and a volunteer conference.
- Volunteer roles were promoted more extensively on LPT's social media.
- LPT volunteers participated in RU OK events.
- Volunteer long service was celebrated for the first time at the Trust's AGM (annual general meeting) with 70 volunteers eligible for an award.

Mental Health Surveys

Inpatient survey

The Inpatient Mental Health Survey is not part of the nationally mandated survey programme however to understand our patients experience of inpatient mental health services LPT along with 17 other Trusts undertake this survey on a voluntary basis.

The service users surveyed in the 2017 survey were a sample of those discharged after receiving inpatient care from Mental Health Services during July to December 2016.

The Trust response rate was 21% with 82 service users from a sample of 384.

When compared to the Trust's 2016 results, there have been improvements in the scores for 14 questions.

By looking at questions where there has been deterioration against the 2016 scores and where in 2017 the scores are “worse than” other trusts in the range, the following areas for improvement have been identified:

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

A Trust wide action plan is being implemented to drive improvement in these areas.

CQC national Community Mental Health Survey

The Care Quality Commission (CQC) published the results of the 2017 national community mental health survey in November 2017. The Trust patients who received care between September and December 2016 were surveyed.

There were 227 completed surveys received from the usable cohort of 831 surveys, giving a Trust response rate of 27%. The response rate of all Trusts was 26%.

The results were compared with the Trust’s results from the 2016 survey alongside the results of the other 55 trusts who participated in the 2017 survey. LPT scored “about the same” as other trusts in 8 of the 10 areas of care measured. The Trust scored ‘worse than’ in 2 areas, these were reviewing care and support & wellbeing.

In 2017 there were 2 areas where the Trust received lower scores than all Trusts.

- Knowing who to contact out of office hours if in crisis
- Being given help and advice with support for finding or keeping work

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 the Trust has continued to improve its complaints process, building on the success of the launch of the revised process in 2016/17.

During 2017-18 we received 3,148 contacts, a decrease of 12% 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.

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 **1,281 compliments**:

This year we received **466 complaints** compared to 372 in 2016/17. Additionally we provided input to 36 complaints which were led by other organisations.

In 2017/18 the top themes of complaints were patient expectations and service delivered, attitude of staff, nursing care, clinical advice and treatment and communication and information to carers

In 2017/18, seven complaints were referred to the Parliamentary and Health Service Ombudsman. Of these, 1 was not upheld and 4 are part of an ongoing investigation by the Ombudsman.

Trust membership

The Trust has over 9,200 members who have expressed an interest in LPT and the NHS.

Our first members signed up in 2009 and each year since then we have aimed to keep our members informed and connected to the work of the Trust's services, latterly referring to our Membership Charter (see below) as a simple guide to two-way engagement with members.

Our membership is broadly representative of the communities we serve and during 2017/18 we have worked with others in the Trust and our stakeholders to find ways of reaching a range of communities. We have continued to recruit new members with consideration given to the balance between quantity and quality of engagement.

We want our services to be shaped with input from those that receive them. We have been supporting the significant All Age Mental Health Services Transformation project by actively recruiting 'Hear My Voice' volunteers. In the last 12 months we have invited members to conversations about how privacy and dignity is embedded into the care we deliver, and ways we can improve patient and carers experiences of receiving care from our community nursing services.

Membership strengthens the links between healthcare services and the local community. We regularly email our members with news about new developments and offer positive opportunities to get involved, such as helping to raise funds for

LPT's charity 'Raising Health', participating in our Celebrating Excellence awards, and becoming one of the Trust's valued volunteers.

All our members are invited to attend the Trust's Annual General Meeting to find out more about our services and how we performed.

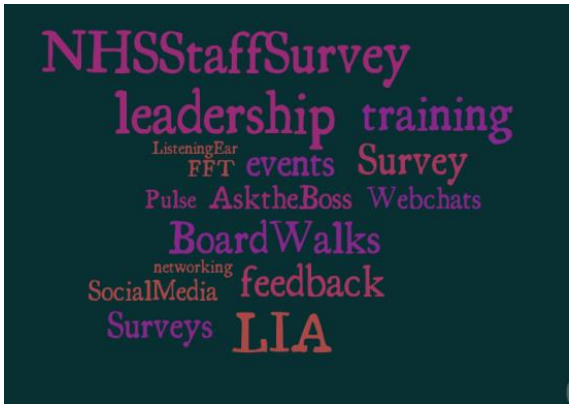
Our membership is open to anyone over the age of 16 who lives in Leicester Leicestershire and Rutland, and other parts of England.

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 2017 show that we have maintained our overall level of staff engagement.

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. We have also this year concentrated on raising awareness of our staff pledge to

identify behaviours we can expect from staff, the organisation and our managers and leaders.

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.

Following feedback from staff, we have refreshed our current offer to staff and introduced new initiatives over the last year, which include:

- Increased focus on staff health and wellbeing, including local activity, health and wellbeing champions, and a calendar of health and wellbeing support
- Relaunching our anti-bullying and harassment advice service
- Relaunch of listening ear service provided by our chaplaincy service
- Review of the Induction process to provide an improved welcome to LPT
- An enhanced leadership training offer
- Line management attendance at core topic training

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. We have largely maintained our position compared to 2016 although performed less well against some key findings. This reflects the national position.

As part of the survey process, our Trust is benchmarked against other similar Trusts. There is still work to be done to enable us to fulfil our aim of being an employer of choice.

Top 5 ranking scores (i.e. where the Trust compares most favourably with other Trusts)	KF11. Percentage of staff appraised in last 12 months
	KF15. Percentage of staff satisfied with the opportunities for flexible working patterns
	KF6. Percentage of staff reporting good communication between senior management and staff
	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 – largest changes since 2016	KF15. Percentage of staff appraised in the last 12 months
Where staff experience has deteriorated – largest	KF18. Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their

change since 2016	manager, colleagues or themselves
	KF2. Staff satisfaction with the quality of work and care they are able to deliver
	KF21 Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion
Bottom 5 ranking scores (i.e. where the Trust compares least favourably with other Trusts)	KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse
	KF2. Staff satisfaction with the quality of work and care they are able to deliver
	KF13. Quality of non-mandatory training, learning or development
	KF3. Percentage of staff agreeing that their role makes a difference to patients/service users
	KF7. Percentage of staff able to contribute towards improvements at work

We continually review all survey results – both the annual survey and our local quarterly Pulse Survey - 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**
- **effective teams**
- **communication and engagement**
- **health and wellbeing.**

Focus following the 2017 survey will remain under these main themes with a focus on local leadership, reducing bullying and harassment and increasing engagement.

Consultation with staff

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

During 2017 - 18 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 opened by over 50% of staff, 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. We have introduced a closed Facebook change which has over 1,000 users. Live monthly web chats with the Chief Executive 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. These meet regularly to address local issues. This year we have established a forum across Leicester, Leicestershire and Rutland health and social care providers to commence joint working linked to the Sustainability and Transformation Partnership.

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 (MAPLE)
- interfaith forum
- black and minority ethnic staff support group (BME)
- carers support group
- Spectrum (lesbian, gay, bisexual, transgender group)
- LPT Young Voices
- anti-bullying and harassment advice service (ABHAS)
- access to mediation for resolving workplace conflict
- Listening Ear service provided by chaplains and pastoral care
- Access to Freedom to Speak Up Guardian

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 live 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 for staff to increase awareness of how to raise concerns. Creative workshop sessions have also been run with comedian Rob Gee.

Listening into Action (LiA)

Listening into Action (LiA) was introduced in May 2013 to support staff to make improvements to their working life and patient care. It has seen 86 traditional teams use the approach of a 20-week programme.

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. Twelve teams have used this approach since its introduction in September 2016. 'LiA managing change' enables staff engagement in an organisational change and again nine leaders have used this to help inform the process (examples of these being the 5 year plan, and Freedom to speak up guardian). The past year has seen two cohorts complete their LiA journey. The celebration of their achievements took place for cohort 8 in September 2017 and cohort 9 in March 2018.

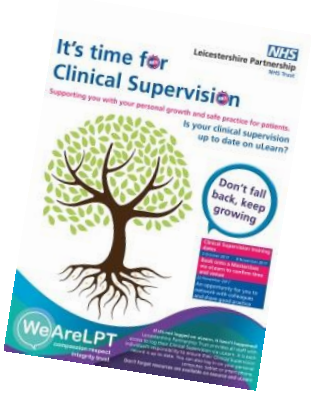
Cohort 8 - Team	Mission
Speech and Language Therapy Service - FYPC	The team aimed to improve efficiencies in how therapy plans are written and sent to parents, schools and Early Years settings. Following their big conversation the team was able to introduce changes to improve their therapy plans based on staff suggestions.
Bradgate Mental Health Unit Website Development	LiA innovation funds were used to create a film of the Bradgate Mental Health Unit, "What's behind the door" which will be used on the new LPT website to help better inform users of what services are available and give them an overview of what they can expect.
The Positive and Safe Project	Their Big Conversation asked staff what they needed to do to embed positive and proactive care; reducing the need for restrictive intervention. Staff helped shape the changes in raising awareness around positive and proactive care within LPT.
Physical Healthcare in Mental Health	A number of physical health roadshow were held as a result of this team's Big Conversations which helped to raise awareness of the service on the unit and support better understanding of the roles of the staff providing the service.
Student Placements at Bradgate Mental Health Unit	Improvements around student placements and their monitoring were identified by this team as needing to be made. Changes to the induction of new students to the Unit were made along with developing better links with the universities to ensure a better student experience on placements.
Improving and supporting admin working environments	Identifying what gets in the way of providing a first class admin service was the aim of this team and how to overcome barriers. An admin forum was set up, along with the creation of a universal admin newsletter. The team went on to create their own 'pledge' for admin staff to ensure more consistent working and to share good practice.
uLearn	Staff from the education centre wanted to break down the barriers

	for staff accessing e-learning opportunities. The team listened to comments made at roadshows they held to further improve our e-learning courses and accessibility to them.
Looked After Children (LAC) Team	The LAC team aimed to streamline processes within the Looked After Children services. Their Big Conversation resulted in them amending the role of their administrative workers to release some of their clinicians time. They have also addressed some agile working issues allowing for more flexible working between bases.
Safe, Well and Happy Partnership	Aimed to increase opportunities for people with learning disabilities and their families/ carers, to socialise and participate in activities that improve their health and well-being. A number of Community groups have been set up supporting this group to meet new people, make friends and stay well and happy.
Cohort 9- Team	**Mission**
The Crisis Team	The team wanted to understand why staff left their service and to identify what improvements and changes could be made to encourage them to stay. Actions focus around team development, communication and training opportunities.
The Diana Team	The Diana Nursing team provide care to children, young people and their families and wanted to make stronger connections with our adult health colleagues. The team undertook roadshows to hear from staff to help make improvements.
The Recovery College	The recovery college mission was to improve ease of access and information to the service. A Big conversation identified some great ideas like having a door wrap made to help attendees identify where the college is. Developing a website, creating a Facebook page, translating the college information in to different languages and an online wellbeing toolkit for mindfulness were also identified.
The Patient Experience Team	The team explored our staff, patients' and carers' understanding of privacy and dignity to enable the development of priorities or expectations to be embedded across the trust. As a result, they have renewed the Trust's patient experience film for induction and recruitment; developed a poster and leaflet for patients; and are exploring opportunities to ensure expectations relating to privacy and dignity are embedded in the Trust values and appraisal process, alongside a review of our Privacy and Dignity Policy.
The Bradgate MHU recreation room	In order to promote recovery for both inpatient and community service users the team wanted to utilise the recreation room in the Bradgate Mental Health Unit as a multifunctional and therapeutic space. The team are now looking at improving the environment, with new furniture and improved storage. Coordination of the usage of the room is being implemented to ensure that its potential is realised for both inpatients of the unit and out-patients.
Health Visitor documentation	This LiA looked at improving the SystmOne record keeping data from Health Visitor Universal contacts, for accurate data and subsequently accurate information on KPI targets for commissioners. The Big Conversation identified that improved communication between health visitors and administrators, and

	further training and education on KPIs would help staff deliver improvements.
CAMHS – Improving System 1 documentation	Following changes to how staff track the journey and care of their service users, the team wanted to understand from staff what changes they would like to see within SystmOne. Actions included Identifiable SystmOne champions, quick reference guides for staff, 2-screen hot desks, and hands on training for administrative staff.
Medical Devices Team	The aim was to enhance the current arrangements for planned preventative maintenance of equipment that staff use in the community. A series of roadshows at targeted bases helped to identify improvements to help shape the team's action plan.

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 2017/18 focused on:

- induction and welcoming new starters
- role essential training
- leadership development
- support for undergraduate and postgraduate learners
- apprenticeships
- 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 creating a new programme for leaders called WeLead. We've also continue to support our talent and career development through our WeNurture programme.

All our clinical staff are supported 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 enable staff to access further education and development through apprenticeships and further education at universities or workshops and masterclasses. This year we also supported 22 staff to start their training as nursing

associates, and continue to provide opportunities for staff to gain second registrations including Health Visiting and School Nursing.

Embracing diversity

Over the last twelve months, we have continued to make progress with mainstreaming the diversity and inclusion agenda into the day-to-day work of LPT. Being an inclusive employer is important in ensuring that we have a workforce with the skills and knowledge to provide the best service possible; delivering on our vision and values, and ensuring local communities receive the right care at the right time.

Key achievements for equality and diversity:

April 2017 Launch of LPT Young Voices staff support group for staff aged 16 - 24	**May 2017** Anti-Bullying and Harassment Advice Service re-launched through roadshows across the Trust	**June 2017** 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. Launch of Learning from Diversity programme
July 2017 Focused on staff engagement and planning for a staff health and wellbeing event in November 2017.	**August 2017** 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 2017** Attendance at Leicester Pride 2017 event to raise awareness of mental health services for LGBTQ community. Modern slavery guidance launched.
October 2017 Took part in the NHS England pilot for reporting against the forthcoming Workforce Disability Equality Standard	**November 2017** Health and wellbeing event held for all staff. Big Bank Survey to explore their experience of LPT	**December 2017** Staff Support Group Lead advocates met to plan activities for 2018.
January 2018 Equality monitoring information published on our workforce and service users, in line with Public Sector Equality Duty.	**February 2018** Secured place on Workforce Race Equality Scheme (WRES) Experts Programme.	**March 2018** Reported our Gender Pay Gap, aimed at promoting gender equality in pay and career progression.

Our equality objectives 2017 - 2021

The Equality and Human Rights team has developed a Diversity and Inclusion Approach to cover the period 2017 - 2021. This is aimed at improving services and employment practices for target groups.

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 Trust reports against the nine indicators of the Workforce Race Equality Standard (WRES) on an annual basis and acts where there is evidence of disadvantage and inequality. The WRES gauges how well the Trust is performing to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

Gender Pay Gap

The Gender Pay Gap Regulations (a 2017 update to the Equality Act 2010) introduced a requirement for listed public authorities and private sector organisations with 250 or more employees to publish information relating to the difference between the pay of female and male employees. For public authorities, reporting on the Gender Pay Gap took place for the first time on 30 March 2018.

Our gender pay gap data for the year to March 2017 showed a 17% mean pay gap in favour of men. Across the NHS, organisations report pay gaps of between 2% in favour of women and 41% in favour of men, although this picture will change as more Trusts publish their data. This information is being using alongside other equality monitoring information to inform initiatives to promote gender equality in pay and career progression.

Sarah Willis, Director of Human Resources and Organisational Development, said "We are committed to looking at ways to close this gender pay gap. We need to ensure that we can offer more flexible working opportunities, that we recognise the challenges of pursuing a career when working part-time, and create a culture that more effectively role models women in senior positions."

See the full statement report on our website: http://www.leicspart.nhs.uk/_Aboutus-EqualityandHumanRights-PublicationofEqualityInformation.aspx

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 August 2019.

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

Equality Diversity and Human Rights training is mandatory for all staff. Training is available through an e-learning module. 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 on 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: 2018 Activity

- To comply with the Equality Act 2010 and the Public Sector Equality Duty
- To report and develop actions to address issues identified in the course of the equality monitoring of the workforce and service users.
- To embed/mainstream the Equality Delivery System 2 (EDS2) into all activity.
- 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.
- To work in partnership locally, regionally and nationally to share best practice and develop inclusive initiatives that improve outcomes for staff and patients.
- 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.

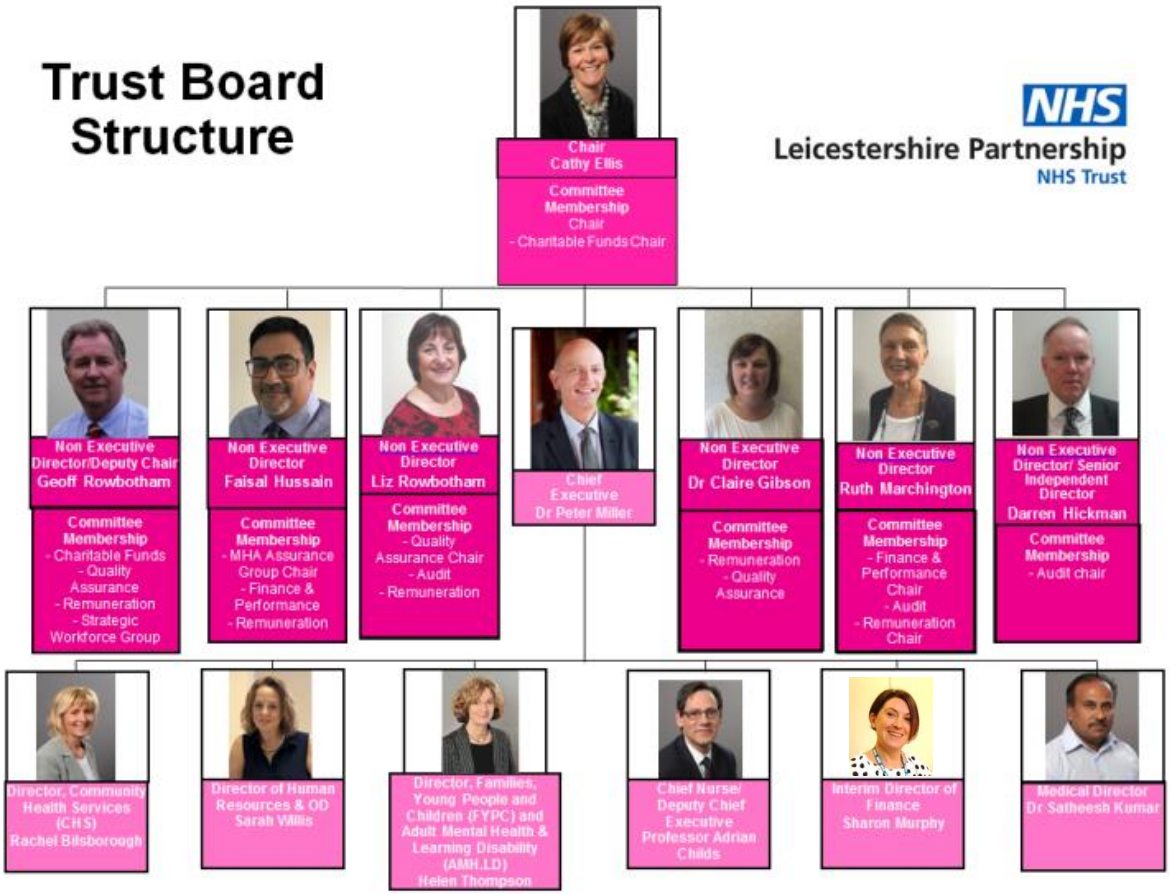
Accountability report

How we govern - Director's Report

There are seven non-executive directors (including the chair) on the Board. Dr Claire Gibson joined the Trust on 1 August 2017 to replace our university appointed non-executive director, Professor Lindesay who stepped down on 31 July 2017. From 1 October 2017 Mr Faisal Hussain filled the vacancy after Mr David Mell left having completed his four year term of office.

There has been one change amongst the four executive directors (which include the chief executive, chief nurse, director of finance and medical director). On 8 January 2018 Ms Sharon Murphy became interim director of finance following the departure of Dr Pete Cross. Amongst the four non-voting directors, when Mr Alan Duffell left the Trust on 4 April 2017, Ms Sarah Willis was appointed as director of human resources and organisational development.

Members of the Trust Board at 31 March 2018 are shown below.



From Ward to Board

We run an established programme of Board Walks every month where Board members visit services to see the day to day activities of frontline staff and meet with patients to hear about their experiences. Board Walks build communication and engagement between the board members and staff whilst highlighting areas of good practice and areas where changes may be required. During 2017/18, Board members completed 63 visits to our services.

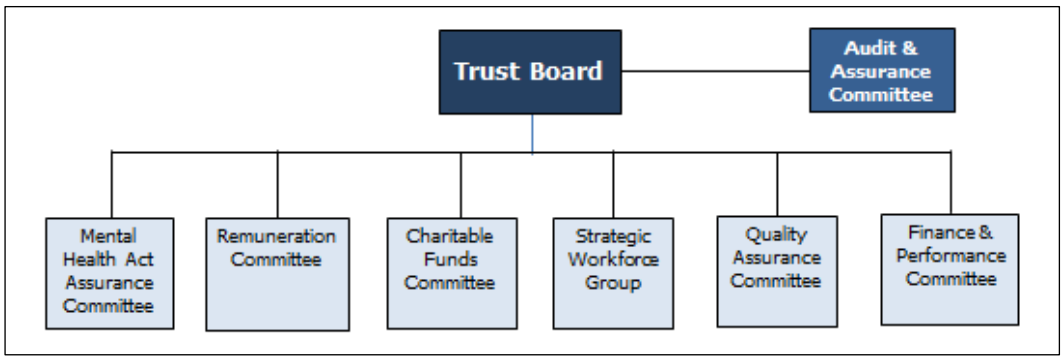
Providing assurance

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 organisational 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 Operational Planning and Contracting Guidance 2017/19.

Our **Strategic Workforce Group** (SWG) 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, medical director, chief nurse, and a service director. 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 Mental Health Act 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 2017-18 were as follows:

Remuneration Committee	James Lindesay (Chair) – up to July 2017 Ruth Marchington (Chair) – from August 2017 Claire Gibson - from August 2017

	Faisal Hussain - from November 2017 David Mell - up to July 2017 Liz Rowbotham Geoff Rowbotham Ruth Marchington
Charitable Funds Committee	Cathy Ellis (Chair) Geoff Rowbotham
Quality Assurance Committee	Liz Rowbotham (Chair) Claire Gibson (from August 2017) James Lindesay – up to July 2017 Geoff Rowbotham
Mental Health Act Assurance Committee	Cathy Ellis (Chair) – from August 2017 Faisal Hussain (Chair) – from December 2017
Finance and Performance Committee	Ruth Marchington (Chair) Cathy Ellis Faisal Hussain – from October 2017 David Mell – up to August 2017
Audit and Assurance Committee	Darren Hickman (Chair) Liz Rowbotham Ruth Marchington
Strategic Workforce Group	Geoff Rowbotham

Risk management

Patient and staff safety remains our top priority. 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.
Finance and Performance Committee	Undertakes 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.
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. The focus for this year has been around review to ensure that they reflect new data protection legislation (General Data Protection Regulation (GDPR)) coming into force on 25 May 2018.

Improvements in Information Governance during 2017-18

We are always looking to support the clinical services where service redesign and change occurs, developing new guidance and reviewing existing guidance where the Trust is exploring the exploitation of technology to support the clinical care of service users and be more accessible. 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 especially with the forthcoming changes as part of the GDPR. The Trust received 1,097 requests during 2017-18 as subject access and access to health records requests, and 404 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 2017-18 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.

Issues of information and cyber security have been priority areas during 2017-18, with the Trust commissioning a Phishing simulation to understand the risk posed by such attacks to the Trust network and tailoring a Cyber Security Awareness programme to address risk areas.

Emergency Preparedness, Resilience and Response (EPRR)

EPRR compliance

We are required to have robust emergency and business continuity plans in place. This is to ensure that we continue to be adequately prepared to respond to an emergency or major incident that may pose a significant disruption to service delivery, or that has the potential to seriously damage the wider community's welfare, environment or security.

In September 2017 NHS England reviewed our compliance against the NHS EPRR Core Standards. The purpose of the EPRR Annual Assurance Process is to assess the preparedness of the NHS, both commissioners and providers, against common NHS EPRR Core Standards. NHS England were fully assured that LPT are **fully compliant** against all applicable NHS EPRR core standards, so by definition;

LPT's EPRR arrangements are in place, the organisation is fully compliant with all core standards that the organisation is expected to achieve. The Board has agreed with this position statement.

Business continuity and emergency planning

LPT's Business Continuity Management System (BCMS) has been developed in line with the international standard for Business Continuity management systems (ISO 22301), and the NHS England Business Continuity Management Toolkit. Each directorate within the Trust is required to have site and service specific business continuity plans in order to protect and maintain critical services in the event of disruptive events. We have over one hundred live Business Continuity Plans (BCP) across all directorates; these are reviewed annually and updated post any incident or exercise.

Our Major Incident Plan is reviewed annually and sets out the framework and arrangements for instigating a response to a major incident, or significant disruption to service provision. The plan sets out a framework for coordinating the Trust's response with healthcare partners and other stakeholders in a multi-agency emergency response.

We continued to deliver internal training and exercises. During 2017/18 we had a strong focus on testing and validating the Lock Down plans across LPT inpatient facilities, which will continue into 2018/19, providing a safe environment for our staff and service users. The Trust has also taken part in external exercises as part of the Local Resilience Forum (LRF). These are multi agency exercises that test the whole system response to potential emergencies in Leicester, Leicestershire and Rutland.

Next Steps

The focus for 2018/19 is to build on the strong base that has been created, and continue to develop our BCMS and incident response plans, with a strong focus on cyber security response planning.

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 latest progress statement, republished in March 2018, on our website here: http://www.leicspart.nhs.uk/_Aboutus-ModernSlaveryActStatement.aspx

Directors' Statements

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 HM 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, other items of comprehensive income and cash flows for the year. In preparing those accounts, the 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;
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The 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 such

internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Dr Peter Miller, Chief Executive and Sharon Murphy, Interim Director of Finance

Statement of Accountable Officer's responsibilities

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

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

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

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	2017/18					2016/17				
	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	7.5-10	115-120	105-110	0	0	22.5-25	130-135
Chris Burns, Non-Executive Director	0	0	0	0	0	0-5	0	0	0	0-5
Adrian Childs, Chief Nurse/Deputy Chief Executive	120-125	0	0	5-7.5	130-135	120-125	0	0	27.5-30	150-155
Peter Cross, Director of Finance, Business & Estates (up to 07/01/2018)	90-95	0	0	0	90-95	115-120	0	0	30-32.5	145-150
Alan Duffell, Director of HR & Organisational Development (up to 04/04/2017)	0-5	0	0	85-87.5	85-90	105-110	0	0	20-22.5	125-130

Cathy Ellis, Chair	35-40	0	0	0	35-40	35-40	0	0	0	35-40
Dr Satheesh Kumar Gangadharan, Medical Director	95-100	0	75-80	70-72.5	250-255	95-100	0	75-80	27.5-30	205-210
Dr Claire Gibson, Non-Executive Director (w.e.f 31/08/2017)	0-5	0	0	0	0-5	0	0	0	0	0
Darren Hickman, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Faisal Hussain, Non-Executive Director (w.e.f 01/10/2017)	0-5	0	0	0	0-5	0	0	0	0	0
Professor James Lindesay, Non-Executive Director (up to 31/07/2017)	0-5	0	0	0	0-5	5-10	0	0	0	5-10
Ruth Marchington, Non-Executive Director	5-10	0	0	0	5-10	0-5	0	0	0	0-5
David Mell, Non-Executive Director (up to 31/08/2017)	0-5	0	0	0	0-5	5-10	0	0	0	5-10

Peter Miller, Chief Executive	160-165	0	0	17.5-20	180-185	160-165	0	0	32.5-35	195-200
Sharon Murphy, Interim Director of Finance, Business & Estates (w.e.f 08/01/2018)	20-25	0	0	150-152.5	170-175	0	0	0	0	0
Elizabeth Rowbotham, Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Geoff Rowbotham, Non-Executive Director	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Teresa Smith, Divisional Director AMHS	0	0	0	0	0	65-70	0	0	155-157.5	225-230
Helen Thompson, Divisional Director FYPC	105-110	0	0	12.5-15	120-125	105-110	0	0	27.5-30	135-140
Sarah Willis, Director of HR & Organisational Development (w.e.f 05/04/2017)	100-105	0	0	285-287.5	385-390	0	0	0	0	0

***** The calculation for 'All Pension related benefits (bands of £2,500)' is higher for those managers who are new into Director posts as there is no comparison with previous year pension figures. The remuneration report has been audited and assurance can be provided that it reflects Directors' individual circumstances.

TABLE 2: PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2018 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
Rachel Bilsborough, Divisional Director CHS	0-2.5	2.5-5	35-40	110-115	770	709	61
Adrian Childs, Chief Nurse/Deputy Chief Executive	0-2.5	2.5-5	50-55	150-155	1133	1059	74
Peter Cross, Director of Finance, Business & Estates	0-2.5	0-2.5	25-30	25-30	263	278	0
Alan Duffell, Director of HR & Organisational Development	0-2.5	0-2.5	20-25	70-75	537	433	1
Dr Satheesh Kumar Gangadharan, Medical Director	2.5-5	2.5-5	40-45	100-105	750	668	81

Dr Peter Miller, Chief Executive	0-2.5	0-2.5	65-70	200-205	1344	1245	100
Sharon Murphy, Interim Director of Finance	0-2.5	2.5-5	5-10	10-15	114	0	26
Helen Thompson, Divisional Director FYPC	0-2.5	0-2.5	35-40	110-115	761	703	57
Sarah Willis, Director of HR & Organisational Development	12.5-15	25-27.5	10-15	25-30	184	0	182

Pay Multiples

Table 3: Pay Multiples

	2017-18	2016-17
Mid band of highest paid director's total remuneration (£)	177,500	177,500
Median total remuneration (£)	28,746	28,462
Ratio	6.17	6.24

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 mid-band remuneration of the highest-paid director in Leicestershire Partnership NHS Trust in the financial year 2017/18 was £177,500 (2016/17: £177,500). This was 6.17 times (2016/17: 6.24 times) the median remuneration of the workforce, which was £28,746 (2016/17: £28,462).

In 2017/18 and 2016/17 no employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £6,800 to £179,000 (2016/17 £6,500-£178,000).

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. Remuneration also includes any costs associated with agency workers.

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 2018 the Trust employed 5,259 substantive members of staff. That is a full time equivalent (FTE) of 4,581.1 people in a wide range of roles and professions.

Staff Group	FTE	Headcount		
		Total	Of which female	Of which male
Medical Career Grade	166.5	185	*95*	*90*
Training Medical Grade	14.5	17	*11*	*6*
Qualified Nurses	1579.0	1794	*1554*	*240*
Qualified AHP	508.1	609	*533*	*76*
Qualified S&T	140.8	175	*145*	*30*
Unqualified Nurses	827.2	964	*813*	*151*
Unqualified AHP	153.2	176	*156*	*20*
Unqualified S&T	88.0	96	*88*	*8*
Ancillary	13.8	23	*23*	
Admin & Clerical	878.1	996	*795*	*201*
Managers	145.7	154	*97*	*57*
Senior Managers	66.1	70	*43*	*27*
Grand Total	**4581.1**	**5259**	***4353***	***906***

To help ensure safe and appropriate staffing levels, the Trust also has a bank of 1,044 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.

Pay Band	Headcount	% of Workforce	Gender		Ethinicity		
			% Female	% Male	% White	% BME	% Not declared
Band 8a - Clinical	146	2.8%	84%	16%	89%	11%	0%
Band 8b - Clinical	61	1.2%	87%	13%	82%	16%	2%
Band 8c - Clinical	13	0.2%	77%	23%	92%	8%	0%
Band 8d - Clinical	6	0.1%	50%	50%	83%	17%	0%
Band 8a - Non-Clinical	51	1.0%	65%	35%	73%	24%	4%
Band 8b - Non-Clinical	38	0.7%	61%	39%	95%	5%	0%
Band 8c - Non-Clinical	19	0.4%	74%	26%	84%	11%	5%
Band 8d - Non-Clinical	7	0.1%	43%	57%	86%	14%	0%
Band 9 - Non-Clinical	1	0.0%	0%	100%	100%	0%	0%
VSM - Non-Clinical	6	0.1%	67%	33%	83%	0%	17%
Grand Total	**348**	**6.6%**	**76%**	**24%**	**86%**	**13%**	**1%**

Reducing staff sickness and absence levels

Sickness absence

The Trust's average rate of sickness absence in 2017/18 was 4.84%, a decrease from the 2016/17 rate of 5.14%. 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. There has also been an increase in the winter months of cough / cold / flu. The sickness absence figures are reported on a calendar year basis, rather than for the financial year. The sickness absence rate for 2017/18 was calculated in May 2018, using up-to-date data, extracted from the Electronic Staff Record (ESR) system.

Steps taken during the year to reduce staff sickness and absence and improve staff 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
- launch of a comprehensive health and wellbeing programme with a specific monthly focus
- establishment of local health and wellbeing groups
- identification of health and wellbeing champions across the Trust
- 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 2017-18 financial period, the Trust spent £1.1m with various consultancies. The vast majority of this spend relates 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.

Exit Packages

Exit packages totalling £499,000 were agreed during 2017-18 for staff leaving the Trust. These related to compulsory redundancies and contractual payments in lieu of notice. More details are shown at Table 4: Exit Packages.

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 £245 per day and that last longer than six months.

Table 1: Off-payroll engagements

For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2018	7
Of which:	
No. that have existed for less than one year at time of reporting	4
No. that have existed for between one and two years at time of reporting	2
No. that have existed for between two and three years at time of reporting	1
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at 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

Where the reformed public sector rules apply, entities must complete Table 2 for all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months.

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	7
Of which:	
No. assessed as caught by IR35	6
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	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 2017 and 31 March 2018:

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals 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	9

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	14,000	16	70,000	19	84,000	0	0
£10,000-£25,000	4	55,000	2	34,000	6	89,000	0	0
£25,001-£50,000	2	81,000	0	0	2	81,000	0	0
£50,001-£100,000	3	245,000	0	0	3	245,000	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	**12**	**395,000**	**18**	**104,000**	**30**	**499,000**	**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.

** All of the other departures agreed outside of compulsory redundancies (18 in total) relate to contractual payments in lieu of notice (£104,000)

Table 5: Staff costs

	Permanent	Other	2017/18 Total	2016/17 Total
	£000	£000	£000	£000
Salaries and wages	145,043	14,827	**159,870**	159,974
Social security costs	14,186	0	**14,186**	14,386
Apprenticeship levy	769	0	**769**	0
Employer's contributions to NHS pensions	20,080	0	**20,080**	20,660
Pension cost - other	0	107	**107**	106
Termination benefits	328	0	**328**	348
Temporary staff - Agency	0	10,310	**10,310**	10,984
Total staff costs	**180,406**	**25,244**	**205,650**	**206,458**
Of which costs capitalised as part of assets	981	0	**981**	408

Table 6: Average number of employees (WTE basis)

	Permanent	Other	2017/18 Total	2016/17 Total
	Number	Number	Number	Number
Medical and dental	188	8	**196**	217
Administration and estates	1,115	98	**1,212**	1,260
Healthcare assistants and other support staff	849	254	**1,103**	1,150
Nursing, midwifery and health visiting staff	1,600	157	**1,757**	1,859
Scientific, therapeutic and technical staff	885	26	**911**	932
Social care staff	4	1	**5**	8
Total average numbers	**4,641**	**543**	**5,184**	**5,426**
Of which number of engagements (WTE) engaged on capital projects	23	0	**23**	20

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 2017 to 31 March 2018 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 2017/18 audit fee of £60k relates to £52k for the audit of the annual accounts and £8k for audit related assurance services.

Financial statement and board remuneration

Summary of financial statements

The Summary Financial Accounts for 2017/18 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 who have contributed to balancing the financial and clinical demands of providing healthcare to our local population.

Our planned revenue surplus of £3.1m was delivered, and as a result of this the Trust received incentive sustainability and transformation funding of £1.556m from NHS Improvement. This funding was included in our final out-turn of £4.675m surplus (excluding impairments and other technical adjustments).

In 2018/19, we will be aiming to maintain our financial position by delivering a £3.3m 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 £4.5m 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 2018/19.

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.

Sharon Murphy, Interim Director of Finance, Business and Estates

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Dr Peter Miller, Chief Executive

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 2017-18, which complements 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, alongside a shorter summary of the annual report, are also available on our website at www.leicspart.nhs.uk

Do you need this report in a different format?

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

Arabic

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

Bengali

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

Traditional Chinese

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

Gujarati

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

Hindi

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

Polish

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

Punjabi

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

Somali

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

Urdu

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

KPMG

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Leicestershire Partnership NHS Trust ("the Trust") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure 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 being relevant to NHS Trusts in England and included in the Department of Health Group Accounting Manual 2017/18.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2017/18. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2017/18.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 59, the directors are responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on page 60 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 60, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. 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.

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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, 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. We planned our work in accordance with the Code of Audit Practice and

related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- 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.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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.

CERTIFICATE OF COMPLETION OF THE AUDIT

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, Queensway
Birmingham
B4 8GH.

25 May 2018

Appendix A: Audited Accounts

Leicestershire Partnership NHS Trust

Annual accounts for the year ended 31 March 2018

Statement of Comprehensive Income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	3	243,755	247,185
Other operating income	4	30,748	30,479
Operating expenses	6, 8	(259,484)	(278,087)
Operating surplus/(deficit) from continuing operations		**15,019**	**(423)**
Finance income	11	31	16
Finance expenses	12	(986)	(952)
PDC dividends payable		(5,958)	(5,903)
Net finance costs		**(6,913)**	**(6,839)**
Other gains / (losses)	13	(83)	(67)
Surplus / (deficit) for the year from continuing operations		**8,023**	**(7,329)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		**-**	**-**
Surplus / (deficit) for the year		**8,023**	**(7,329)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	2,877	(6,040)
Revaluations		13,960	262
Other recognised gains and losses		-	-
Other reserve movements		-	-
Total comprehensive income / (expense) for the period		**24,860**	**(13,107)**

Financial performance for the year

Retained surplus/(deficit) for the year	8,023	(7,329)
IFRIC 12 adjustment (including IFRIC 12 impairments) *	-	119
Impairments (excluding IFRIC 12 impairments)	(3,262)	9,453
Adjustments in respect of donated gov't grant asset reserve elimination	(86)	1
Adjusted retained surplus/(deficit)	**4,675**	**2,244**

* From 2017/18 there is no requirement to adjust the financial performance for IFRIC12 transactions (i.e. adjust for any implications relating to the treatment of Private Finance Initiative / LIFT assets).

Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	15	1,804	1,579
Property, plant and equipment	16	206,875	188,000
Trade and other receivables	24	580	526
Total non-current assets		**209,259**	**190,105**
Current assets			
Inventories	23	306	289
Trade and other receivables	24	14,258	13,380
Non-current assets held for sale / assets in disposal groups	26	-	1,497
Cash and cash equivalents	28	3,723	2,992
Total current assets		**18,287**	**18,158**
Current liabilities			
Trade and other payables	29	(15,455)	(20,273)
Borrowings	32	(394)	(389)
Provisions	34	(623)	(675)
Other liabilities	31	(394)	(496)
Total current liabilities		**(16,866)**	**(21,833)**
Total assets less current liabilities		**210,680**	**186,430**
Non-current liabilities			
Borrowings	32	(11,918)	(12,313)
Provisions	34	(1,234)	(1,557)
Total non-current liabilities		**(13,152)**	**(13,870)**
Total assets employed		**197,528**	**172,560**
Financed by			
Public dividend capital		83,048	82,940
Revaluation reserve		69,250	54,943
Income and expenditure reserve		45,230	34,677
Total taxpayers' equity		**197,528**	**172,560**

The notes on pages 2 to 41 form part of these accounts.

Name Peter Miller

Sign 

Position Chief Executive

Date **22 May 2018**

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	**82,940**	**54,943**	**34,677**	**172,560**
Surplus/(deficit) for the year	-	-	8,023	**8,023**
Other transfers between reserves	-	(577)	577	**-**
Impairments	-	2,877	-	**2,877**
Revaluations	-	13,960	-	**13,960**
Transfer to retained earnings on disposal of assets	-	(1,953)	1,953	**-**
Public dividend capital received	108	-	-	**108**
Taxpayers' equity at 31 March 2018	**83,048**	**69,250**	**45,230**	**197,528**

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	**82,380**	**61,138**	**41,589**	**185,107**
Surplus/(deficit) for the year	-	-	(7,329)	**(7,329)**
Other transfers between reserves	-	(417)	417	**-**
Impairments	-	(6,040)	-	**(6,040)**
Revaluations	-	262	-	**262**
Transfer to retained earnings on disposal of assets	-	-	-	**-**
Public dividend capital received	560	-	-	**560**
Taxpayers' equity at 31 March 2017	**82,940**	**54,943**	**34,677**	**172,560**

Information on reserves

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

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

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

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		15,019	(423)
Non-cash income and expense:			
Depreciation and amortisation	6.1	7,502	7,138
Net impairments	7	(3,262)	9,571
Income recognised in respect of capital donations	4	(100)	-
(Increase) / decrease in receivables and other assets		(869)	(1,778)
(Increase) / decrease in inventories		(17)	(114)
Increase / (decrease) in payables and other liabilities		(4,164)	(2,401)
Increase / (decrease) in provisions		(378)	2
Other movements in operating cash flows		-	-
Net cash generated from / (used in) operating activities		**13,731**	**11,995**
Cash flows from investing activities			
Interest received		31	16
Purchase of intangible assets		(436)	(1,469)
Purchase of property, plant, equipment and investment property		(6,969)	(12,587)
Sales of property, plant, equipment and investment property		1,500	427
Receipt of cash donations to purchase capital assets		-	-
Net cash generated from / (used in) investing activities		**(5,874)**	**(13,613)**
Cash flows from financing activities			
Public dividend capital received		108	560
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		(163)	4,000
Other capital receipts		-	204
Capital element of PFI, LIFT and other service concession payments		(226)	(167)
Interest paid on PFI, LIFT and other service concession obligations		(905)	(880)
Other interest paid		(81)	(27)
PDC dividend (paid) / refunded		(5,859)	(6,289)
Net cash generated from / (used in) financing activities		**(7,126)**	**(2,599)**
Increase / (decrease) in cash and cash equivalents		**731**	**(4,217)**
Cash and cash equivalents at 1 April - brought forward		**2,992**	**7,209**
Prior period adjustments		**-**	**-**
Cash and cash equivalents at 1 April - restated		**2,992**	**7,209**
Cash and cash equivalents transferred under absorption accounting	45	**-**	**-**
Unrealised gains / (losses) on foreign exchange		**-**	**-**
Cash and cash equivalents at 31 March	28.1	**3,723**	**2,992**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 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.

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis. Following an assessment of the organisation, the Trust Board believes it has the resources in place to remain viable for the foreseeable future, and will be able to realise its assets and discharge its liabilities in the normal course of business.

Note 1.2 Critical judgements in applying accounting policies

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

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.

Note 1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in 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 hence the requirement for a full asset valuation in 2017/18. The impact of the most recent valuation on this year's accounts is an increase in asset base of £25,119,000; comprising of land (£285,000) and buildings (£24,834,000). The buildings increase of 21% is due to the annual increase in both the Building Cost Information Services (BCIS) indices and the East Midlands location factor.

New Provisions

During the year the Trust has provided for new provisions totalling £421k. These mainly relate to additional restructuring, injury benefit and annual leave provisions recognised in 2017/18.

In addition to the above, the Trust has also provided for £214k 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. 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.

Note 1.3 Income

Income 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 income for the Trust is contracts with commissioners in respect of health care services. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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

Revenue grants and other contributions to expenditure

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

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

Note 1.4 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs - NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

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

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

Note 1.5 Expenditure on other goods and services

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

Note 1.6 Property, plant and equipment

Note 1.6.1 Recognition
Property, plant and equipment is capitalised where:

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

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

Note 1.6.2 Measurement

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

All property assets are measured subsequently at valuation. The comparative method of valuation has been adopted for Non-specialised operational assets, where there is market based evidence to support the use of Existing Use Value (EUV) to arrive at Current Value (CV). For Specialist Operational Assets where there is no market-based evidence to support the use of EUV to arrive at CV, the Depreciated Replacement Cost (DRC) approach is used. Where DRC is used, the modern equivalent asset (MEA) principle is applied. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

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

Property, plant and equipment which has been reclassified as ‘held for sale’ ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

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

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

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

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

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

Note 1.6.3 Derecognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable i.e.:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Note 1.6.4 Donated and grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

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

Note 1.6.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

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

Note 1.6.6 Useful economic lives of property, plant and equipment
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives for the Trust's assets are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	1	59
Plant & machinery	1	15
Information technology	1	10
Furniture & fittings	1	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.7 Intangible assets

Note 1.7.1 Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

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

Expenditure on research is not capitalised.

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

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

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

Note 1.7.2 Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.7.3 Useful economic lives of intangible assets
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	**Max life Years**
Information technology	2	4
Development expenditure	3	5
Software licences	1	2

Note 1.8 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.

Note 1.9 Cash and cash equivalents
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 entity]'s cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.10 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.

Note 1.11 Financial instruments and financial liabilities

Note 1.11.1 Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

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

Note 1.11.2 De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

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

Note 1.11.3 Classification and measurement

Financial assets are categorised as loans and receivables. Financial liabilities are classified as other financial liabilities.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced - through the use of a bad debt provision.

Note 1.12 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.

Note 1.12.1 The Trust as lessee

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

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases
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.

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

Note 1.12.2 The Trust as lessor

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

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

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the Trust is disclosed at note 34.1 but is not recognised in the Trust's accounts.

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

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 34 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 34, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.16 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.

Note 1.17 Corporation tax

The Trust has determined that it is has no corporation tax liability due to the structure of the organisation and the services it provides.

Note 1.18 Foreign exchange

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.

Note 1.19 Third party assets

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

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

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

Note 1.21 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.]

Note 1.22 Transfers of functions to / from other NHS bodies / local government bodies

This note is not relevant to the Trust for 2017/18 as it did not participate in any transfer of functions to or from other NHS or local government bodies.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

As required by IAS 8, Trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector. The following Standards have been issued or amended but not yet adopted in the FREM. It is not anticipated that any subsequent application of these standards will have a material impact on the financial statements.

IFRS 9 Financial Instruments
IFRS 14 Regulatory Deferral Accounts
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases
IFRS 17 Insurance Contracts
IFRIC 22 Foreign Currency Transactions and Advance Consideration
IFRIC 23 Uncertainty over Income Tax Treatments

Note 2 Operating Segments

The Trust's operating segments reflect the organisational structure and align with governance and reporting arrangements

Division	2017/18 Total Revenue £000s	%	2016/17 Total Revenue £000s	%
Adult Mental Health & Learning Disabilities	80,025	29%	84,705	31%
Community Health Services	104,871	38%	103,616	37%
Families, Young People and Children Services	58,224	21%	60,224	23%
Enabling Services	10,625	4%	11,633	4%
Trust Central reserves	2,786	1%	2,961	0%
Sub-total healthcare	256,531	93%	263,139	95%
Hosted Services & Estates	17,972	7%	14,525	5%
Total revenue	274,503	100%	277,664	100%

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)	**2017/18 £000**	**2016/17 £000**
Mental health services		
Cost and volume contract income	14,117	14,103
Block contract income	101,025	102,457
Community services		
Community services income from CCGs and NHS England	104,587	104,138
Income from other sources (e.g. local authorities)	18,540	20,272
All services		
Other clinical income	5,486	6,215
Total income from activities	**243,755**	**247,185**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2017/18 £000**	**2016/17 £000**
NHS England	11,141	13,611
Clinical commissioning groups	210,886	209,164
Other NHS providers	2,926	2,608
Local authorities	18,802	21,802
Total income from activities	**243,755**	**247,185**
Of which:		
Related to continuing operations	243,755	247,185
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

No income was recognised in the accounts for Overseas Visitors charges (for 2017/18 or 2016/17)

Note 4 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	879	602
Education and training	9,151	9,818
Receipt of capital grants and donations	100	-
Non-patient care services to other bodies	12,929	11,337
Sustainability and transformation fund income	3,226	2,389
Rental revenue from operating leases	533	465
Income in respect of staff costs where accounted on gross basis	291	154
Other income	3,639	5,714
Total other operating income	**30,748**	**30,479**
Of which:		
Related to continuing operations	30,748	30,479
Related to discontinued operations	-	-

Note 5 Fees and charges

The Trust did not incur any fees or charges in either 2017/18 or 2016/17

Note 6.1 Operating expenses

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	1,281	1,288
Purchase of healthcare from non-NHS and non-DHSC bodies	2,948	4,195
Staff and executive directors costs	201,655	203,279
Remuneration of non-executive directors	78	95
Supplies and services - clinical (excluding drugs costs)	3,185	3,406
Supplies and services - general	2,845	3,287
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	2,684	2,809
Inventories written down	18	17
Consultancy costs	1,072	955
Establishment	6,359	6,813
Premises	21,221	20,963
Transport (including patient travel)	293	329
Depreciation on property, plant and equipment	7,291	7,030
Amortisation on intangible assets	211	108
Net impairments	(3,262)	9,571
Increase/(decrease) in provision for impairment of receivables	34	126
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	58	157
Audit fees payable to the external auditor		
audit services- statutory audit	52	52
other auditor remuneration (external auditor only)	8	11
Internal audit costs	153	174
Clinical negligence	1,129	1,073
Legal fees	266	313
Insurance	15	14
Research and development	618	503
Education and training	2,545	3,029
Rentals under operating leases	5,076	7,184
Early retirements	104	90
Redundancy	395	189
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	459	502
Hospitality	24	12
Other services, e.g. external payroll	353	460
Other	316	53
Total	**259,484**	**278,087**
Of which:		
Related to continuing operations	259,484	278,087
Related to discontinued operations	-	-

Note 6.2 Other auditor remuneration

	2017/18	2016/17
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the Trust	-	-
2. Audit-related assurance services	8	11
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**8**	**11**

Note 6.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2017/18 or 2016/17.

Note 7 Impairment of assets

	2017/18	2016/17
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price *	(6,206)	8,204
Other **	2,944	1,367
Total net impairments charged to operating surplus / deficit	**(3,262)**	**9,571**
Impairments charged to the revaluation reserve	(2,877)	6,040
Total net impairments	**(6,139)**	**15,611**

* Changes in market price relate to impairment reversals as a result of the 3-yearly buildings revaluation undertaken by the District Valuer, as at 31st March 2018

** Other impairments relate to subsequent valuations following capital investment in leased and owned buildings; as advised by the District Valuer

Note 8 Employee benefits

	2017/18 Total £000	2016/17 Total £000
Salaries and wages	159,870	159,974
Social security costs	14,186	14,386
Apprenticeship levy	769	-
Employer's contributions to NHS pensions	20,080	20,660
Pension cost - other	107	106
Termination benefits	328	348
Temporary staff (including agency)	10,310	10,984
Total gross staff costs	**205,650**	**206,458**
Recoveries in respect of seconded staff	**-**	-
Total staff costs	**205,650**	**206,458**
Of which		
Costs capitalised as part of assets	981	408

Note 8.1 Retirements due to ill-health

During 2017/18 there were 5 early retirements from the Trust agreed on the grounds of ill-health (6 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £556k (£438k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

c) 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 2018, 83 employees were members of NEST.

Note 10 Operating leases

Note 10.1 Leicestershire Partnership NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Leicestershire Partnership NHS Trust is the lessor.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Minimum lease receipts	533	465
Contingent rent	-	-
Other	-	-
Total	**533**	**465**

	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	926	890
- later than one year and not later than five years;	2,301	2,344
- later than five years.	846	843
Total	**4,073**	**4,077**

Note 10.2 Leicestershire Partnership NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Leicestershire Partnership NHS Trust is the lessee.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	5,076	7,184
Contingent rents	-	-
Less sublease payments received	-	-
Total	**5,076**	**7,184**

	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	4,388	4,532
- later than one year and not later than five years;	13,629	13,539
- later than five years.	7,041	7,270
Total	**25,058**	**25,341**
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2017/18 £000	2016/17 £000
Interest on bank accounts	31	16
Total	**31**	**16**

Note 12.1 Finance expenditure

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

	2017/18 £000	2016/17 £000
Interest expense:		
Loans from the Department of Health and Social Care	78	54
Main finance costs on PFI and LIFT schemes obligations	656	670
Contingent finance costs on PFI and LIFT scheme obligations	249	210
Total interest expense	**983**	**934**
Unwinding of discount on provisions	3	18
Other finance costs	-	-
Total finance costs	**986**	**952**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

The Trust did not incur any charges for late payment of commercial debts in 2017/18 or 2016/17

Note 13 Other gains / (losses)

	2017/18 £000	2016/17 £000
Gains on disposal of assets	-	-
Losses on disposal of assets	(83)	(67)
Total other gains / (losses)	**(83)**	**(67)**

Note 14 Discontinued operations

The Trust did not discontinue any of its operations in 2017/18

Note 15 Intangible assets - 2017/18

	Software licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - brought forward	**131**	**242**	**482**	**1,314**	**2,169**
Additions	-	-	20	416	**436**
Reclassifications	-	-	1,072	(1,072)	**-**
Gross cost at 31 March 2018	**131**	**242**	**1,574**	**658**	**2,605**
Amortisation at 1 April 2017 - brought forward	**102**	**74**	**414**	**-**	**590**
Provided during the year	25	45	141	-	**211**
Amortisation at 31 March 2018	**127**	**119**	**555**	**-**	**801**
Net book value at 31 March 2018	**4**	**123**	**1,019**	**658**	**1,804**
Net book value at 1 April 2017	**29**	**168**	**68**	**1,314**	**1,579**

Note 15.1 Intangible assets - 2016/17

	Software licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	**131**	**87**	**482**	**-**	**700**
Valuation / gross cost at 1 April 2016 - restated	**131**	**87**	**482**	**-**	**700**
Additions	-	155	-	1,314	**1,469**
Valuation / gross cost at 31 March 2017	**131**	**242**	**482**	**1,314**	**2,169**
Amortisation at 1 April 2016 - as previously stated	**77**	**68**	**337**	**-**	**482**
Prior period adjustments	**-**	**-**	**-**	**-**	**-**
Amortisation at 1 April 2016 - restated	**77**	**68**	**337**	**-**	**482**
Provided during the year	**25**	**6**	**77**	**-**	**108**
Amortisation at 31 March 2017	**102**	**74**	**414**	**-**	**590**
Net book value at 31 March 2017	**29**	**168**	**68**	**1,314**	**1,579**
Net book value at 1 April 2016	**54**	**19**	**145**	**-**	**218**

Note 16.1 Property, plant and equipment - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - brought forward	**45,502**	**122,691**	**4,522**	**5,544**	**20,401**	**3,164**	**201,824**
Transfers by absorption	-	-	-	-	-	-	**-**
Additions	-	2,831	617	578	2,073	51	**6,150**
Impairments	-	(5,432)	-	-	-	-	**(5,432)**
Reversals of impairments	-	11,380	-	-	-	-	**11,380**
Revaluations	285	9,948	-	-	-	-	**10,233**
Reclassifications	-	1,862	(3,224)	-	1,362	-	**-**
Transfers to/ from assets held for sale	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(784)	(2,928)	(1,086)	**(4,798)**
Valuation/gross cost at 31 March 2018	**45,787**	**143,280**	**1,915**	**5,338**	**20,908**	**2,129**	**219,357**
Accumulated depreciation at 1 April 2017 - brought forward	**-**	**250**	**-**	**2,656**	**8,943**	**1,975**	**13,824**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provided during the year	**-**	**3,816**	**-**	**496**	**2,716**	**263**	**7,291**
Impairments	-	(412)	-	-	-	-	**(412)**
Reversals of impairments	-	221	-	-	-	-	**221**
Revaluations	-	(3,727)	-	-	-	-	**(3,727)**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(762)	(2,903)	(1,050)	**(4,715)**
Accumulated depreciation at 31 March 2018	**-**	**148**	**-**	**2,390**	**8,756**	**1,188**	**12,482**
Net book value at 31 March 2018	**45,787**	**143,132**	**1,915**	**2,948**	**12,152**	**941**	**206,875**
Net book value at 1 April 2017	**45,502**	**122,441**	**4,522**	**2,888**	**11,458**	**1,189**	**188,000**

Note 16.2 Property, plant and equipment - 2016/17

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	**46,622**	**136,052**	**6,750**	**4,892**	**19,298**	**3,344**	**216,958**
Prior period adjustments	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2016 - restated	**46,622**	**136,052**	**6,750**	**4,892**	**19,298**	**3,344**	**216,958**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	6,488	2,150	928	1,103	120	**10,789**
Impairments	-	(14,706)	-	-	-	-	**(14,706)**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	(5)	(7,444)	-	-	-	-	**(7,449)**
Reclassifications	-	4,916	(4,378)	(238)	-	(300)	**-**
Transfers to / from assets held for sale	(1,115)	(2,473)	-	-	-	-	**(3,588)**
Disposals / derecognition	-	(142)	-	(38)	-	-	**(180)**
Valuation/gross cost at 31 March 2017	**45,502**	**122,691**	**4,522**	**5,544**	**20,401**	**3,164**	**201,824**
Accumulated depreciation at 1 April 2016 - as previously stated	**-**	**4,574**	**-**	**2,416**	**6,524**	**1,863**	**15,377**
Prior period adjustments	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2016 - restated	**-**	**4,574**	**-**	**2,416**	**6,524**	**1,863**	**15,377**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provided during the year	**-**	**3,948**	**-**	**390**	**2,419**	**273**	**7,030**
Impairments	-	(606)	-	-	-	-	**(606)**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	(7,711)	-	-	-	-	**(7,711)**
Reclassifications	-	276	-	(115)	-	(161)	**-**
Transfers to/ from assets held for sale	-	(153)	-	-	-	-	**(153)**
Disposals/ derecognition	-	(78)	-	(35)	-	-	**(113)**
Accumulated depreciation at 31 March 2017	**-**	**250**	**-**	**2,656**	**8,943**	**1,975**	**13,824**
Net book value at 31 March 2017	**45,502**	**122,441**	**4,522**	**2,888**	**11,458**	**1,189**	**188,000**
Net book value at 1 April 2016	**46,622**	**131,478**	**6,750**	**2,476**	**12,774**	**1,481**	**201,581**

Note 16.3 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018							
Owned - purchased	45,787	133,413	1,915	2,948	12,152	941	**197,156**
Finance leased	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	9,192	-	-	-	-	**9,192**
PFI residual interests	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	**-**
Owned - donated	-	527	-	-	-	-	**527**
NBV total at 31 March 2018	**45,787**	**143,132**	**1,915**	**2,948**	**12,152**	**941**	**206,875**

Note 16.4 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017							
Owned - purchased	45,502	114,397	4,522	2,882	11,458	1,189	**179,950**
Finance leased	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	7,619	-	-	-	-	**7,619**
PFI residual interests	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	**-**
Owned - donated	-	425	-	6	-	-	**431**
NBV total at 31 March 2017	**45,502**	**122,441**	**4,522**	**2,888**	**11,458**	**1,189**	**188,000**

Note 17 Donations of property, plant and equipment

The Trust was donated £100,000 from its Charity (Raising Health), to enhance the environment at the Evington Centre

Note 18 Revaluations of property, plant and equipment

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 hence the requirement for a full asset valuation in 2017/18. The impact of the most recent valuation on this year's accounts is an increase in asset base of £25,119,000; comprising of land (£285,000) and buildings (£24,834,000). The buildings increase of 21% is due to the annual increase in both the Building Cost Information Services (BCIS) indices and the East Midlands location factor (2017/18 BCIS: 318 and Location Factor 102). The buildings valuation was undertaken using the Modern Equivalent Asset approach.

Note 19 Investment Property

The Trust did not hold any investment property as at 31st March 2018 or 31st March 2017

Note 20 Investments in associates and joint ventures

The Trust did not have any investments in associates or joint ventures as at 31st March 2018 or 31st March 2017

Note 21 Other investments / financial assets

The Trust did not hold any other investments or financial assets as at 31st March 2018 or 31st March 2017

Note 22 Disclosure of interests in other entities

The Trust did not have any interests in other entities as at 31st March 2018 or 31st March 2017

Note 23 Inventories

	2018 £000	2017 £000
Drugs	226	205
Work In progress	-	-
Consumables	80	84
Energy	-	-
Other	-	-
Total inventories	**306**	**289**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £2,208,000 (2016/17: £2,256,000). Write-down of inventories recognised as expenses for the year were £18,000 (2016/17: £17,000).

Note 24 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	9,287	9,952
Capital receivables (including accrued capital related income)	100	-
Accrued income	2,423	893
Provision for impaired receivables	(214)	(202)
Prepayments (non-PFI)	1,732	1,742
PDC dividend receivable	96	195
VAT receivable	583	621
Other receivables	251	179
Total current trade and other receivables	**14,258**	**13,380**
Non-current		
PFI lifecycle prepayments	580	526
Total non-current trade and other receivables	**580**	**526**
Of which receivables from NHS and DHSC group bodies:		
Current	9,132	8,980
Non-current	-	-

Note 24.1 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	**202**	**80**
Prior period adjustments	-	-
At 1 April - restated	**202**	**80**
Transfers by absorption	-	-
Increase in provision	48	67
Amounts utilised	(22)	(4)
Unused amounts reversed	(14)	59
At 31 March	**214**	**202**

Note 24.2 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
Ageing of impaired financial assets	**£000**	**£000**	**£000**	**£000**
0 - 30 days	-	-	-	-
30-60 Days	-	-	-	-
60-90 days	-	-	-	-
90- 180 days	11	-	1	-
Over 180 days	203	-	202	-
Total	**214**	**-**	**203**	**-**
Ageing of non-impaired financial assets past their due date				
0 - 30 days	787	-	341	-
30-60 Days	358	-	390	-
60-90 days	257	-	781	-
90- 180 days	838	-	1,644	-
Over 180 days	537	-	1,153	-
Total	**2,777**	**-**	**4,309**	**-**

Note 25 Other assets

The Trust did not hold any other assets

Note 26 Non-current assets held for sale and assets in disposal groups

	2017/18	2016/17
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	1,497	-
Prior period adjustment	-	-
disposal groups at 1 April - restated	**1,497**	**-**
Assets classified as available for sale in the year	-	3,435
Assets sold in year	(1,497)	(427)
Impairment of assets held for sale	-	(1,511)
disposal groups at 31 March	**-**	**1,497**

The property disposal during the year of £1,497,000 relates to Mill Lodge, Kegworth

Note 27 Liabilities in disposal groups

The Trust had no liabilities in disposal groups in 2017/18 or 2016/17

Note 28.1 Cash and cash equivalents movements

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

	2017/18	2016/17
	£000	£000
At 1 April	**2,992**	**7,209**
Prior period adjustments	-	-
At 1 April (restated)	**2,992**	**7,209**
Net change in year	731	(4,217)
At 31 March	**3,723**	**2,992**
Broken down into:		
Cash at commercial banks and in hand	57	56
Cash with the Government Banking Service	3,666	2,936
Total cash and cash equivalents as in SoFP	**3,723**	**2,992**
Total cash and cash equivalents as in SoCF	**3,723**	**2,992**

Note 28.2 Third party assets held by the Trust

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

	31 March 2018	31 March 2017
	£000	£000
Bank balances	29	23
Monies on deposit	60	136
Total third party assets	**89**	**159**

Note 29.1 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	1,329	6,596
Capital payables	1,524	2,281
Accruals	5,988	4,841
Social security costs	2,235	2,210
Other taxes payable	1,615	1,562
Accrued interest on loans	28	27
Other payables *	2,736	2,756
Total current trade and other payables	**15,455**	**20,273**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	3,364	5,038
Non-current	-	-

* Other payables include £2,700,000 for outstanding pension contributions (2016/17: £2,756,000)

Note 29.2 Early retirements in NHS payables above

The Trust does not have any payables liabilities relating to early retirements in 2017/18 or 2016/17

Note 30 Other financial liabilities

The Trust does not have any other financial liabilities in 2017/18 or 2016/17

Note 31 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	394	496
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Total other current liabilities	**394**	**496**
Non-current		
Deferred income	-	-
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	**-**	**-**

Note 32 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	163	163
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	231	226
Total current borrowings	**394**	**389**
Non-current		
Loans from the Department of Health and Social Care	3,674	3,837
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts	8,244	8,476
Total non-current borrowings	**11,918**	**12,313**

Note 33 Finance leases

Other than PFI and LIFT schemes, the Trust does not have any finance leases

Note 34 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2017	**243**	**61**	**315**	**1,613**	**2,232**
Change in the discount rate	39	-	-	19	**58**
Arising during the year	-	41	208	172	**421**
Utilised during the year	(105)	(14)	(277)	(218)	**(614)**
Reversed unused	(1)	(24)	(38)	(180)	**(243)**
Unwinding of discount	-	-	-	3	**3**
At 31 March 2018	**176**	**64**	**208**	**1,409**	**1,857**
Expected timing of cash flows:					
- not later than one year;	56	64	208	295	**623**
- later than one year and not later than five years;	116	-	-	309	**425**
- later than five years.	4	-	-	805	**809**
Total	**176**	**64**	**208**	**1,409**	**1,857**

	£000
Other provisions	
Annual Leave	92
HR tribunals	125
Injury benefit provision	1,192
	1,409

Note 34.1 Clinical negligence liabilities

At 31 March 2018, £14,462,000 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Leicestershire Partnership NHS Trust (31 March 2017: £15,515,000).

Note 35 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	(45)	(56)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**(45)**	**(56)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(45)**	**(56)**
Net value of contingent assets	-	-

Note 36 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	680	2,076
Intangible assets	-	751
Total	**680**	**2,827**

Note 37 Other financial commitments

The Trust does not have any other financial commitments as at 31st March 2018

Note 38 Defined benefit pension schemes

The Trust only participates in the two defined pension benefit schemes, as disclosed at Note 9

Note 39 On-SoFP PFI, LIFT or other service concession arrangements

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 £1,297,000 for the period to March 2018. 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 £7,554,000 as at 31 March 2018, with a corresponding liability of £7,265,000. At the end of the 30 year concession period the Trust will own the asset.

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 £1,638,000. 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).

Note 39.1 Imputed finance lease obligations

Leicestershire Partnership NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	**16,174**	**17,056**
Of which liabilities are due		
- not later than one year;	869	882
- later than one year and not later than five years;	3,425	3,452
- later than five years.	11,880	12,722
	16,174	17,056
Less finance charges allocated to future periods	(7,699)	(8,354)
Net PFI, LIFT or other service concession arrangement obligation	**8,475**	**8,702**
- not later than one year;	231	226
- later than one year and not later than five years;	1,067	1,013
- later than five years.	7,177	7,463
	8,475	**8,702**

Note 39.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**39,645**	**41,236**
Of which liabilities are due:		
- not later than one year;	1,629	1,590
- later than one year and not later than five years;	6,935	6,766
- later than five years.	31,081	32,880
	39,645	**41,236**

Note 39.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	**1,590**	**1,549**
Consisting of:		
- Interest charge	656	670
- Repayment of finance lease liability	226	167
- Service element and other charges to operating expenditure	459	502
- Capital lifecycle maintenance	-	-
- Revenue lifecycle maintenance	-	-
- Contingent rent	249	210
- Addition to lifecycle prepayment	-	-
Total amount paid to service concession operator	**1,590**	**1,549**

Note 40 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust does not have any Off-SoFP PFI, LIFT and other service concession arrangements

Note 40 Financial instruments

Note 41.1 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.

Note 41.2 Carrying values of financial assets

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2018					
Embedded derivatives	-	-	-	-	**-**
Trade and other receivables excluding non financial assets	11,779	-	-	-	**11,779**
Other investments / financial assets	-	-	-	-	**-**
Cash and cash equivalents at bank and in hand	3,723	-	-	-	**3,723**
Total at 31 March 2018	**15,502**	**-**	**-**	**-**	**15,502**

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	-	-	-	-	**-**
Trade and other receivables excluding non financial assets	10,627	-	-	-	**10,627**
Other investments / financial assets	-	-	-	-	**-**
Cash and cash equivalents at bank and in hand	2,992	-	-	-	**2,992**
Total at 31 March 2017	**13,619**	**-**	**-**	**-**	**13,619**

Note 41.3 Carrying value of financial liabilities

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	**-**
Borrowings excluding finance lease and PFI liabilities	3,837	-	**3,837**
Obligations under finance leases	-	-	**-**
Obligations under PFI, LIFT and other service concession contracts	8,475	-	**8,475**
Trade and other payables excluding non financial liabilities	8,846	-	**8,846**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2018	**21,158**	**-**	**21,158**

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2017			
Embedded derivatives	-	-	**-**
Borrowings excluding finance lease and PFI liabilities	4,000	-	**4,000**
Obligations under finance leases	-	-	**-**
Obligations under PFI, LIFT and other service concession contracts	8,702	-	**8,702**
Trade and other payables excluding non financial liabilities	13,718	-	**13,718**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2017	**26,420**	**-**	**26,420**

Note 41.4 Fair values of financial assets and liabilities

The Trust deems book value (carrying value) to be a reasonable approximation of fair value

Note 41.5 Maturity of financial liabilities

	31 March 2018	31 March 2017
	£000	£000
In one year or less	9,240	14,108
In more than one year but not more than two years	394	390
In more than two years but not more than five years	1,182	1,170
In more than five years	10,342	10,752
Total	**21,158**	**26,420**

Note 42 Losses and special payments

	2017/18		2016/17	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	1	0
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	21	23	15	5
Stores losses and damage to property	12	18	12	17
Total losses	**33**	**41**	**28**	**22**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	29	18	40	38
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**29**	**18**	**40**	**38**
Total losses and special payments	**62**	**59**	**68**	**60**
Compensation payments received		-		-

Note 43 Gifts

The Trust did not make any gifts in either 2017/18 or 2016/17

Note 44 Related parties

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 and Social Care 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 of Health and Social Care 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'. Because the value of the Trust's charitable funds is not material to the accounts (£2m), the Trust will follow the same approach as last year and not consolidate its charitable funds into the exchequer accounts for 2017/18.

Note 45 Transfers by absorption

The Trust has not undertaken any transfers by absorption during 2017/18

Note 46 Prior period adjustments

The Trust has not undertaken any prior period adjustment other than the reclassification of prior year comparators as instructed by the Department of Health.

Note 47 Events after the reporting date

No events after the reporting date have been identified

Note 48 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	34,806	103,209	40,894	135,804
Total non-NHS trade invoices paid within target	29,626	95,326	39,663	129,803
target	85.12%	92.36%	96.99%	95.58%
NHS Payables				
Total NHS trade invoices paid in the year	960	54,796	1,227	53,491
Total NHS trade invoices paid within target	770	49,975	1,145	52,085
Percentage of NHS trade invoices paid within target	80.21%	91.20%	93.32%	97.37%

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 valid invoice, whichever is later.

Note 49 External financing

The Trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	(1,012)	8,814
Finance leases taken out in year	0	0
Other capital receipts	0	(204)
External financing requirement	**(1,012)**	**8,610**
External financing limit (EFL)	483	8,610
Under / (over) spend against EFL	**1,495**	**0**

Note 50 Capital Resource Limit

	2017/18 £000	2016/17 £000
Gross capital expenditure	6,586	12,260
Less: Disposals	(1,580)	(494)
Less: Donated and granted capital additions	(100)	-
Plus: Loss on disposal of donated/granted assets	-	-
Charge against Capital Resource Limit	4,906	11,766
Capital Resource Limit	7,170	11,863
Under / (over) spend against CRL	2,264	97

Note 51 Breakeven duty financial performance

	2017/18 £000
Adjusted financial performance surplus / (deficit) (control total basis)	4,675
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2016/17 post-accounts STF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	67
Breakeven duty financial performance surplus / (deficit)	4,742

See Note 52 on breakeven duty financial performance calculation

Note 52 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,732	1,700	6,562	4,228	2,911	2,626	1,356	2,244	4,742 *
Breakeven duty cumulative position	1,080	2,812	4,512	11,074	15,302	18,213	20,839	22,195	24,439	29,181
Operating income		138,873	138,466	282,464	281,886	267,367	273,950	275,422	277,664	274,503
Cumulative breakeven position as a percentage of operating income		2.02%	3.26%	3.92%	5.43%	6.81%	7.61%	8.06%	8.80%	10.63%

* The 2017/18 breakeven duty in-year financial performance of £4,742k is calculated on the break-even duty basis which includes adjustments for IFRIC 12. This is different to the adjusted financial performance surplus (NHS control total). In previous years the IFRIC 12 adjustment also formed part of the adjusted financial performance surplus NHS control total.

Appendix B: Annual Governance Statement

Leicestershire Partnership NHS Trust (RT5)

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

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

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

The Board is accountable for internal control. As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust 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 two Non-Executive Directors. 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 Operational Planning and Contracting Guidance 2017 – 2019.

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 some 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 two further Non-Executive Directors making up committee 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, achievements, and challenges faced by the Committees are covered within the annual reports of Committees to Trust Board, and prior to this when the work of the Committees is reviewed by the A&AC with the Chair and Executive lead of each Board Committee being in attendance.

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.

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 ie The Professional Standards Authority's "Standards for members of NHS boards and Clinical Commissioning Group governing bodies in England", November 2013. This review includes self-certification checks for Fit and Proper Persons standards along with ongoing compliance work. Commencing with the 26 May 2017 meeting the Board self-certifies the Trust's compliance with the NHS Provider licence conditions.

The Trust has a robust process in place for monitoring the efficiency of the use of resources, most obviously through the Cost Improvement Programme (CIP). The CIP Outcome Panel reviews, challenges and approves CIP schemes as part of the financial planning process and undertakes in year delivery and performance reviews of schemes. Quarterly progress is reported to FPC and then on to the Trust Board through the FPC highlight report.

The Trust has a well-established expenditure control process whereby any expenditure over £250 needs director level approval. The requirement to use purchase orders for applicable spend is also embedded. Both of these processes, together with the use of the authorised delegation limits and procurement requirements in the Trust's Standing Financial Instructions (SFIs), ensure that the Trust minimises unnecessary spend and ensures that value for money is considered before spend is incurred.

The LPT Finance Strategy (2015/16 – 2019/20) describes the importance of embedding a value for money culture within the organisation, through financial training and awareness, multi-professional working, an open and transparent approach around our challenges, advanced partnership working, using research, learning and best practice. The Trust is a member of the HFMA healthcare costing for value institute.

The Local Audit and Accountability Act 2014 requires auditors of NHS Bodies to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements. KPMG, as LPT's external auditors, are required to provide the Trust with a Value For Money conclusion as part of the annual accounts audit.

During the reporting period the following changes in personnel of executives and non-executives has taken place:

Non-Executives:
Leavers: Professor James Lindesay (up to 31 July 2017); Mr David Mell (up to 31 August 2017)

Joiners: Dr Claire Gibson (from 1 August 2017); Mr Faisal Hussain (from 1 October 2017)

Executives:
Leavers: Dr Pete Cross, Director of Finance (up to 7 January 2018); Mr Alan Duffell, Director of Human Resources and Organisational Development (up to 4 April 2017)

Joiners: Ms Sharon Murphy, Interim Director of Finance (from 8 January 2018); Sarah Willis, Director of Human Resources and Organisational Development (from 5 April 2017)

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 2017/18 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 system of internal control has been in place in the organisation for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

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
- 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.

The Risk Management Strategy presented to the board in October 2017 contains a risk management statement. Risk appetite can be defined as the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives, risk appetite and tolerance need to be high on any board's agenda and is a core consideration of a risk management approach. However, risk appetite is bespoke to each and every activity that supports the delivery of a strategic objective. The Board agreed in March 2018 to receive an exception report at the end of each quarter to consider those corporate risks that have been consistently high during the quarter. The risks considered for presentation to the Trust Board will be reviewed in detail by the responsible Board Committee prior to inclusion in the exception report.

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 of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the organisation that have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and its committees. 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
- SI 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
- 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 eg Healthwatch "Enter and View" visits
- Trust responses to external inquiries and reports
- Trust commissioned reviews of services
- Freedom to Speak up Guardian
- Guardian of Safe Working Hours
- The Data Quality Improvement 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 outcomes following the Trust's CQC core inspection undertaken in October 2017

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 their portfolio risks covering operational eg workforce vacancies and recruitment, strategic, and financial eg delivery of service financial plans and sustainability.
- NHS Provider Licence Self-Certification report to the Trust Board (May 2017).

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 2017/18 were:

- Trust Board review workshops on the progress of well-led both at service level and corporate using the NHS Improvement's well-led framework and expert external facilitation resources.
- 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.
- AMH/LD All Age Transformation Programme.
- Improving our governance and processes for Mental Capacity Act usage and compliance.
- Co-ordinating CHS Transformation Programme.
- Improving Delayed Discharge of Care working with all key partners.

- Embedding the actions in Services following the outcomes of the CQC core inspection in October 2017.
- Review of the Trust's Clinical Strategy, the Enterprise Framework, the People strategy, the R&D Strategy, the Communications Strategy, and 2017/18 Quality Accounts.
- Development and delivery of the Trust-wide financial recovery plan.
- Participation in the first wave cohort review of Operational Productivity in Community and Mental Health Trusts, led by Lord Carter, to support the development of a 'Model Hospital' for the sector.
- Annual review and approval of the Trust's Risk Management Strategy and Framework.
- Following the Grenfell fire, a review of our estate assessed that there was no risk posed by cladding on buildings used by our services.
- 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.
- Receiving quarterly reports from the Mortality Surveillance Group (MSG) in order to further embed the Trust's approach to mortality governance, including the enhancement of information systems, local level mortality and morbidity review groups.

The Trust assures the quality and effectiveness of elective wait times through the local management of waiting lists and directorate oversight; and executive scrutiny at the FPC. Accuracy risks are highlighted using the information assurance framework and formal risks are managed through the Trust's risk register and supported through standard operating procedures (SOPs).

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The 2017/18 Quality Accounts will provide assurances about how we have achieved quality outcomes for the year 2017/18, and identify our clinical quality priorities for 2018/19 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 2017/18 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 Improvement's letter to Chief Executives dated 26 January 2018. 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 patient safety incidents resulting in severe harm or death

The final Quality Account will be presented to Trust Board on 22 May 2018 for approval, prior to being published on NHS Choices by 30 June 2018.

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

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

The Trust undertakes risk assessments and carbon reduction delivery initiatives especially for new builds. There is a Sustainability Champion Group and the Sustainability Development Plan for the Trust is reviewed in this governance forum. The Trust, like all NHS organisations, is aware of its duty under the Climate Change Act 2008 to contribute to the 80% target for carbon reduction by 2050. It is continually considering all options to improve its carbon management and help the transition towards a low carbon economy in the UK.

Mandatory Training

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

The register provides assurance that there is a central reference point for approval and removal of mandatory training topics. Each topic identified within the register

consists of a course outline and training delivery plan those which are included in the Skills for Health Core Skills Training Framework ("CSTF") have also been be mapped to their requirements 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. The Trust is a member of the reference group.

A Learning and Development 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.

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. 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 2017/18.

In order to support our new Line Managers to be competent in their roles 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. 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 satisfactory. 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:

- Clinical supervisors' masterclasses provide attendees 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, and promotional campaign materials 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.
- 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.

Following feedback through an LiA the Clinical Supervision Policy was amended and to increase the emphasis on the variety of methods to undertake clinical supervision.

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 2018/19 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 2017/18 the significant control reportable, regulatory, or reputational issues were:

CQC Inspections

The Care Quality Commission (CQC) published its findings on 23 January 2018 following its inspection of five Core Services (October 2017) and completion of a 'Well-led inspection' (November 2017). The Trust has responded to the six Requirement Notices, which resulted in 19 'must-do' statutory actions with a range of improvement measures. These actions have been combined with any remaining open actions from the 2016 comprehensive inspection to establish the 'CQC Action Plan'. During February 2018 all Senior Responsible Owner's (SRO) completed a baseline assessment of progress to date against their agreed actions. In line with the revised governance arrangements whilst relevant corporate governance committee/groups have been made aware of their oversight for relevant CQC actions, and are now provide the QAC with an assurance rating to strengthen the assurance review cycle.

The Trust has not participated in any special reviews or investigations by the CQC in 2017/18 and is fully compliant with the registration requirements of the CQC.

HM Coroner

During 2017/18 the Trust received one Prevention of Future Death (PFD) Report under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013 Coroners and Justice Act 2009. 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.

When concerns are raised by the Coroner at inquests they are considered and responded to by the Chief Executive within the timeline set-out by the Regulation 28.

Any emerging themes are also considered for actions to be considered wider than the specific team or service provision. All Regulation 28 letters, and the Chief Executive's responses, are shared with our Clinical Commissioning Groups and the CQC.

Red Rated Serious Incidents (SIs)

Homicides

There have been no homicides this year.

In-patient Deaths

An In-Patient who had been admitted to the Bradgate Unit become unresponsive and subsequently died on the ward. The cause of death was confirmed as a Pulmonary Embolism.

An In-Patient who was on leave from the Bradgate Unit contacted his wife and informed her he was going to take his own life. He subsequently died on a local main road.

An In-Patient on leave from the Child and Adolescent In-Patient unit was found hanging at the stables she used to stable her horses.

An In-Patient was found during observations whilst asleep to have passed away. The cause of death has been confirmed as the Sudden Unexpected Death of an Epileptic Patient.

An Informal patient on leave from the Bradgate Unit jumped from a City Centre car park.

Information Governance

During 2017-18 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, although one was later downgraded to a Level 1 IG SIRI.

A Community Psychiatric Nurse reported leaving their work diary on their desk whilst going for a lunchtime walk. On returning to the office the diary could not be located. The diary contained patient names, address and post codes, and two hand written mental health core assessments. This was later downgraded by the Commissioners

as there was not enough evidence to suggest that the diary had left secure premises.

A CAMHS Family Therapy report was sent to the wrong home address, which was that of another child under the CAMHS Family Therapy service

A referral from the Hospice at Home Service was transmitted via fax to an accountant's office in error.

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. Outcomes have been targeted communication campaigns, and the review of procedures and local training.

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 is fully compliant.

NHS Counter Fraud Authority 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 14 significant assurance reports issued by Internal Audit there were 3 limited assurance reports for:

- Community CAMHS Community CQC Response – Risk Assessment and Care Planning
- Regulatory Framework Children and Young People with ED: Data Quality
- Preparedness for General Data Protection Regulations

and 1 split opinion limited assurance report covering:

- Quality Account

All limited or split assurance reports are considered by the Executive lead, lead service manager, and by the pertinent Board corporate governance assurance group.

There is an agreed scheduled follow-up from Internal Audit for their assurance of actions taken to complete the risk management recommendations. The A&AC receives regular updates on the overall status of progress for the remaining outstanding actions post the internal audit follow-up review. During the reporting year some slippage was seen in dealing with the follow-up actions in the management agreed timeline and this has resulted in a moderate opinion assurance for follow-ups within the overall Head of Internal Audit Significant Assurance opinion. The Trust's Executive team has reviewed the matter and there will now be increased scrutiny of the initial Terms of reference for reviews, and the subsequent management plan for actions identified by internal audit, and their subsequent monitoring by services. In the meantime the outstanding actions post follow-up review have been reduced significantly.

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. The significant internal control issues identified and previously described in the body of my Annual Governance Statement are:

- The Trust received six Requirement Notices following the CQC inspection of five Core Services (October 2017) and completion of a 'Well-led inspection' (November 2017). The Trust has responded to the six Requirement Notices, which resulted in 19 'must-do' statutory actions with a range of improvement measures. These actions have been combined with any remaining open actions from the 2016 comprehensive inspection to establish the 'CQC Action Plan'.
- The Trust received one Prevention of Future Death (PFD) Report under Regulations 28 and 29 of the Coroners (Investigations) Regulations 2013 Coroners and Justice Act 2009 and the Chief Executive Officer responded within timescale with assurances for addressing concerns raised.
- 5 inpatient deaths were seen in 2017/18 and all have been the subject of SIs to see what lessons can be learned and shared.

- During 2017-18 there were three incidents in relation to the mishandling of personal identifiable data and all have been reviewed for organisational learning.
- During 2017-18 the Trust was issued with 3 limited and 1 split opinion limited assurance internal audit reports with actions and timelines agreed for any risks identified.

Annex: BAF Risk Summary Table for 2017/18

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

Signature 

Date **22 May 2018**

Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
CRR/3 /1932	Inability to achieve sufficient workforce supply to deliver the workforce requirements set out within the Trust business plan and people strategy. Links to risks 1037, 1038, 2515 and the safer staffing risk. The inability to supply workforce due to national staffing shortages, increased competition for clinical posts. Has an impact on safe staffing levels, workforce wellbeing and requirements for using bank and agency staff. Workforce resourcing has become one of the largest concerns and risks, both nationally and locally for NHS Trusts. A recent NHS Providers survey indicated that 55% of chairs and CEOs said they were either worried or very worried as to whether their trust has the right numbers, quality and mix of staff to deliver high quality healthcare, looking forward, they expected to see a deteriorating rather than an improving position. Although this is also a significant issue within LPT, we continue to ensure our services are staffed safely, largely through local mitigating actions and/or using temporary staffing, where required or appropriate. However, it is recognised that workforce supply issues often impact upon; morale, staff engagement, workload, stress and finances. As such, the Trust has been implementing a number of agreed initiatives, following the development of the Recruitment & Retention approach,	↑	High (Red) 20	High (Red) 16	DoHR/OD	SWG	11	✓
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	Moderate 12	DD AMH.LD	QAC	28	✓
CRR/4 /2133	Risk of failure to deliver current year overall financial plan and statutory financial duties	↔	High (Red) 20	Moderate 12	DoF	FPC	9	✓
CRR/1 /2235	The Trust is unable to demonstrate compliance with the EU General Data Protection Regulation (GDPR) when it is enforced on 25 May 2018 leading to the potential of regulatory action being taken against the organisation. Whilst the Trust is compliant with the current Data Protection Law, the changes and new requirements set out in the revised Law presents a significant resource challenge.	↔	High (Red) 16	Moderate 12	CN/DepCEO	FPC	6	✗
CRR/4 /729	There is a risk that insufficient capacity and capability within the Information Team will impact on the ability to respond at pace to the existing/ emerging reporting against local, contractual and mandatory information requirements; which could adversely affect patient outcomes where information is required to make decisions. This is a child risk of 1119 - Data Quality	↔	High (Red) 16	Moderate 12	CN/DepCEO	QAC	65	✓
CRR/2 /2403	Delayed Transfer of Care (DToC) is high in most of the inpatient areas in LPT reducing the bed flow within LPT and in the LLR system	↔	High (Red) 16	Moderate 12	MD	FPC	4	✓
CRR/3 /2515	Inability to retain a workforce to support services that the Trust delivers will damage ability of Trust to deliver operational success, whilst making opportunity and other costs to provide services more expensive. Links to staff engagement risk 1037.	↑	High (Red) 16	Moderate 12	DoHR/OD	SWG	2	✓
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 revised new risk 1932 for workforce actions)	↑	High (Red) 16	Moderate 12	CN/DepCEO	QAC	28	✓
CRR/1 /1964	If the trust's restrictive intervention reduction programme is not sufficiently well led and embedded staff may not work in a positive and pro-active way. Failure to implement the programme may result in the inappropriate use of restrictive practices and non compliance with the guidance set out by the Department of Health in Positive and Proactive Care. (2014) .	↔	High (Red) 16	Moderate 12	CN/DepCEO	QAC	10	✓
CRR/1 /1119	There is a risk we cannot assure ourselves of the accuracy and validity of all information we provide from our patient information systems; which could adversely affect patient outcomes where information is required to make decisions. This 'umbrella' corporate data quality risk is directly affected by a number of other individual risks as follows:	↔	High (Red) 16	Moderate 12	CN/DepCEO	FPC	39	✓

Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
	CHS Data Entry (T1 Risk 1525) due May 2018 FYPC Data Entry (T1 Risk 1199) due May 2018 AMHLD data Entry (T1 Risk 1197) due April 2018 Reporting Capacity (Corporate Risk 729) due May 2018 Systems (T1 Risk 657) no known actions SystmOne Data (T1 Risk 1896) due May 2018 Reporting Tools (T1 Risk 657) no known actions National Data Set Compliance (T1 Risk 1269) due April 2018 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.							
CRR/4 /2134	Risk of cash shortfalls impacting on Trust's ability to meet payment deadlines and/or fund capital investment	↓	High (Red) 16	Moderate 12	DoF	FPC	9	✓
CRR/4 /2135	Risk that Trust Estate is not of sufficient quality to deliver appropriate services and is noted as a concern (and in some areas a significant challenge) by the regulators.	↔	High (Red) 16	Moderate 12	DoF	FPC	9	✓
CRR/2 /1033	With out the right service models, effective and timely care it will not be possible to maintain the flow of patients through our services. Lack of flow will lead to increased clinical risk with patient care being compromised as well as make left shift in care (early identification and interventions, shifting the balance to more community based care less hospital based care) more difficult	↑	High (Red) 16	Moderate 9	MD	QAC	45	✓
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.	↑	High (Red) 16	Moderate 8	CEO	FPC	45	✓
CRR/1 /1467	There is a risk that within the patient records, assessments, patient-centred risk assessments, 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.	↑	High (Red) 16	Moderate 8	CN/DepCEO	QAC	21	✗
CRR/1 /1991	The following seclusion rooms in the Trust do not meet good practice environmental standards for seclusion rooms - Ashby Ward, Aston Ward, Bosworth Ward and Watermead Ward at the Bradgate Unit, both of the seclusion rooms on Belvior Unit, Acacia and Maple Wards at The Willows and the room at the Agnes Unit. This risk should also be read in conjunction with Ward 3 FYPC Directorate risk 1837. (Two main areas of non-compliance are lack of ensuite facilities directly off the seclusion rooms and the location of the room on wards).	↑	High (Red) 15	Moderate 12	DD AMH.LD	QAC	10	✓
CRR/4 /2130	Risk to fundamental financial stability due to failure to identify and deliver agreed CIPs	↓	High (Red) 15	Moderate 12	DoF	FPC	9	✓
BAF/3 /1038	Inability to create high quality management and leadership capabilities may impact on the delivery of efficient and effective services.	↑	Moderate 12	Moderate 9	DoHR/OD	SWG	45	✓
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	45	✓
CRR/4 /2131	Risk of loss of business income	↓	Moderate 12	Moderate 9	DoF	FPC	9	✓
CRR/4 /2132	Risk of insufficient funding to support development and to meet the costs of price/volume growth	↓	Moderate 12	Moderate 9	DoF	FPC	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	↓	Moderate 12	Moderate 8	CN/DepCEO	FPC	34	✓

Summary Integrated CRR/BAF

Risk No.	Description	Change	Current	Residual	Owner	Ctte	Age (mo)	Rev
	damage and may impact on patient outcomes.							
CRR/1 /1863	Patients capacity to consent to admission, treatment, and / or care, and best interest decisions, are not consistently demonstrated by staff.	↓	Moderate 12	Moderate 8	CN/DepCEO	QAC	16	✗
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.	↓	Moderate 12	Moderate 8	CN/DepCEO	QAC	26	✓
BAF/1 /1028	There is a risk that the self-regulation approach does not empower Team Leaders and their staff to identify their risks of non-compliance with the CQC Fundamental Standards associated with the delivery of safe and high quality care.	↓	Moderate 9	Moderate 9	CN/DepCEO	QAC	45	✓
CRR/1 /1336	The Trust is at risk of compromising patient safety if it fails to demonstrate the application of lessons from serious incidents, complaints and patient feedback.	↓	Moderate 9	Low 6	CN/DepCEO	QAC	29	✓

Total Number of Corporate Risks: 26

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