NHS
Hertfordshire
Partnership University
NHS Foundation Trust

Annual Report and Accounts 2021 – 2022

as one

Our Values
Welcoming Kind Positive Respectful Professional

Hertfordshire Partnership University NHS Foundation Trust
Annual Report and Accounts 2021/22

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

Contents

Chair and Chief Executive's Foreword

Welcome to our Annual Report and Accounts 2021/22 for Hertfordshire Partnership University NHS Foundation Trust. We are pleased to share with you how we have performed over the past twelve months, our governance arrangements and how we have managed our finances. Throughout the report we share the key achievements and successes of which we are particularly proud, together with some of the difficulties and challenges we have faced during the year.

2021/22 was again, both internationally and across the NHS and social care system, dominated by the response to the COVID-19 pandemic. For us, this has been coupled with a substantial increase in demand for our services, with those people reaching out for support often presenting with more complex needs. Throughout the year we have seen our mental health and learning disability teams throughout our organisation step up time and time again, providing quality care to those who need our support. Their continued commitment and dedication is both humbling and inspiring – and there are examples throughout this report of the work they have been doing to improve care and outcomes for our service users, their families and carers.

Yet there is so much more to do and this year we will continue to focus on quality, improving experience for our service users, reducing violence and aggression, supporting staff and transforming our services. We know we haven't always got things right every time. For example, during the year the Care Quality Commission inspection of our Child and Adolescent unit found we need to increase staffing and improve the way the unit was being run. Our commitment across our organisation is to ensure we continuously learn and improve what we do, to ensure everyone accessing our services has a positive experience.

Looking ahead, we have much to be optimistic about. In 2021, our staff told us through the national NHS Staff Survey that they feel highly motivated and committed mental health and learning disability workforces in the country. We will be building on this to continue to attract high calibre, values driven people to join us and to help us to improve care and outcomes. This year will also see us continue to invest into our services to deliver the mental health and learning disability ambitions of the national Long-Term Plan. We will be driving forward significant improvements in care in conjunction with our partners across the newly formed Integrated Care Systems in which we operate.

In this opening part of the report, we both wanted to take the opportunity to recognise the significant contribution over the last year of Tom Cahill, who left the Trust in November 2021 to take up the role of National Learning Disabilities and Autism Director at NHS England. Tom had been our Chief Executive for 12 years setting the strong foundation on which we will continue to build.

We would also like to thank our Governors, Trust Board colleagues and wider system partners for all their continued support throughout the year. Our final and most important thanks go to all of our staff for everything you are doing day in and day out to provide quality care for our service users, carers and the populations we serve.

Sarah Betteley
Chair
Dated: 20 June 2022

Karen Taylor
Chief Executive
Dated: 20 June 2022

1 Performance Report

1.1 Introduction

This report sets out how the Trust has performed over the last year, including the key risks to the achievement of our aims and aspirations and the progress we have made towards these aims. This report aims to provide a fair, balanced and understandable analysis of how the Trust performed in year ending March 2022.

1.1.1 About the Trust

Our Trust is a provider of mental health and learning disability services and we provide integrated health and social care services across community and inpatient settings, treating and caring for people across Hertfordshire and within Buckinghamshire, Norfolk and Essex. We have a longstanding partnership with Hertfordshire County Council and are one of the few integrated social care providers of mental health services in England.

As a University NHS Trust we also have a strong relationship with the University of Hertfordshire, an important partner supporting workforce development, research, training and innovation.

We have been an NHS Foundation Trust since our authorisation in August 2007 and continue to value the opportunities that this provides in building upon, and improving, our services. These include:

- A strong involvement with local communities through our members and Council of Governors.
- Working closely with our partner organisations, so that we can grow and develop our services specifically to meet the needs of our service users and communities.
- Retaining our surpluses to re-invest in local service developments and facilities.

Like all NHS Foundation Trusts, we are regulated by NHS Improvement (NHSI) and NHS England (NHSE) under the Health and Social Care Act 2012.

Most of our income comes from contract arrangements with our commissioners. Our largest contract is with the Integrated Health and Care Commissioning Team who act on behalf of East and North Hertfordshire Clinical Commissioning Group (CCG), Herts Valleys CCG and Hertfordshire County Council.

Our income is largely paid as a fixed sum which is subject to the national annual adjustment to reflect inflation and the efficiency expectation. Additional income sums are also negotiated annually with commissioners for new services or variations in existing service agreements. This is largely secured through commissioners complying with the Mental Health Investment Standard requirement to ensure that the investment in mental health services as a minimum grows each year in line with the growth in the commissioner funding allocation.

The financial arrangements in place for 2021/22 are described in section 1.3.2 below.

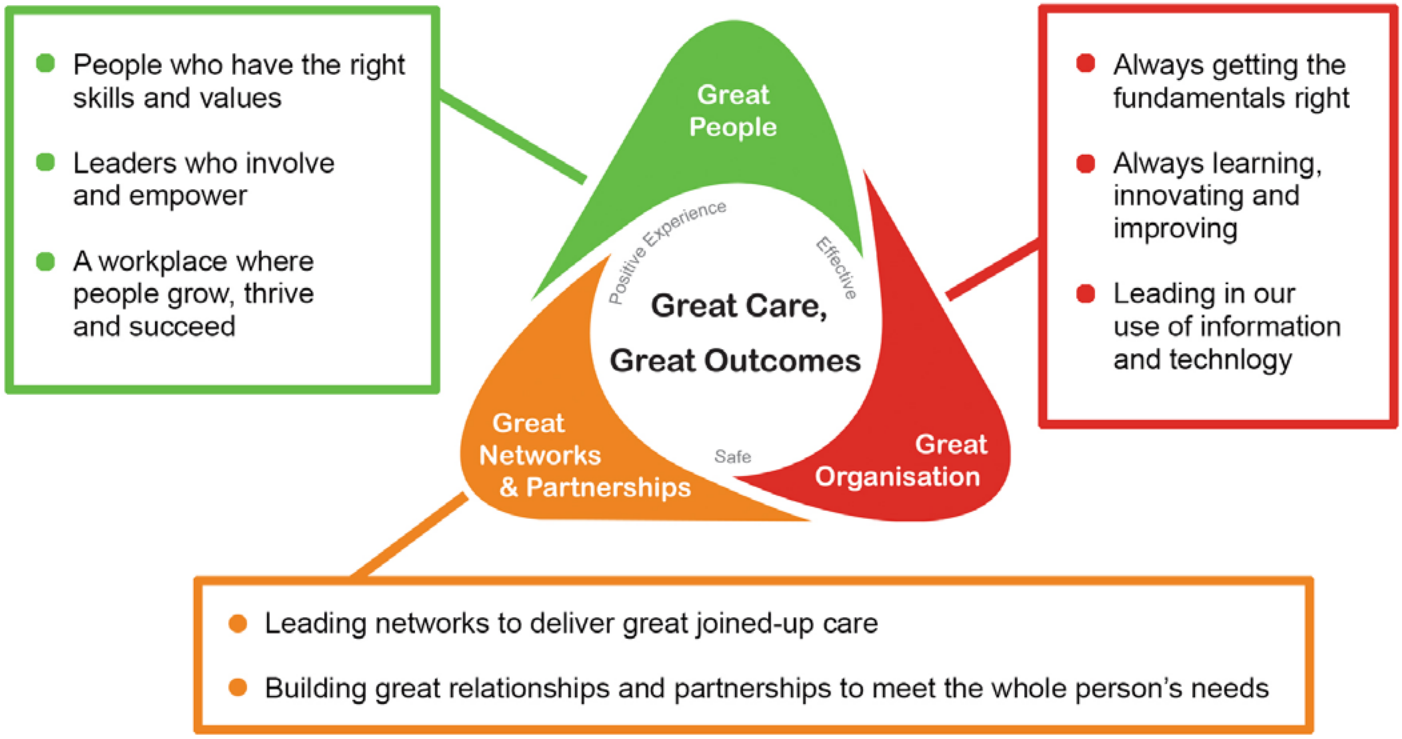
1.1.2 Our Vision, Mission and Good to Great strategy

Our Vision, Mission and Strategy were developed together with our service users and their carers.

Our Vision: Delivering great care and great outcomes – together

Our Mission: We help people of all ages live their lives to their full potential by supporting them to keep mentally and physically well.

In 2016, we launched our ***Good to Great strategy*** which articulates the ways we want to deliver the highest quality services. We continued to work towards this vision by focussing on four themes that underpin our working during 2021/22.



This means shaping services around the needs of service users and working closely with them to continuously improve the care we deliver.

Our Vision is underpinned by seven objectives across the four themes of the 'Good to Great' strategy:

Great Care, Great Outcomes

1. We will provide safe services so people feel safe and are protected from avoidable harm.
2. We will deliver a great experience of our services, so that those who need to receive our support feel positively about their experience.
3. We will improve the health of our service users through the delivery of effective evidence-based practice.

Great People

4. We will attract, retain and develop people with the right skills and values to deliver consistently great care, support and treatment.

Great Organisation

5. We will improve, innovate and transform our services to provide the most effective, productive and high-quality care.

Great Networks and Partnerships

6. We will deliver joined-up care to meet the needs of our service users across mental, physical and social care services, in conjunction with our partners.
7. We will shape and influence the future development and delivery of health and social care to achieve better outcomes for our population(s).

1.2 Performance Overview from the Chief Executive

I am delighted to be able to present my first Performance Report as Chief Executive of Hertfordshire Partnership University NHS Foundation Trust. Our *Good to Great* strategy, places our service users and their families at the heart of everything we do. This is strongly underpinned by our values and has continued to guide our approach, our care and the development of our services throughout the year. Our *Good to Great* strategy domains – Great Care and Outcomes, Great People, Great Organisation and Great Partnerships – provide the basis for my performance report.

Great Care and Outcomes

The last year has again been challenging for the NHS and for our own organisation. The impact of the COVID-19 pandemic continued to be felt by our service users, their families and carers, our staff and our communities. Throughout the year, we followed best practice infection prevention and control procedures to continue to keep people safe and well cared for. NHS England's regional team for the East of England praised our processes and the diligence of our staff at a visit to several of our sites in March 2022.

At the same time, demand for our services has grown exponentially. We are seeing more people than ever before, often with more complex and acute needs, reflecting the ongoing impact of the COVID-19 pandemic on our communities. Along with all other parts of the health and care system at the end of 2021/22 service users are experiencing longer waiting times in services and people are remaining under our care for longer periods of time. As a result, our operational performance against set targets and objectives has not been as strong as in previous years, but we have a robust recovery plan in place, supported by our staff who continue to innovate and find new and better ways to provide care.

This year we continued our focus on supporting people to be cared for at home and in the community. Working closely with local GPs, we introduced new roles to increase community support for people experiencing anxiety and depression, together with our comprehensive range of online webinars and other virtual resources.

We strengthened our Enhanced Rehabilitation Outreach Service to prevent admissions into our inpatient beds and provided more care in the community for people with chronic long term serious mental illness who need long term rehabilitation to help them regain skills and promote their independence. The service is now fully integrated with our social care and acute care services, along with local addiction support provided by Change Grow Live.

Helping our service users to improve and maintain their physical health remains a key priority. During the year, working closely with local primary care networks, we expanded our dedicated physical health clinics in Essex for people with learning disabilities, with clinics now operating in three locations across the county. Over 300 people have now benefited from these clinics, which provide a supportive environment for service users, some of whom have never previously been able to have blood tests or other physical examinations because of their fears and preconceptions about what this may entail.

The safety of our service users and staff remains a key focus for us. We invested into our estate to ensure our environments are supportive and safe, including the development of our safety suites. We continued to develop and deliver improved approaches to safety planning and risk formulation and opened our new simulation suite for training and education for staff. Sadly, during the year there were a number of unexpected deaths and incidents of violence and aggression. Every single incident is reviewed to ensure lessons are learnt and shared across the organisation, to improve safety for our service users and our staff in the future. During the year, we also identified best practice internationally for the prevention of suicide and put in place the building blocks to implementing the agreed pathway in conjunction with system partners.

This year the Care Quality Commission (CQC) carried out two unannounced focused inspections - at Warren Court, one of our medium secure forensic units, and at the Forest House inpatient adolescent unit. The inspectors found several areas of good practice, in particular staff treating individual service users with compassion and kindness, but they also identified areas of concern,

Inspire Awards Winners January 2022

further details of this are in our Annual Governance Statement (section 2.5). After the Forest House inspection, the CQC issued a Warning Notice under Section 29a of the Health and Social Care Act 2008 and reduced its rating of our child and adolescent ward from Outstanding to Inadequate. Further detail of their findings is provided in the Annual Governance Statement (section 2.5). We fully accepted the findings of the report and took action to improve the care and support that young people and their families receive. We have made significant improvements since the inspection and are confident that we have addressed the concerns in all the areas identified by the CQC.

Over the last year, we also worked closely with colleagues at Hertfordshire County Council to implement the Connected Lives model of social care, which focuses on promoting independence, citizenship and choice for each individual. This year we have also been preparing for the changes to adult social care as a result to national reform. We welcome these changes which we believe will further improve quality and target specific areas such as housing support and the social care workforce.

Great People

Every year, the NHS runs a national survey for all staff and, over half our staff responded to the 2021 survey. Despite all the pressures, demands and challenges of the last year, our teams tell us that they feel valued and well supported. Nearly 90 per cent of staff say their role makes a difference to our service users and over 70 per cent would recommend the Trust as a place to work or receive care – well above the national average for similar organisations. We also recorded the best score nationally for motivation amongst all mental health and learning disability Trusts in England. However, staff also tell us that they are feeling the strain from responding to the pandemic and managing the impact of significantly increased demand for our services.

We continued our rolling programme of wellbeing activities for our teams, both online and face to face, including yoga, pilates, mindfulness and relaxation sessions. Our staff tell us that they really appreciate these interventions. With the cost of living continuing to rise, we have also introduced additional support for staff, and will continue to monitor the situation so we can support our teams.

Our Here for You support programme, which we run jointly with Essex Partnership University NHS Foundation Trust, offers dedicated support for anyone working in health and care services in Hertfordshire and Essex and our staff in Buckinghamshire and Norfolk. Since it was established, around 2,500 colleagues have contacted the service directly for support, with many more attending webinars and visiting the

dedicated website. The programme includes events and support targeted to specific issues and needs, including the war in Ukraine and other global conflicts.

Recruitment remains a significant ongoing challenge for all health and care providers, with national shortages in some key professional areas, including for mental health nurses and some allied health professions. Locally, we are also seeing more colleagues choosing to retire at this point, having stayed with us during the earlier part of the COVID-19 pandemic. These challenges contributed to an increased vacancy rate for much of 2021/22, but this has now stabilised. We have also continued to focus on internal development and career paths for staff, for example supporting our healthcare assistants to study and qualify as nursing associates and then registered nurses.

Our staff and services were once again recognised in national award schemes and received other accolades. In its 2021 awards, the Royal College of Psychiatrists named Professor Asif Zia, our Executive Director of Quality and Medical Leadership, as Psychiatrist of the Year, whilst Dr Phil Temple, Speciality Doctor in our specialist learning disability and forensic service in Norfolk, was named as the College's Specialist Doctor/ Associate Specialist of the Year. In the Positive Practice in Mental Health Awards, our Here for You support scheme for health and care staff was joint winner in the Wellbeing in the Workforce category and our Single Point of Access service for people experiencing a mental health crisis was highly commended in the Quality Improvement/Service Transformation category.

Great Organisation

A crucial part of providing great care and great outcomes for our service users is ensuring that the environments where we care for people make an active contribution to their treatment and recovery. During the year, we made a significant investment in our estate and facilities, with four new safety suites for service users who need to be cared for in seclusion, refurbishments in two of our inpatient units and a new therapy garden for our psychiatric intensive care unit. We made improvements to Lexden Inpatient unit in Essex and developed options for the longer term development of the site.

Continuous Quality Improvement (CQI) Leaders Training June2021

We also invested in technology to improve care, streamline processes and reduce administrative burden on our staff. Service users and carers can now record their progress and outcomes online, speeding up their recovery journey and enabling our clinicians to quickly identify people who need additional support before their next booked appointment. Our staff can now see information about service users through a shared care record service which feeds information from their GP and acute hospital records into our own patient record system, providing a much more holistic picture of people's needs. We digitised a number of manual processes for our staff, including managing flu and COVID vaccination information and supervision sessions, reducing time spent on administrative tasks, and further improved our cyber security to reduce the impact of high-level global threats to our IT systems.

Our corporate governance remained strong, with an unqualified independent audit opinion and the highest possible rating in the NHS's national oversight framework, which determines the relative level of regulatory concern for each NHS organisation. We continued to meet the standards in the national Data Security and Protection Toolkit (which measures how we use and protect data for our service users and staff) and participated in the NHS's counter fraud scheme. These initiatives help ensure we protect our assets and make the best use of public funds.

We delivered a break-even financial position at the end of the year on 31 March 2022 with a control total surplus of £705,000. We fully utilised the £17.1m capital funding available to the Trust in 2021/22 and released £4.6m in efficiency savings to be reinvested in our services.

In response to the COVID-19 pandemic and for the second year running, the normal NHS contracting regime was suspended and replaced by monthly block payments to all NHS providers. For 2021/22, the income received by the Trust was set by NHSE and based upon contract income received in 2019/20, adjusted by a top up amount to cover any material movement in costs since that time. For the first six months from 1st April to 30th September, we received a straight percentage increase on the 2020/21 year's funding of 0.78 per cent with an efficiency requirement of 0.28 per cent. For the second six months from 1st October to 31st March, we received an additional inflationary uplift of 1.98 per cent with an efficiency requirement of 0.82 per cent. For 2021/22, NHS England made additional funding available to support the implementation of the Long Term Plan and to address increases in demand and transform service delivery.

Great Partnerships

Another highlight of the year has been the development of the Hertfordshire Mental Health, Learning Disabilities and Autism Collaborative. Together with Hertfordshire County Council we led the formation of a partnership of 14 organisations from within the NHS, local government and the voluntary sector to shape the future of services for people with mental health needs, learning disabilities and autism across the County. We are already seeing the system come together more effectively to tackle key concerns and long standing issues, for example redesigning the system for neurodevelopmental assessments in children and young people which will be implemented in the coming year.

The East of England Provider Collaborative was also launched in the summer of 2021, part of a national initiative to devolve some of the specialist commissioning and pathway management responsibilities held by NHS England to local and regional partnerships. The Collaborative is a partnership between HPFT and the five other NHS trusts which provide mental health, learning disability and autism services across Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. We are the lead organisation in the partnership for child and adolescent mental health services (CAMHS) and we are already seeing positive progress in reducing waiting times for specialist inpatient care across the East of England, creating a single point of access and reducing the numbers of children and young people who need to be cared for in an acute general hospital whilst waiting for a specialist mental health bed. A regional working group for CAMHS services is now in place to manage the whole pathway from prevention up to inpatient care.

The East of England Collaborative is also funding a new community learning disability forensic service across Norfolk and Waveney. Designed together with service users, their families and our partners, this service will help us discharge people earlier from our secure units, prevent

admissions and provide a consistent, higher level of support in the community for people with learning disabilities who are already in or have the potential to be in the criminal justice system.

In Essex, as part of the Essex Learning Disability Partnership we have worked closely with colleagues from Essex County Council, local primary care networks, acute hospitals and other partner organisations to develop a new frailty toolkit and pathway for people with learning disabilities, whose heightened risk of frailty is not always considered in their treatment and care. At the same time, we developed a dynamic support register for people with learning disabilities who are at greater risk of developing physical health problems. The register brings together all the organisations in the County involved in someone's care and it is already helping us to deliver greatly improved experience for service users as it has improved co-ordination of care and communication with service users and their families.

Our Buckinghamshire community learning disability teams have worked with Buckinghamshire Council, local GPs and colleagues from Buckinghamshire Healthcare NHS Trust on a programme to improve bowel health for people with learning disabilities. We put in place a comprehensive online learning package for colleagues across health and care services to help them recognise key signs and symptoms, differentiate between constipation and other physical conditions and provide support and advice on diet, exercise and other interventions that can reduce risks and improve digestive health. Our teams have also worked with colleagues in Buckinghamshire to implement a new medication review process for people with learning disabilities, focusing on those with the most complex needs who are at greater risk of historic over-medication. The process ensures that any medication changes or reductions are carefully managed so that the person is confident in reducing or stopping medication which they may have taken for several years.

Looking ahead

We have much to look forward to in the coming year, with a strong emphasis on continuing to drive great care and outcomes for everyone who needs our support, in particular a relentless focus on safety for our service users, their families and carers and our staff. We will work with our partners in Hertfordshire on working towards our shared goal of zero suicides in the County, wrapping care around people who are at risk and those who can support and help them. Transformation of services, coproduced with service users, carers, staff and partners, is a key feature as we develop and reshape our clinical models to meet the three main challenges we face: increased demand, increased complexity of need and increasing our workforce.

Over the next year we will continue to actively collaborate with partners and commissioners, including new and improved services being delivered through the Hertfordshire Mental Health, Learning Disability and Autism Collaborative. Our Annual Plan and Good to Great Strategy continues to stand us in good stead and we will also be enhancing our approach to performance improvement by introducing new automated systems that focus on identifying early warning signs of deterioration and those people who may find it difficult to access our services.

Delivering our innovative digital strategy will remain a key priority, with initiatives such as enabling our service users to share their story and needs with us online before their initial assessment and implementing a new inpatient bed management system, which will help ensure we are facilitating timely admissions and discharges. We will also be challenging ourselves to further reduce our environmental impact via our Green Plan as we launch our ambitious plans to reduce our carbon output and become completely carbon neutral by 2045.

Overall, despite the challenges we have faced there are many things to be proud of this year and we have much to look forward to in this coming year. It will, I am sure, be a year that will bring with it new challenges, but I know that our dedicated teams and leaders across Buckinghamshire, Essex, Hertfordshire and Norfolk will embrace the opportunity, working closely with our health and care partners to improve care and outcomes for our service users and carers.

Karen Taylor, Chief Executive
Dated 20 June 2022

1.3 Key issues and risks that could affect delivery of the Trust's objectives, its future success and sustainability

The Trust identified the key risks, issues and opportunities that could affect our ability to achieve the goals set out within our strategy. The Annual Governance Statement set out in this report identifies the framework for managing these major risks to future performance. These formed a core element of our quality improvement plans for 2021/22 and are summarised below:

Risk	Description	Mitigation
Management of Demand and Capacity	Volume, acuity and complexity of demand leading to inability to respond effectively.	• Developing new approaches to demand management working closely with primary care. • Reviewing staffing establishment and introduced new roles. • Improving processes and systems within our Single Point of Access. • Utilised Trust's internal information system (SPIKE2) to provide staff with accurate accessible data. • Transformation programmes.
Workforce Recruitment and Retention	Inadequate staffing levels or inappropriate mix of permanent and agency staff impacting on the quality of patient care.	• Detailed recruitment planning with focused recruitment drives. • Recruitment incentives. • Developed new roles and ways of working. • Enhanced the wellbeing offer to staff.
Ability to achieve Financial Targets	Insufficient resources to manage demand and maintain quality and ensure long term financial sustainability.	• Reset key financial controls. • Used internal and external performance metrics to identify opportunities for improvement. • Independent quality impact assessment assurance. • Clinically led support to identify efficiency opportunities. • Routine use of Continuous Quality Improvement processes to identify and implement opportunities for improvement. • Adopted of digital innovations where this improves value for money. • Worked with partner organisations to provide more effective pathways and economies of scale.
Changing external landscape and wider system pressures	Insufficient influence and resources available	• Regular review of position by the Board. • Active monitoring and intervention by the Council of Governors • Strong leadership roles for staff within local ICS. • Development of Mental Health and Learning Disability Collaborative.

Our Board reviews the framework for managing major risk to performance regularly and section 2.5 sets out the systems and processes in place during the year.

1.3.1 Going Concern Disclosure

The accounts have been prepared on the basis that the Trust continues to operate as a 'going concern', reflecting the ongoing nature of the services provided. The 2021/22 Department of Health and Social Care (DHSC) Group Accounting Manual states that the anticipated continued provision of services is a sufficient basis for the application of going concern in the preparation of its Annual Accounts. After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This is based upon consideration of the contract income agreed with commissioners and the service investments to be made in the 2022/23 financial year. The Trust has also prepared cash flows which demonstrate the Trust has sufficient cash reserves to meet its key operations over the next 12 months from the date of signing this report. For these reasons, we continue to adopt the going concern basis in preparing the accounts. In making these enquires, the directors have made full consideration of any risk relating to the ongoing impact of COVID-19.

1.3.2 Summary of Financial Performance Matters (other than those set out earlier)

The financial framework for 2021/22 continued to reflect the national response to the COVID-19 pandemic. The financial year was divided into two distinct half-year periods, H1 and H2. Detailed planning guidance was issued for each half-year.

In line with 2020/21, traditional contract arrangements remained suspended during 2021/22, with the income allocations between commissioners and providers set by NHSI/E based upon values received in 2019/20 adjusted by a top up amount to cover any material movement in costs since that time. In light of this allocation process, all NHS bodies were expected to achieve a break-even outturn for 2021/22.

In March 2021, the Trust set an initial Financial Plan for the year with a £1m deficit. This reflected the risks of moving to a fixed sum allocation and from the additional demand and workforce pressures that were anticipated in the second half of the year. In October 2021, the Trust revised its financial plan to a break-even position, reflective of the positive impact of the changes introduced as part of H2 national planning guidance.

Draft accounts for the financial year 2021/22 were completed and submitted to NHSI/E and the external audit completed in line with national timetable. The Trust has reported a control total surplus of £705,000 (see note 24.2 in the financial statements) for the year against a revised financial plan to break even.

In July 2021, the Trust took on the role as Lead Provider for CAMHS Tier 4 services in the East of England region, with an associated commissioning budget of £34m, part year effect.

During 2021/22 the Trust invested £17.1m of capital funding in enhancing its estate – completing four new safety suites £3.0m and commissioning two more in year £2.4m, refurbishing Forest House Adolescent Unit £1.6m and Albany Lodge £1.2m; maintaining its estate, investing £1.5m in reducing backlog maintenance and £2.3m in reactive maintenance; and investing £2.4m in digital systems. The Trust successfully utilised the full value of the capital funding limit set by the Hertfordshire and West Essex Integrated Care System, as supplemented by a further £1m of national funding for digitisation.

The Trust ended the year with a strong cash position of £71.6m. This reflects good practice by supporting the Trust to cover its payroll liabilities for more than two months and to fund planned capital investments.

1.4 Performance Analysis

1.4.1 How the Trust measures performance (including details of KPIs and performance against KPIs).

Throughout the year, the Trust has had a quarterly performance review systems in place. This included quarterly formal Performance Review Meetings (held between the Executive Team and the Strategic Business Units), and the regular reports to the Board on performance are based on the review meetings and the following areas:

- The key performance measures agreed by the Board relating to the areas of operational significance. These focus on the service quality measures of access, safety and effectiveness, workforce and finance and reflect the domains of the NHS Oversight Framework (para 1.4.2). The reporting of these includes the trends in performance as well as deep dives into specific issues requested by the Board and its sub-committees.
- Regulatory requirements from NHS Improvement and other bodies.
- The contractual measures reported regularly to commissioners and other partner organisations.
- Progress on the Trust Annual Plan and the achievement of the related objectives.

Our ambition to become an information-led organisation has resulted in the continued development of our information and analytics capabilities: Modelling for Improvement enables us to describe, critically evaluate and improve a service user's journey through our services. This helps support our teams' performance by improving their access to high-quality, real-time information that enables them to manage and develop their services in a way that provides the best quality care.

1.4.2 Detailed analysis of the development and the performance of the Trust

Regulatory performance

The reporting of regulatory performance is governed by the NHS Oversight Framework first introduced in October 2016 to replace the previous Risk Assessment Framework.

The framework is designed to identify NHS providers' support needs across five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability

Providers are monitored against each of these themes to identify any support needed to enable them to meet the agreed standards in each area. Individual trusts are segmented into four categories according to the level of support each trust needs. Where improvements in performance are required, a package of support is agreed with the provider to help them achieve this. During 2021/22 the Trust continued to be in segment 1, meaning that the Trust is: *Consistently high performing across the five national oversight themes and playing an active leadership role in supporting and driving key local place-based and overall ICS priorities.*

The performance framework

Our Performance Framework is grouped under five different areas, with a total of 65 KPIs, reported monthly and/or quarterly.

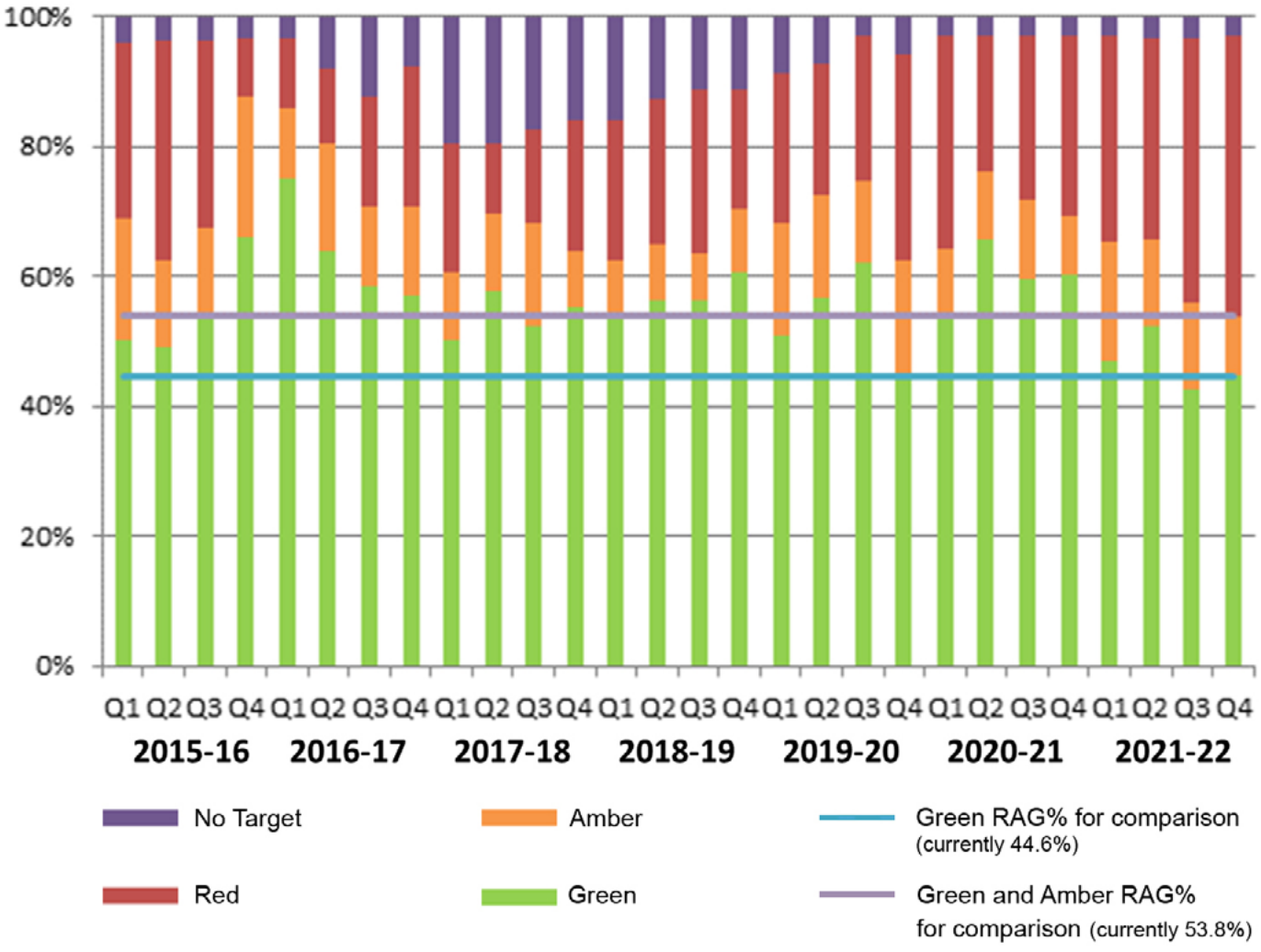
- NHS Oversight Framework SOF (6)
- Access (24)
- Safe and Effective (24)
- Workforce (7)
- Finance (4)

The Trust's performance was significantly challenged as a result of the effect of the COVID 19 pandemic. By the end of the year, we saw referrals rise by 63% in our largest services and caseloads grew by 6% due the more complex needs of our service users.

Our continued focus on keeping our service users safe meant performance against the urgent and crisis indicators remained strong. However, in common with other parts of the health and care system, service users are now waiting longer to be seen for routine assessments and treatment interventions.

The figure below provides an overview of our ability to meet all our key performance indicators on a monthly basis.

***Figure 1** – Proportion of our KPIs we meet each month*

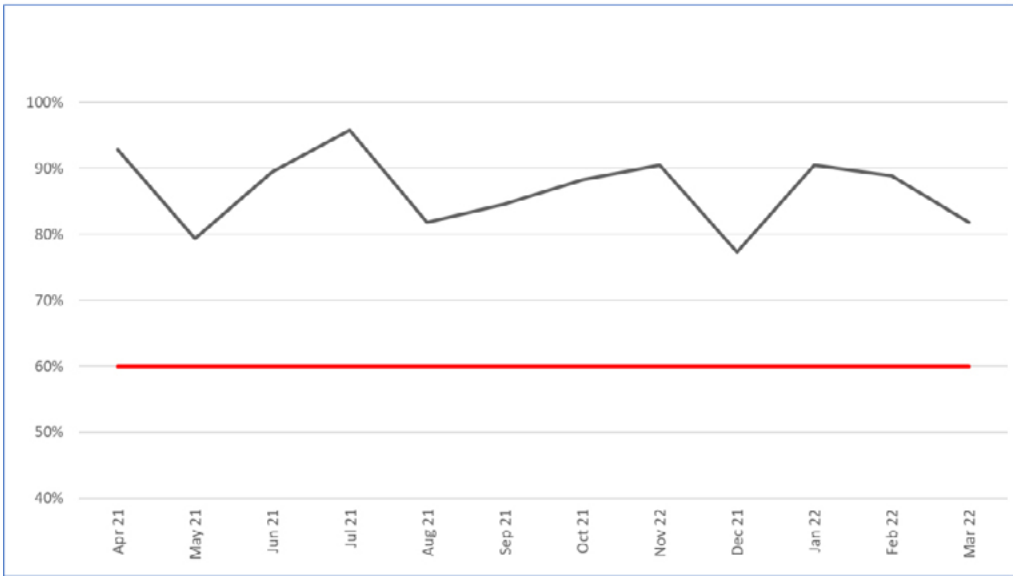


NHS Oversight Framework

There are six Key Performance Indicators (KPIs) under this domain. Over the year we consistently met five of these. The exception was the number of people we had to accommodate in beds outside of our immediate geographical areas which has remained high, reflecting the national picture of increased demand for admissions and the increased acuity and complex needs of our service users resulting in longer lengths of stay. We have plans in progress that will improve this position by developing alternatives to admission and facilitating early supported discharges with an agreed trajectory to reduce this figure in 2022/23.

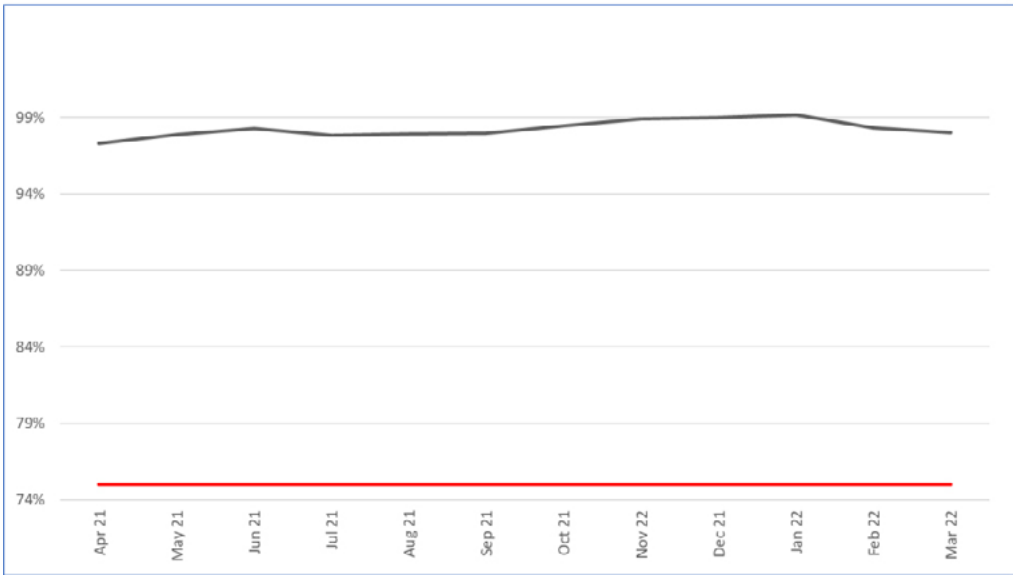
The charts below show how we performed over the year against each of our six indicators with red lines indicating the target.

Proportion of our service users with first episode of psychosis starting treatment within two weeks of referral

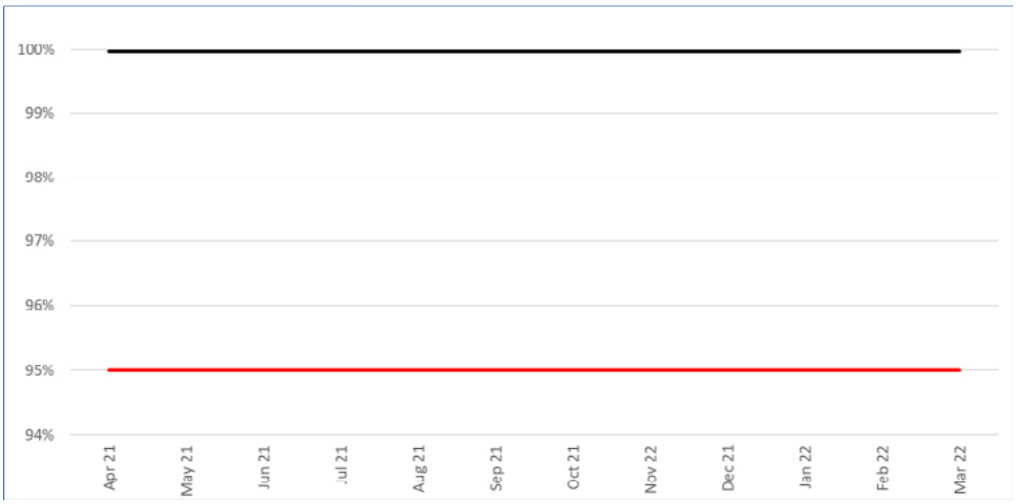


Our performance has remained consistently high throughout the year.

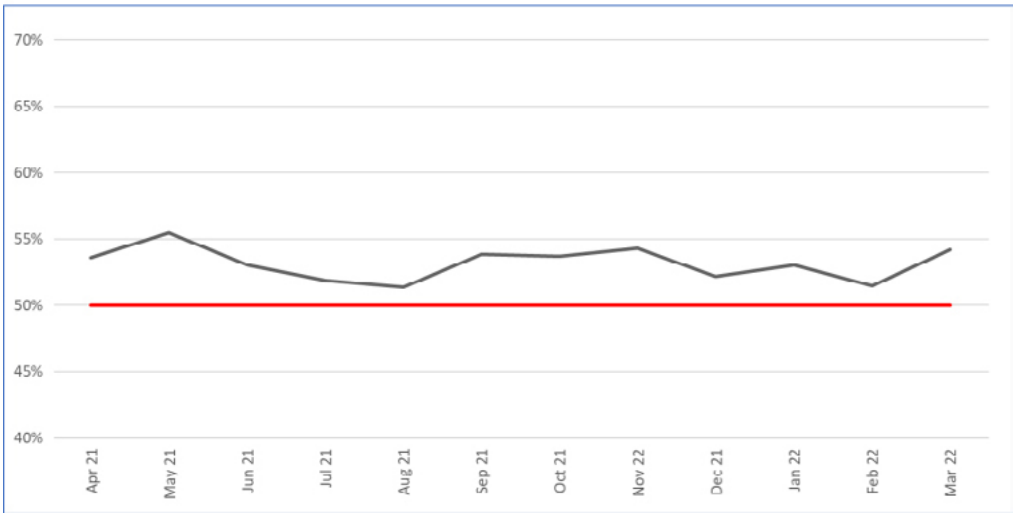
Proportion of our service users starting treatment within six weeks of referral to IAPT Services



Proportion of our service users starting treatment within 18 weeks of referral to IAPT Services

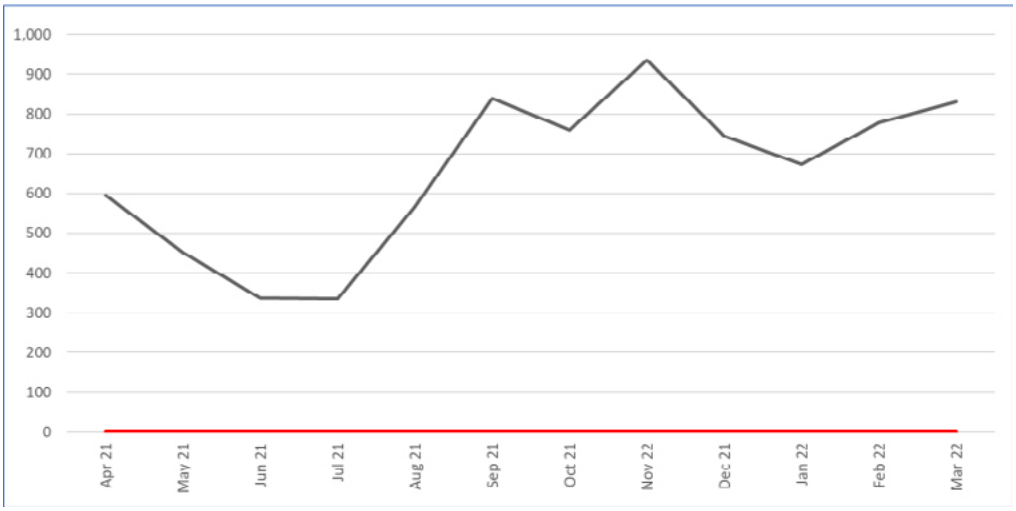


Proportion of our service users in IAPT completing treatment and moving to recovery



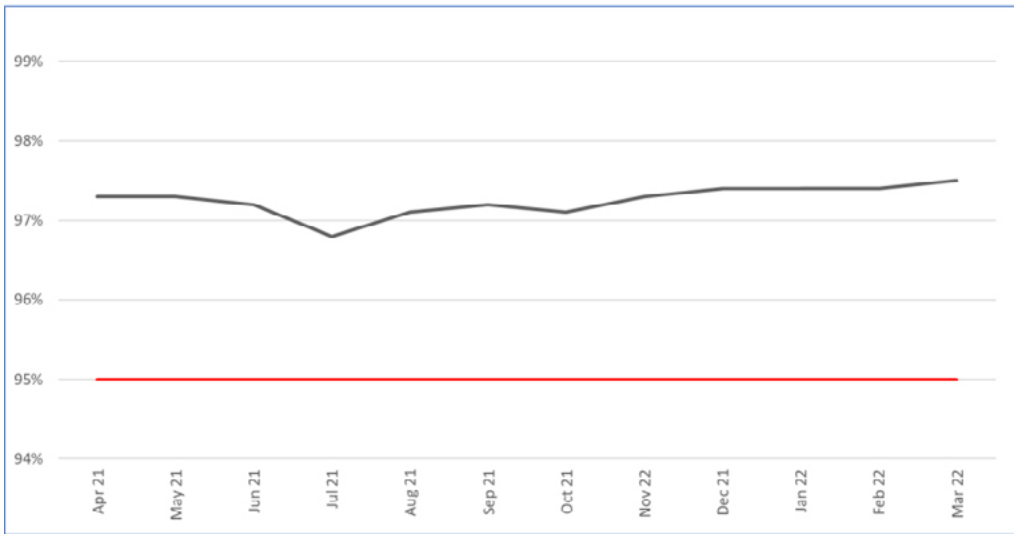
IAPT services have been able to maintain a high level of performance by innovatively using digital solutions to support service user engagement and access to therapeutic interventions.

Number of bed days our service users were in an out of area bed inappropriately



The use of inappropriate out of area beds has been more challenging to manage during 2021/22 than in previous years, due to high levels of demand and acuity. Transformation of the Acute pathway is underway to support the reduction in use of these beds in line with the trajectory and the vision to provide care as close to home as possible.

Quality of our data based on the National Data Quality Maturity Index



Access

Throughout the year we have almost met or exceeded our internal target of 98% of all people to be treated within 18 weeks of referral to us and on average we met or exceeded eight out of our 22 access indicators.

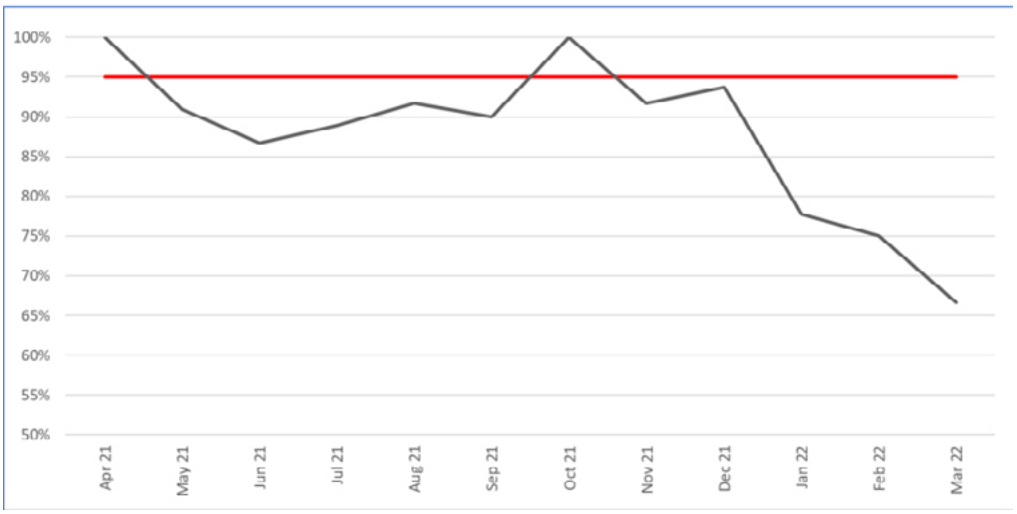
Challenges from unprecedented referral and caseload volumes saw us drop below some of our access targets. This has particularly impacted in the second half of the year due to a further Covid wave, winter pressures and pressures on workforce.

The four access indicators set out below have been identified as the key indicators for our core community services; learning disabilities, adult community, CAMHS, EMDASS. They are also the same services detailed in the Annual Report for 2020/21, thereby enabling comparison year to year.

Proportion of our service users seen within 28 days of referral to Learning Disabilities Service

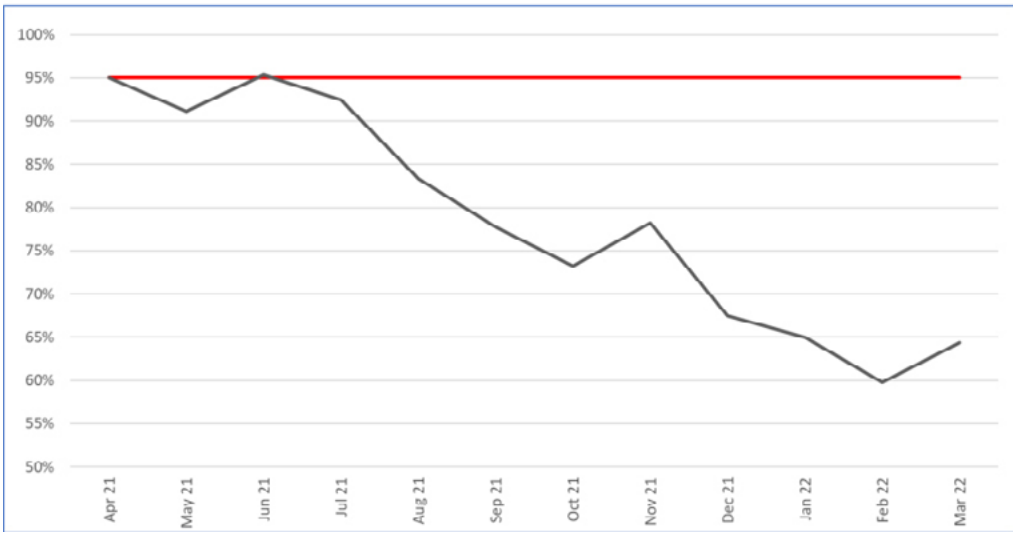
Following operational pressures in quarter 2 performance rapidly improved and had been maintained until the end of the year. It is anticipated that performance return to above target early in 22/23.

Proportion of our service users starting treatment within 28 days of referral to Children and Adolescent Mental Health Services



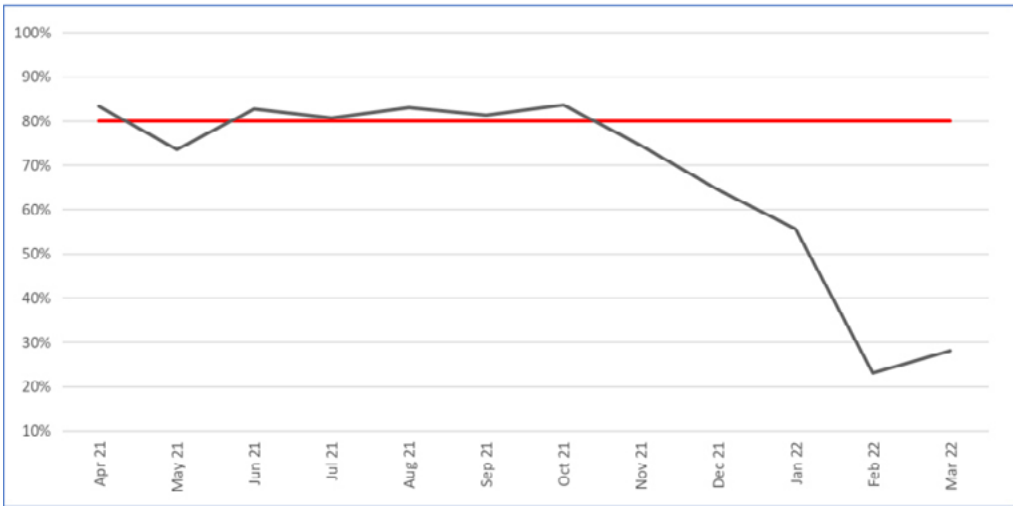
As predicted in demand modelling, we experienced a significant increase in demand into services during autumn which is also in line with seasonal trends in CAMH services, which has resulted in a decline in our ability to see routine referrals.

Proportion of our service users seen within 28 days of referral to Adult Community Mental Health Services



During 2021/22 there has been consistently longer waits for routine initial assessments.

Proportion of our service users seen within 28 days of referral to Early Memory Diagnosis and Support Service



Due to the redeployment of staff from EMDASS to support inpatient services during the pandemic, performance declined. A recovery plan was implemented during quarter 4 and we are confident that performance will improve in the first part of 2022/23.

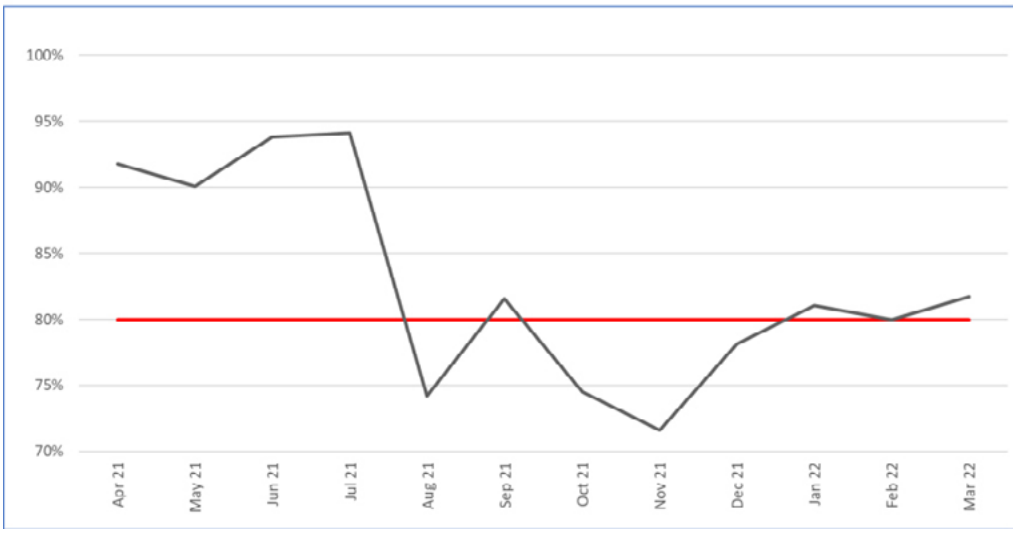
Safe and Effective

There are 24 Safety and Effectiveness Key Performance Indicators which describe our performance in terms of safety, experience, quality and data. On average, 13 were fully met, one almost met, and a further ten where we have been focussing improvement activities over the year.

Areas in which we have performed particularly strongly are:

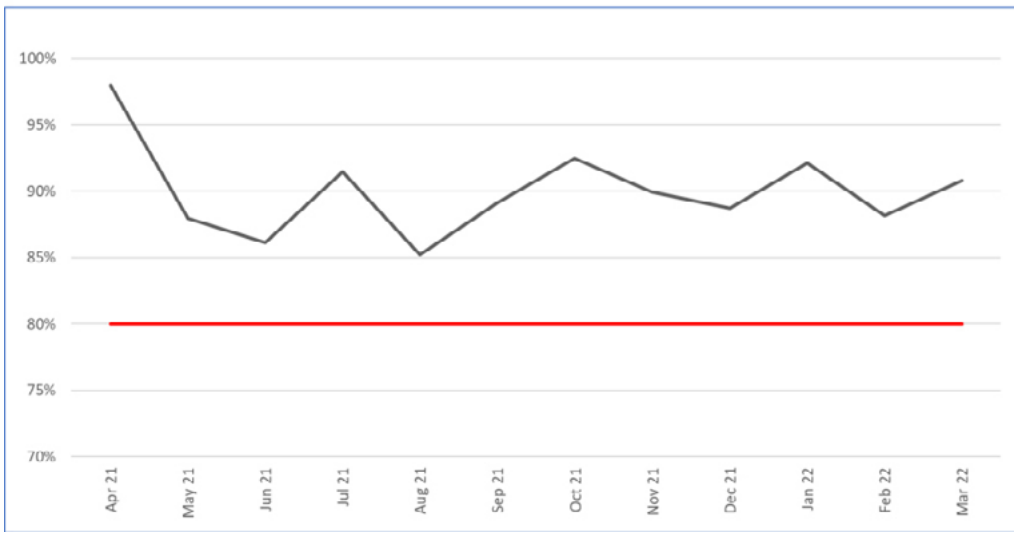
- service users recommending our services to friends and family if they needed them.
- service users saying that they know how to get advice and support in a time of crisis.
- the number of people discharged from inpatient units who are followed up within 48 hours.

Proportion of our service users who were followed-up within 48 hours of their discharge



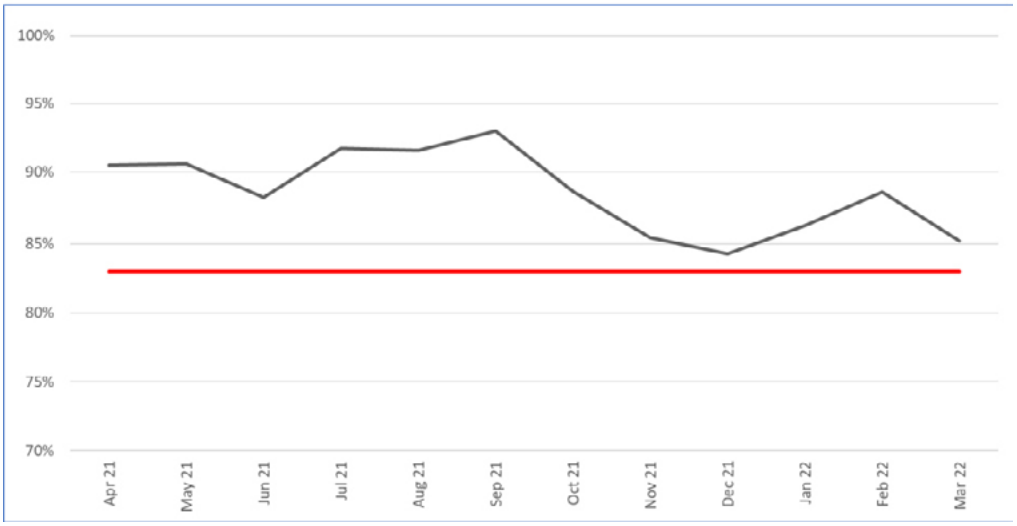
We have reviewed the process to support achieving this indicator, to support safe discharge, during 2022/23.

Proportion of our service users who would recommend our services to their friends and family should they need it



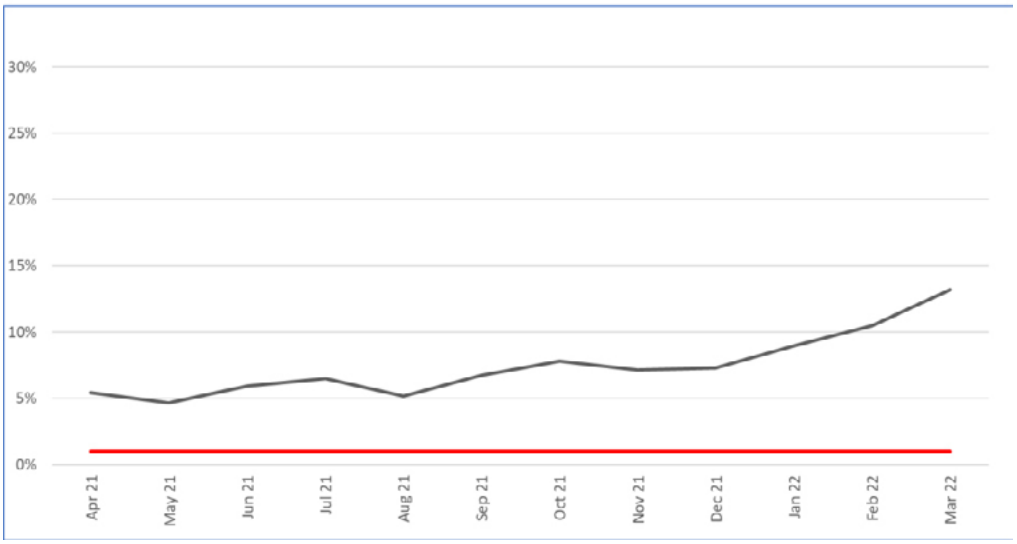
Despite the challenges in performance the Friends and Family Test feedback has been consistently above the expected target

Proportion of our service users who knew how to access support and advice in a crisis



Following the transformation of the adult crisis services in 2020/21 we have seen performance remain above target.

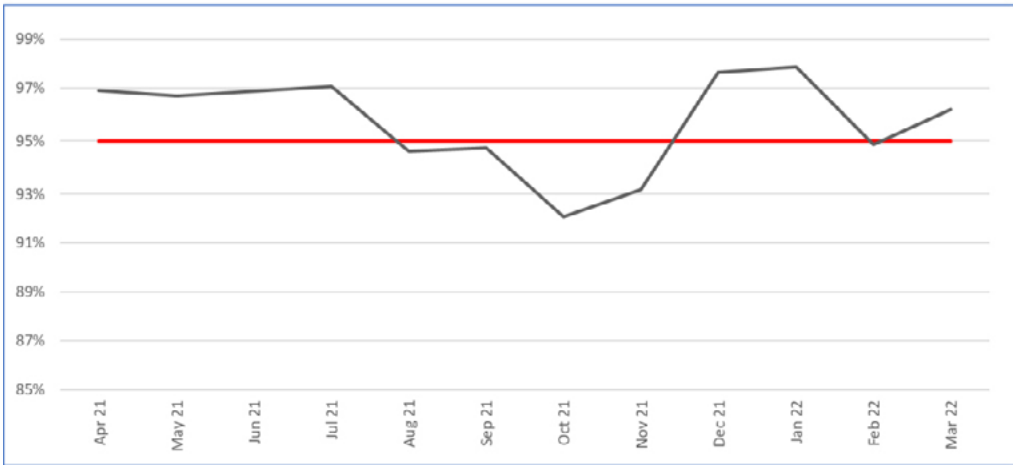
Proportion of our service users whose discharge from inpatient units was delayed



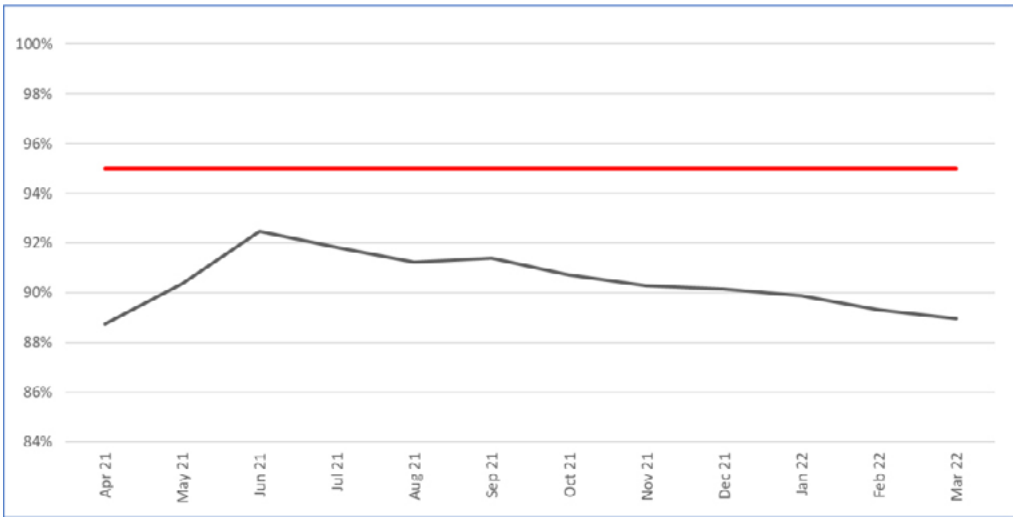
As illustrated above, delays in transferring people from our care to other services increased due to rises in demand and complexity of our service users' needs. This was also due to the impact of the pandemic on partner organisations. Work is underway with partners to explore different service options to support timely discharge.

The increased demand on our services has also impacted on our ability carry out annual reviews for people on the Care Programme Approach and annual risk assessments as shown below. Our community transformation programme will address the pathways to support regular and appropriate review of service users and a continuous quality improvement plan has highlighted some areas for improvement in relation to the completion of risk assessments, and we are confident that our performance will improve in 2022/23.

Proportion of our service users on the Care Programme Approach who received an Annual Review



Proportion of our service users who received an Annual Risk Assessment Review

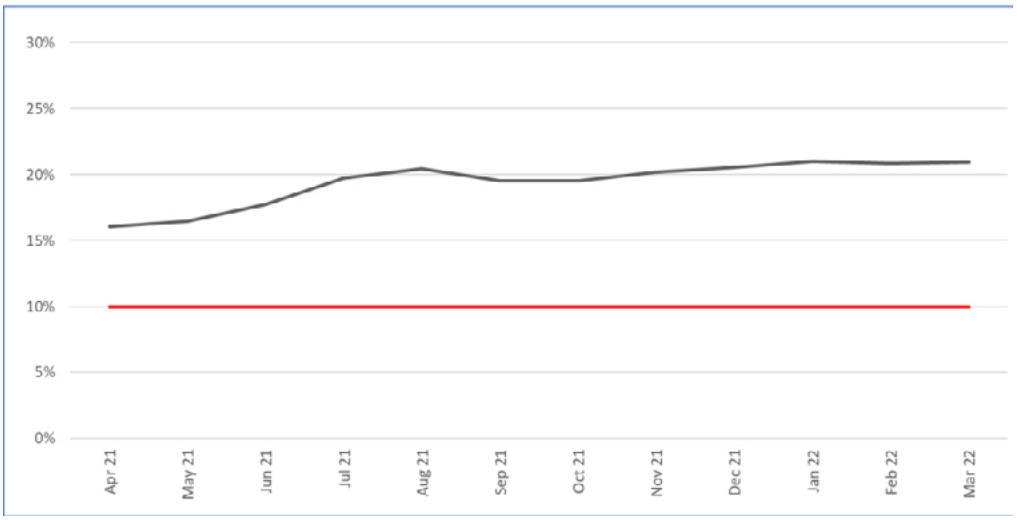


Maintaining 95% of people having a formal, annual risk assessment review was also affected by the increase demand on our services. However, we have undertaken a continuous quality improvement project to improve our approach to risk management and we expect this to improve in the first half of 2022/23.

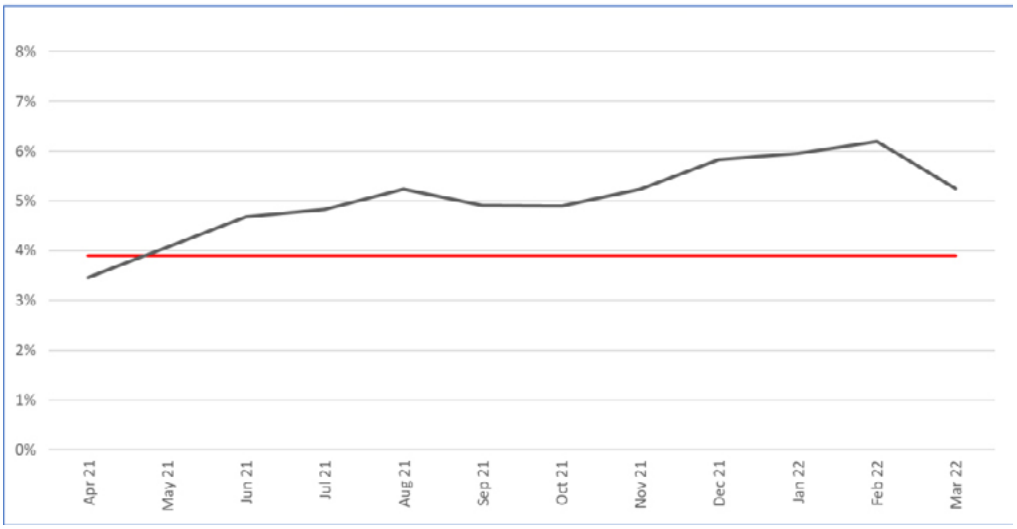
Workforce

We strive to make our organisation a great place to work for everyone and we have received very positive feedback from the national staff survey as detailed in section 2.2 (Staff Report). We are, however, continuing to experience difficulties in recruiting new staff despite the additional measures we have introduced, affected by the increased demand for resources across the system, and our staff turnover remains high as summarised below.

Our staff turnover rate

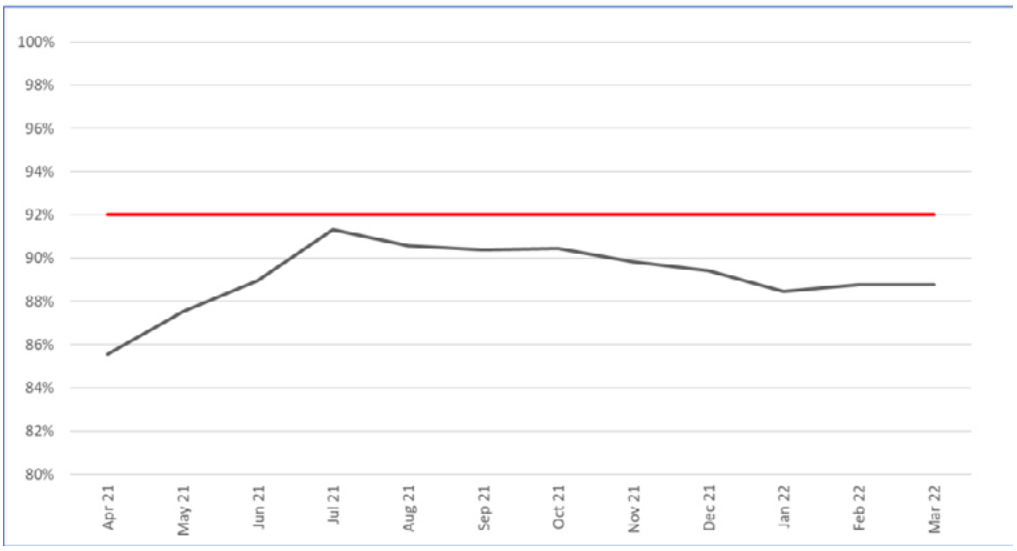


Our staff sickness rate



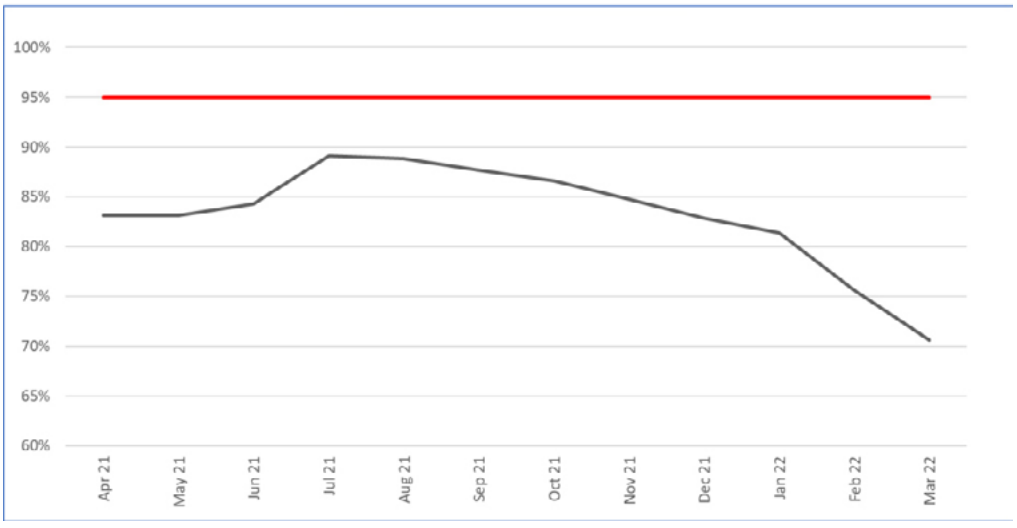
The usual spike in sickness absence due to seasonal illnesses was elevated by the Omicron variant and meant that our consistently low sickness rate rose. The Omicron variant proved highly infectious in the winter months, but whilst sickness absence has increased, our infection control protocols have provided good protection for service users, families and staff. An increased focus on inoculating staff against flu and COVID has had a positive impact on the length of absence over the year. We have also introduced a wide range of wellbeing activities and services across the Trust to help maintain physical and mental wellbeing in our workforce. The chart above shows staff sickness rates during 2021/22.

Proportion of our staff who completed their mandatory training



Meeting our 92% target for mandatory training continued to be a challenge, due to the limitations on holding face to face training, challenging staffing levels, and increased demand on our services. We are confident that we will see improvement during 2022/23 as we have increased access to training, and services and workforce are restored and stabilised.

Proportion of our staff who completed their PDPs and appraisals



Personal Development Plan and appraisal rates also remained below the 95% target throughout the year due to the impact of the pandemic. In line with our vision to support, retain and develop our people, and a renewed focus on this indicator gives us confidence that there will be significant improvement during 2022/23.

Journey to Zero Net Carbon

The Trust produced its Green Plan in line with NHS England's published directive in August 2021, following the publishing of NHS England's ***Delivering a Net Zero National Health Service Strategy***. The Trust Plan was approved by the Board in January 2022. Key targets in the plan are:

- For the emissions the Trust controls directly (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032
- For the emissions the Trust can influence from the Trusts suppliers (our NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039

The Green Plan has been produced with engagement from staff, service user representatives and colleagues from NHS England and the Hertfordshire and West Essex Integrated Care System (HWE ICS) System. It will be part of the reshaping of our services and the impact they have on the environment. We have made a commitment to provide investment to upgrade our infrastructure to reduce our physical impact on the environment.

The key areas of focus are:

- Workforce and system leadership
- Sustainable models of care
- Digital transformation
- Travel and transport
- Estates and facilities
- Medicines
- Food and nutrition

We are developing our Net Zero Road map which will set out the journey over the coming years to take us to the target of overall net zero by 2045.

Digital

We continued to make significant progress in the implementation of our Digital Strategy. We have successfully extended the ability for our service users and carers to report their clinical outcomes online, as well as our remote monitoring system which is now being used to monitor the physical health of our service users with serious mental illness and learning disabilities. Our new electronic prescription and medicines administration system which improves the safety and effectiveness of our service, is now integrated with our electronic patient record system and will go live in the early part of 2022/23 in our inpatient wards.

We also digitised manual processes such as management of flu and COVID vaccinations and staff supervisions, reducing the administrative burden for staff and improving our ability to monitor and manage these indicators.

We have also made significant progress in implementing a shared care record across our Integrated Care System which is now available to our staff within our electronic patient record, allowing them to see information from general practices as well as hospitals.

Cybersecurity remained a significant theme throughout the year with a number of emerging high-level global threats which we have successfully mitigated with our suppliers. Our single sign on system is now live which will also help improve our cybersecurity as well as reduce the administrative burden on staff.

Detail from a painting by Denise Bowser: 'My Beautiful Sea'. From our Service User Art Project

Analysis of Financial Performance and Financial Overview

Our track record of solid financial performance continues this year and we have again been able to invest in improvement at the same time as maintaining strong financial control. Draft accounts for the financial year 2021/22 were completed and submitted to NHSI/E and the external audit completed in line with national timetable. The Trust has reported a control total surplus of £705,000 against a revised financial plan to break-even which was revised from an original planned deficit of £1m due to a more favourable than expected settlement for Half 2.'

As noted above, the intended financial framework was suspended throughout the year and amended arrangements made. This saw all NHS organisations being provided with additional COVID-19 related revenue, either through the reimbursement of specific costs incurred or from financial sums assessed and awarded by NHSI/E. In 2021/22 £10.4m of additional funding was received by the Trust and was used to meet the additional costs in responding to the pandemic, which included: additional pay costs to cover both staff absence and the additional inpatient staffing required, and additional infection prevention and control costs.

The Trust invested £17.1m in capital assets in the year. The capital spend included £5.4m on the design and build of four new safety suites £9.3m on building and site developments to improve patient and staff facilities and £2.4m of digital investment. This investment was funded from additional Public Dividend Capital of £0.9m and the remainder from internal cash and working capital.

The Trust has continued to provide for probable future liabilities. The Trust's provisions increased both in number and value during 2021/22 and are set out in the Financial Statements. The following new provisions have been included: COVID Inquiry and Working Time Directive enhancements. In addition to the previous year provisions for pensions, injury benefit, CHC appeals, building dilapidations and future service changes expected. In overall terms, the value of provisions has increased from £10.3m in 2020/21 to £11.8m in 2021/22.

Important events since the end of the financial year 2021/22 affecting the Trust

We continue to respond to the COVID-19 pandemic. This has seen us use our Business Continuity Plans, adapt our services and ensure our staff were supported to provide great care to our services users. The pandemic is likely to continue to have an impact on demand levels and acuity and on staff wellbeing in 2022/23. The Trust has and will continue to work consistently and innovatively to meet the needs of its existing and future service users. We will also work with partners, staff and service users to support recovery, adopting good practice and learning from our response to the pandemic.

Conclusion and looking ahead

Our performance has stayed strong in the first half of the year, but the Omicron variant and significant demand and acuity pressures made it challenging to meet a number of our key performance indicators for the full year. However, all our services have remained open to referrals throughout the year, and we have delivered record levels of access and contact. Strong financial performance has continued to allow us to invest where necessary to keep service standards high and continue to support our service users and carers.

Karen Taylor, Chief Executive

Dated: 20 June 2022

2 Accountability Report

2.1 Directors' Report

2.1.1 The Trust Board

The Trust is managed by full-time Executive and part-time Non-Executive Directors who collectively make up the Trust's unitary Board of Directors. The Board considers all the Non-Executive Directors to be independent in accordance with the NHS Foundation Trust Code of Governance.

The NHS Foundation Trust Code of Governance specifies that Non-Executive Directors, including the Chair, should be subject to re-appointment at intervals of no more than three years, following formal performance evaluation. Any term beyond six years should be subject to rigorous review and take into account the need for progressively refreshing the Board. Non-Executive Director appointments are made with the support of an external recruitment company through open competition. Executive Directors are appointed through open competition in accordance with the Trust's recruitment and selection policies and procedures. The period of notice for Executives is six months.

Director's responsibility for the Annual Report and Accounts

The Directors are collectively and individually responsible for the preparation of the Annual Report.

This Annual Report has been prepared on the same basis as the accounts. Having reviewed all the information contained in the Annual Report and Accounts, and taking into account all other relevant information of which they are aware, the Directors confirm that they consider that (taken together) the Annual Report and Annual Accounts:

- Are fair, balanced and understandable
- Provide the necessary information for service users, regulators and other stakeholders to assess the performance, business model and strategy of the Foundation Trust.

The Board

Karen Taylor
Chief Executive Officer

Sarah Betteley
Chair

Hakan Akozek
Director of Innovation and Digital Transformation and Chief Information Officer

Sandra Brookes
Director of Service Delivery and Customer Experience

Helen Edmondson
Head of Corporate Affairs and Company Secretary

Janet Lynch
Interim Director of People and Organisational Development

Paul Ronald
Director of Performance Improvement

Jacky Vincent
Director of Quality and Safety

Maria Wheeler
Director of Finance and Estates

Paul Wood
Interim Director of Strategy and Partnerships

Dr Asif Zia
Director of Quality and Medical Leadership

Non-Executive Directors

David Atkinson

Anne Barnard

Tim Bryson

Catherine Dugmore

Diane Herbert

Jon Walmsley

Kush Kanodia
(Associate)

Board Members

Sarah Betteley
Trust Chair

Sarah joined HPFT as a non-executive director in 2014. She became Deputy Chair in 2019 and was appointed as Chair in December 2020.

Sarah is a lawyer with significant non-executive experience in the NHS. She held a number of senior executive commercial roles at BT and has also acted in a consultant capacity with small businesses supporting them on strategy and growth development.

Karen Taylor
Chief Executive

Karen became Chief Executive on 1 December 2021. She joined HPFT in 2012 and has held three Executive Director posts at the Trust, most recently Deputy Chief Executive and Executive Director of Strategy and Integration. Karen is the Accountable Officer for the Trust and carries full responsibility for the Trust's strategic direction, performance, planning, business management and development. She is also the Joint Chair for the Hertfordshire Mental Health, Learning Disabilities and Autism Collaborative.

Karen began her career in 1998 on the NHS Management Training Scheme and has a breadth of experience across the NHS, holding a number of senior roles including Director of Operations of an acute hospital trust and Chief Operating Officer/Deputy Chief Executive of a community services trust.

Hakan Akozek
Director of Innovation and Digital Transformation

Hakan joined HPFT in 2018 as Chief Information Officer and became Director of Innovation and Digital Transformation and Chief Information Officer in February 2022. He is responsible for information management and technology (IM&T), performance improvement, CQI, innovation and population health management.

Hakan has worked in the NHS for over 20 years and has held various senior information roles in commissioning and provider organisations, delivering large scale, complex transformation programmes.
His background as a medical doctor, his experience of managing a wide range of services and his digital knowledge give him a unique perspective on innovation and improvement in healthcare.

David Atkinson
Non-Executive Director

David joined HPFT as a Non-Executive director in 2019. He is a former banker with 26 years' experience, working in London, Tokyo and Hong Kong. He specialised in finance and risk management, with region-wide responsibilities in Europe and Asia Pacific.

David is a member of the Institute of Chartered Accountants in England and Wales (ACA) and a Board trustee for The Papworth Trust, an East of England disability charity. David is an independent Non-Executive Director at Mizuho International plc.

Anne Barnard
Non-Executive Director

Anne joined HPFT as a Non-Executive director in 2021. She has more than 30 years' experience in general and financial management in both the public and private sector. She was Managing Director of BBC World News, the BBC's commercial international news channel.

Anne has held a variety of non-executive roles, including as Vice Chair of Central London Community Healthcare NHS Trust and Dimensions, one of the largest not-for-profit providers of support to people with learning disabilities. She is a Member of the Institute of Chartered Accountants in England and Wales (ACA).

Sandra Brookes
Executive Director of Service Delivery and Service User Involvement

Sandra joined HPFT in 2014 as Managing Director for services in West Hertfordshire. She then led services in East and North Hertfordshire before becoming Executive Director of Service Delivery and Service User Experience in 2019. Sandra is responsible for service delivery and service user involvement and experience.

Sandra has worked in the NHS since 1986 and is an occupational therapist by background. She has worked in a range of mental health services including acute, rehabilitation, primary care, community and older people's services and has held a number of operational in other mental health and learning disability trusts.

Tim Bryson
Non-Executive Director

Tim joined HPFT as a non-executive director in 2021. He is a qualified mental health nurse with a broad range of clinical and managerial experience in commissioning and service delivery. Tim was Executive Director of Nursing at Cambridgeshire and Peterborough NHS Foundation Trust for ten years from 2002 to 2012.

Tim now works as an independent healthcare consultant on a wide range of projects, most recently for the London Cavendish Square Group on safety improvement and Health Education England on learning disability nursing. In 2010, he co-founded the Blue Smile children's charity in Cambridgeshire and was Chair of Trustees for eight years. Tim is a member of the National Mental Health Nurse Directors Network, Cam-MIND, COPE and Rethink in Cambridgeshire.

Catherine Dugmore
Non-Executive Director

Catherine joined HPFT as a Non-Executive director in 2016. She trained with PwC, specialising in multinational financial services clients setting up operations in South Africa. She relocated to the UK in 2002 and has since had a full time career as a non-executive director.

Catherine had a ten-year association with Action for Children, becoming Chair of the Audit Committee and Vice Chair of the organisation. She has also been Chair of Victim Support and Chair of the Audit Committee and Vice Chair of North Middlesex University Hospital NHS Trust.

Helen Edmondson
Head of Corporate Affairs and Company Secretary

Helen joined HPFT in 2019. She is responsible for advising the Board and the organisation on all aspects of governance, ensuring the Board and its sub committees act fairly and with integrity. She manages the Trust's Corporate Office, is the primary point of contact and advice for the Non-Executive Directors and Trust Governors and is also the Trust's Counter Fraud Champion.

Helen has worked in the NHS for over 30 years in a range of managerial roles, including as Director of Corporate Affairs and HR in an ambulance Trust and Associate Director of Governance in a large clinical commissioning group. She has worked in the Hertfordshire health and care system for over 10 years in both commissioning and strategic planning organisations, most recently in the Hertfordshire and West Essex Integrated Care System.

Diane Herbert
Non-Executive Director

Diane joined HPFT as a Non-Executive director in 2019. She is an HR professional by background and was previously HR Director at Channel 4. Alongside this and her other non-executive roles, Diane also works as an executive coach and consultant, specialising in helping to build and develop cultures that support creativity, innovation and change.

Kush Kanodia
Associate Non-Executive Director

Kush joined HPFT as an Associate Non-Executive director in 2021. Originally an investment banker, he is currently Chief Disability Officer for the Kaleidoscope Group of Companies and is known as a social entrepreneur, systems leader and a champion for equality and inclusion. Kush holds a number of board and trustee roles, including with Health Data Research UK, the Global Disability Innovation Hub and the Centre for Access to Football in Europe.

Kush has been cited as one of the top ten most influential BAME leaders in technology and was second in the 2019 Disability Power 100 list of the most influential disabled people in the UK.

Janet Lynch
Interim Executive Director People and Organisational Development

Janet joined HPFT in 2021. She leads on developing of innovative People, Culture and Organisational Development strategies that support the Trust's aims of providing great care and great outcomes for our service users and which enable our people by developing a workplace where people grow, thrive and succeed.

Janet has been a Board level director for over 20 years, working in community, mental health and learning disability and acute trusts. Most recently, she was Director of Workforce and Education at Lewisham and Greenwich NHS Trust, where she was also the Deputy Chief Executive.

Paul Ronald
Director of Performance Improvement

Paul joined HPFT in 2012 as Deputy Director of Finance and became Director of Operational Finance in 2020. In July 2021, Paul took up the role of Director of Performance Improvement. He is responsible for embedding performance improvement across all areas of the Trust, ensuring that we have timely and quality data and information to support effective planning and decision making.

Prior to joining the NHS in 2001, Paul worked in the commercial sector and was a director of a large UK transport group before running his own business. Since joining the NHS, Paul has worked with a number of different organisations both within commissioning and service provision. Paul was awarded the HFMA Deputy Director of the Year award in 2013. He is also the Chair of MIND in Mid Herts.

Jacky Vincent
Executive Director of Quality and Safety (Chief Nurse)

Jacky is a Registered Nurse in Learning Disabilities. She has worked in mental health and learning disability services in Hertfordshire since starting her nurse training in 1990. She became HPFT's Director of Quality and Safety (Chief Nurse) in 2021, having been Deputy Director of Nursing and Quality since 2017. Jacky is responsible for clinical and corporate risk, patient (service user) safety, compliance and governance, infection control and safeguarding. She is the Caldicott Guardian for the Trust and the Board level lead for all clinical disciplines except for medical and pharmaceutical staff.

Jacky has held several nursing leadership roles at HPFT and led on the clinical design and development of Kingfisher Court, a new mental health inpatient facility which opened in 2014. She is a Florence Nightingale Foundation Alumni and an Honorary Fellow at the University of Hertfordshire.

Jon Walmsley
Non-Executive Director

Jon became a Non-Executive Director of HPFT in 2021, having served as a Governor for six years and as Lead Governor for three years. Jon had a long career in publishing as Managing Director and Non-Executive Chair of global and regional businesses at John Wiley and Sons, specialising in resources for professionals and students in healthcare and other disciplines.

Jon is an Independent Board Member of Ravensbourne University, London and a Trustee of the homelessness charity Accumulate.

Maria Wheeler
Executive Director of Finance and Estates

Maria joined HPFT in February 2021 as Deputy Director of Finance and became Executive Director for Finance and Estates in July 2021. Maria is responsible for finance, estates and facilities.

Maria joined the NHS in 2001 at East and North Hertfordshire NHS Trust and qualified as an accountant in 2004. She has held a wide range of senior roles within the NHS, including most recently as Chief Finance Officer at West Norfolk Clinical Commissioning Group and Thurrock Clinical Commissioning Group.

Paul Wood
Interim Director of Strategy and Partnerships

Paul joined HPFT in November 2021 as Interim Director of Strategy and Partnerships. He is responsible for strategy development, business planning and development and leads the development of integrated care across the Trust.

Paul has over 30 years' experience of leading, managing and delivering service transformation, developing strategic partnerships and alliances and working across healthcare systems on major service change projects. Most recently, he has worked at Salisbury NHS Foundation Trust as Interim Director of Transformation and at Oldham Clinical Commissioning Group as Alliance Director of Integration.

Dr Asif Zia
Director Quality and Medical Leadership

Asif joined HPFT in 2013 as Clinical Director for Learning Disability and Forensic services. He was appointed as Executive Director of Quality and Medical Leadership in 2017. Asif is responsible for the clinical elements of the Trust's quality management approach, as well as medicines management, research and development and medical appraisals and revalidation for doctors. He is also the professional head of HPFT's medical staff and is responsible for medical teaching and training.

Asif began his career in the UK in 1994 and held several senior posts before joining HPFT.

Asif is a regional advisor to the Royal College of Psychiatrists and a Council member of the NHS England East of England Clinical Senate, where he sits on independent clinical review panels.

Note: The individuals listed below held Board positions in year but were not in post at 31 March 2022.

Tom Cahill, Chief Executive (left the Trust 30 November 2021)

Ann Corbyn, Director People and Organisational Development (left the Trust in 30 November 2021)

Keith Loveman, Executive Director Finance, Performance & Improvement and Deputy Chief Executive (left the Trust in 30 June 2021)

Dr Jane Padmore, Director Quality and Safety (left the Trust 31 July 2021)

Patrick Vernon, Non-Executive Director (left the Trust 28 February 2022)

2.1.2 Board of Directors appointments and committee attendance

There were 12 Board of Directors meetings between 1 April 2021 and 31 March 2022. The Trust also holds an Annual General Meeting for members. The term of appointment and individual attendance of each Board member at Board of Director and sub-committee meetings of which they are members is set out below.

__Table 1__ – Appointments and attendance at Board of Directors meetings and statutory and assurance committees April 2021 - 31 March 2022

Board Member	Term of Appointment	Trust Board	Nominations & Remuneration Committee	Audit Committee	Integrated Governance Committee	Finance & Investment Committee
Non-Executive Directors		**Attendance: actual/maximum**				
Sarah Betteley	1/01/21 – 31/12/23 (Chair)	12/12	10/10	N/A	N/A	N/A
David Atkinson	01/08/2019 – 31/07/2022	11/12	8/10	6/6	N/A	7/7
Anne Barnard	01/01/21 – 31/12/23	12/12	10/10	N/A	5/6	7/7
Tim Bryson	01/01/21 – 31/12/23	12/12	7/10	5/6	6/6	NA
Catherine Dugmore	01/08/2016 – 31/07/2022	8/12	6/10	6/6	N/A	5/7
Diane Herbert	01/05/2019 – 30/04/2022	9/12	5/10	1/1	6/6	NA

Board Member	Term of Appointment	Trust Board	Nominations & Remuneration Committee	Audit Committee	Integrated Governance Committee	Finance & Investment Committee
Non-Executive Directors		**Attendance: actual/maximum**				
Jon Walmsley	01/05/2021 – 30/04/2024	9/11	10/10	N/A	6/6	6/7
Kush Kanodia	1/03/21 – 28/02/2022	11/12	6/10	N/A	4/6	5/7
Patrick Vernon	01/01/21 – 28/02/2022	11/11	6/9	3/6	2/5	N/A
CEO in attendance						
Tom Cahill (CEO)	01/04/2009 – 30/11/2021	8/8	4/7	1/1	NA	NA
Karen Taylor (CEO)	01/12/2021 – ongoing	4/4	4/4	N/A	N/A	N/A
Directors in attendance						
Hakan Akozek*	01/02/22 – ongoing	2/2	N/A	1/1***	0/1***	1/1***
Sandra Brookes	01/04/2019 – ongoing	11/12	N/A	1/6***	5/6	3/7
Ann Corbyn**	01/02/2020 – 30/11/21	0/8	0/7	0/4***	0/4	N/A
Keith Loveman	04/10/2010 – 30/06/21	4/4	N/A	2/2***	N/A	1/1
Janet Lynch	01/06/2021 – 31/12/2022	9/9	8/8	4/5***	3/5	5/5***
Dr Jane Padmore	17/11/2016 – 31/07/2021	5/5	N/A	3/3***	2/2	1/2
Paul Ronald*	01/04/20 – 20/05/2022	11/12	N/A	5/6***	NA	6/7
Karen Taylor	27/02/2012- 30/11/2021	7/8	N/A	1/4***	2/3***	3/4
Jacky Vincent	01/08/2021 – ongoing	7/7	N/A	3/3***	4/4	4/4
Maria Wheeler	01/07/2021 - ongoing	8/9	N/A	4/4***	4/5	6/6

Board Member	Term of Appointment	Trust Board	Nominations & Remuneration Committee	Audit Committee	Integrated Governance Committee	Finance & Investment Committee
Non-Executive Directors		**Attendance: actual/maximum**				
Paul Wood	01/11/21 – 31/3/22	3/5	N/A	N/A	0/2	2/3
Dr Asif Zia	01/07/2017 – ongoing	11/12	N/A	4/6***	4/6	3/7
Other Directors and Attendees						
Helen Edmondson*	Head of Corporate Affairs and Company Secretary				02/09/2019 – On-going	

** non voting member*
*** on secondment from 31 May 2021*
***** not required as not a member of this committee*

2.1.3 Details of Company Directorship

Details of Interests declared by members of the Board of Directors, including Company Directorship are held in a register of Directors' Interests by the Head of Corporate Affairs and Company Secretary.

The register of Directors' Interests is available from the Company Secretary at:

Hertfordshire Partnership University NHS Foundation Trust,
The Colonnades,
Hatfield,
Hertfordshire
AL10 8YE
Tel: 01707 253866
or on line at https://www.hpft.nhs.uk/about-us/our-staff/

There is no company directorship held by the Directors where companies are likely to do business with, or seek to do business with the Trust.

2.1.4 Statement of compliance with cost allocation and charging guidance

The NHS Foundation Trust has complied with the cost allocation and charging requirements set out by HM Treasury.

2.1.5 Details of Political Donations

There were no political donations made during the reporting period.

2.1.6 Liability to pay interest

The Trust did not pay any interest as the result of failing to pay invoices within the 30-day credit periods so agreed.

2.1.7 Statement of Better Payment Practice Code

The NHS Foundation Trust has adopted the Better Payment Practice Code, formerly known as the CBI policy on prompt payment. This requires payment to creditors within 30 days of the receipt of goods, or a valid invoice, whichever is the later, unless covered by other agreed payment terms. The Trust's performance against this target in the year was as follows:

Non NHS	£000's	Number
Total bills paid in the year	163,184	52,904
Total bills paid within target	153,992	48,395
Percentage of bills paid within target 2020/21	92%	92%
Percentage of bills paid within target 2021/22	92%	95%

NHS	£000's	Number
Total bills paid in the year	27,760	935
Total bills paid within target	23,399	770
Percentage of bills paid within target 2020/21	64%	83%
Percentage of bills paid within target 2021/22	83%	84%

2.1.8 The NHS Improvement's Well-Led Framework

The Trust has arrangements in place to ensure services are well-led which have been developed to reflect NHS Improvement's "Well-Led Framework". During the year the Trust received the report on the externally commissioned well-led development review in line with best practice. The review confirmed that:

- the Trust has strong leadership at Board level which supports the development and delivery of a clear vision and strategy.
- that there are robust governance systems supporting the Board, Sub-Committees and Council of Governors that ensure risks are managed appropriately.
- High quality information is available to inform decision making and working within our values we ensure we engage and include others in our strategy development and delivery.
- the report concurred with the CQC inspection that the Trust was outstanding with regard to the well-led domain.

During the period, the Trust had a robust action plan to deliver against the 16 recommendations in the report. The action plan included work to: ensure continued engagement of Non-Executive Directors and clear forward plan for the Board to ensure dedicated time for strategic discussions; streamlining of Committees and the reports they receive; review and update of the Board Assurance Framework; review and refresh of governance systems in place at Strategic Business Unit (SBU) level; promotion of Freedom to Speak Up at the Trust and refresh of stakeholder map. The Board has received an update on progress with all the recommendations at its meeting in September 2021.

2.1.9 Material inconsistencies in reporting

There are no material inconsistencies in reporting.

2.1.10 Summary of stakeholder relations

The Trust maintains significant partnerships and relationships which support and facilitate the delivery of care and benefits for our service users and their carers. Our strong relationships with key commissioners across Hertfordshire, Essex, Buckinghamshire and Norfolk have secured ongoing income for services, and funding for a number of developments during 2021/22 and onwards into 2022/23.

The Trust operates within the Hertfordshire and West Essex ICS and has positive and developing relations with all key stakeholders within that partnership. The Trust leads and supports work streams including for mental health and learning disability and has led the work to establish a Mental Health, Learning Disabilities and Autism Collaborative for Hertfordshire. We have also been at the forefront of the East of England Collaborative that went live in July 2021, and has seen us working closely with other specialist providers to develop pathways for CAMHS, Learning Disability, Forensics and Eating Disorder services.

Within each geographical footprint (Hertfordshire, Essex, Buckinghamshire, Norfolk) there are also examples of good stakeholder relations across the full range of statutory and non-statutory partners. These include Mind, Age UK, the Police, local acute hospitals, local commissioners and county councils. HPFT is also part of the health and Care Partnerships for West Hertfordshire and East and North Hertfordshire, which are working together to improve outcomes for the local population.

HPFT has a strong history of co-production with both external stakeholders and importantly with service users and carers. We have demonstrated this throughout the year across our services, both in the development of Trust-wide strategies and in individual services. We also have a strong relationship with the University of Hertfordshire, an important partner supporting workforce development.

2.1.11 Income disclosures

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

In accordance with Section 43(3A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) the NHS Foundation Trust confirms it has several income sources that are not directly linked to patient care, of which the main sources are training and education funding and research grants. These income streams contribute positively to the provision of goods and services for the purposes of the Health Service in England.

Fees and charges (income generation)

The NHS Foundation Trust has no fees and charges where the full cost exceeds £1 million or the service is otherwise material to the accounts.

2.1.12 Statement of disclosure of information to auditors (s418)

The Directors of the Trust are responsible for preparing the Annual Report and Financial Statements (annual accounts) in accordance with applicable law and regulations.

Each of the Directors, whose name and functions are listed in the Board of Directors section of this Annual Report and Accounts and was a director at the time the report is approved, confirms that, to the best of each person's knowledge and belief and so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and the Director has taken all the steps that ought to have been taken as a Director in order to make him or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Accounting Officer approval of the Accountability Report

Karen Taylor,
Chief Executive
20 June 2022

2.2 Staff report

This section of our Annual Report tells you about our staff and how they have been supported through the year. It provides detail to information already provided in section 1.4.2.

2.2.1 Analysis of staff costs

Staff Group	Permanently employed £000	Other £000	Total £000
Admin and estates	20,453	496	20,949
Healthcare assistants and other support staff	59,490	3,687	63,177
Medical and Dental	26,394	935	27,329
Nursing and midwifery	43,715	4,600	48,315
Scientific, therapeutic and technical staff	37,638	590	38,228
Grand Total	**187,690**	**10,308**	**197,998**

2.2.2 Staff numbers analysis

Staff Group	Permanently employed £000	Other £000	Total £000
Admin and Estates	834	216	1050
Healthcare assistants and other support	1021	563	1584
Medical and Dental	142	94	236
Nursing and Midwifery	759	138	897
Scientific, Therapeutic and Technical	810	70	880
Grand Total	**3566**	**1081**	**4647**

Staff turnover

The turnover rate as at the end of 2021/22 was 21%. This is the total turnover rate which includes both unplanned (voluntary) turnover and planned turnover, which includes for example, junior doctors on rotation and other training contracts and fixed term contracts which come to an end. Our unplanned turnover at the end of the year was 12.82%. The graph in section 1.4.2. details our performance across the year. Significant work has been undertaken to continuously improve the experience of all our staff and support retention, this continues to be a focus into 2022/23.

Sickness absence data

The People and Organisational Development (OD) Team work closely with operational managers to offer advice on the application of the sickness absence policy and procedure, providing training and one-to-one coaching to ensure the fair and consistent application of the policy. Section 1.4.2 provides detail on sickness absence data for the year.

Throughout 2021/22, we have continued to be supportive towards staff who have been absent from work due to ill health and have worked with our Occupational Health providers to offer advice and make reasonable adjustments in the workplace for staff returning to work after periods of absence. This link is to information published by NHS Digital which details our sickness absence data https://digital.nhs.uk/data-and-information/publications/statistics/nhs-sickness-absence-rates

The table below shows the number of full time equivalent days available in 2021/22 against full time equivalent days lost to sickness.

Staff Group	FTE days available	FTE days sickness	%FTE days sickness
Admin and Estates	272,754.59	11,652.73	4.27%
Healthcare assistants and other support	355,698.54	23,911.65	6.72%
Medical and Dental	76,398.68	3,375.45	4.42%
Nursing and Midwifery	262,297.21	15,203.03	5.80%
Scientific, Therapeutic and Technical	246,276.81	9,146.53	3.71%
Grand Total	**1,213,425.82**	**63,289.39**	**5.22%**

We continue to focus on areas with high sickness absence in order to support staff returning to work and to sustain their attendance in the workplace via wellbeing initiatives and the Employee Assistance Programme. We have also focused on managing long-term sickness absence cases as well as supporting those employees with high Bradford scores (the Bradford formula is used to measure absenteeism).

We work with our Occupational Health provider to identify trends and take the necessary supportive action. Over the last 12 months, we have seen a significant increase in the use of our Occupational Health service and continue to receive positive feedback about the support and service provided.

We offer a range of support services to our staff through a variety of benefits partners:

- Employee assistance programme
- Here for You
- Physiotherapy services

Mental Health Nurses Day celebration February 2022

We continue to promote our Health and Wellbeing Strategy to our staff. Some of the highlights from 2021/22 are:

- **Monthly wellbeing offer** – we created a monthly health and wellbeing programme, with more flexible timings and combinations of day and evening sessions. These included pilates, mindfulness, virtual spa, yoga, hypnorelaxation and art and craft sessions. During 2021/22, there were 1,496 attendances at these regular monthly sessions.
- **Wellbeing festivals** – we launched our first Summer Wellbeing Festival and a Winter Wellbeing Festival across 37 of our sites. Around 2,000 staff attended these festivals, which featured food trucks, coffee vans, engagement with trade unions and wellbeing sessions, plus direct engagement with staff to capture feedback and to continually adapt our plans to meet people's needs.
- **Here for You service** – Our Here for You service has seen 126 Trust staff during the last year and a further 154 staff accessed the regular outreach support webinars. 41 of our staff had a specialist Rapid Clinical Assessment, which equates to roughly 3,690 clinical hours of assessment time delivered by a clinical lead psychologist and psychological therapist specialists.
- **Employee Assistance Programme** – over the last year, 122 staff accessed the Employee Assistance Programme provided by Vita Health.
- **Health and Wellbeing Champions** – we have recruited and trained a network of 21 Champions across the organisation to ensure that wellbeing is promoted locally and that local feedback is used to keep adapting our wellbeing offer to best meet people's needs.

Food trucks and coffee vans at various sites for the Winter Wellbeing Festival

86% of our people said that we take positive action to support health and wellbeing in our Quarter Four pulse survey, 70% said this in the national annual staff survey, one of the top ten results across all mental health and learning disability trusts.

Our people have also given us direct feedback about their experience of our wellbeing support, for example:

"It's been so helpful to meet the wellbeing team and share how important listening to staff is"

"'Being in the community is hard to feel connected to the Trust but its been a morale boost to be included and get a minute as a Team outside"

"Such a welcome break to the day and everyone's talking about it"

"I am so pleased that the feedback about not always been included was listened too. My Team really appreciated the visit and time out."

"I am new to the trust and that this is such a lovely welcome and surprised that we were asked our views what would be helpful for our own wellbeing"

"Being listened too has been so nice"

"I've not seen some colleagues for over a year and so its been amazing to eat and to reconnect again"

"I have found these sessions very rewarding and look forward to them every month. They have helped me recover and make me feel supported by the trust."

"It is good they are held at lunchtime otherwise I don't think I would be able to join the session. After a difficult time at work I am feeling the benefit of these sessions and am beginning to enjoy my job again. Something I didn't feel would happen. I do hope these sessions will continue"

"Without these sessions I would still be off work with stress and anxiety. They really help me to relax and my wellbeing had greatly improved."

"Attending wellbeing sessions at lunchtime helps me to go back to patients in a more relaxed and focused state ready to see patients again energised."

2.2.3 Staff policies and action applied during the financial year

We have continued to work on streamlining our policies, benchmarking with other NHS Trusts and professional bodies. We carry out this work in partnership with our staff side colleagues. Our policies are discussed and agreed at the Trust's Policy Group before final ratification at the Joint Consultative Negotiating Committee (JCNC). Our policy group is chaired by an operational manager with input and representation from operational and professional leads. This allows us to explore a variety of professional opinions and expertise when we consider how a new or amended policy will work in practice.

The work of Change Management Group is vital to considering changes to clinical teams and the workforce as a whole. It meets on a monthly basis, and it aims to ensure that employees' legal rights to consultation and representation are upheld when changes are made in the workplace. Local and regional staff representatives are fully updated and take an active role in change management or TUPE transfers within the Trust. They attend consultation meetings and one-to-one meetings to discuss organisational change and are updated on the outcomes, including those involving staff redeployment. Our change management processes are reported at the JCNC.

We also work in partnership with local and regional staff representatives. The Trust has both formal and informal monthly meetings with the trade unions. We discuss strategic issues at JCNC, further detail on the JCNC can be found in section 2.2.10. The Trust also works in partnership with staff representatives in applying the Agenda for Change job evaluation process and to implement joint working on the introduction and roll out of the Just Culture. We also work in partnership on key projects and plans in relation to the Gender Pay Gap, WRES and WDES.

2.2.4 Workforce equality and inclusion

Our workforce race equality scheme (WRES) and workforce disability equality scheme (WDES) data is published on our website at:

NHS Workforce Race Equality Standard (WRES):
www.hpft.nhs.uk/about-us/equality-and-diversity/nhs-workforce-race-equality-standard-wres

and ***NHS Workforce Disability Equality Standard (WDES):***
www.hpft.nhs.uk/about-us/equality-and-diversity/nhs-workforce-disability-equality-standard-wdes

This data continues to show some positive trends compared to previous years and compared to the national data. However, there remain difference in experience between staff groups. Together, some of our key achievements have been:

- **Reverse mentoring** – a scheme is in place for all Executive Team members to have a reverse mentor and the scheme will be expanded to cover all our Senior Leadership Team in 2022/23.
- **Just culture** – together with trade union colleagues and the BAME staff network, we agreed to introduce a decision-making panel to screen potential disciplinary matters. The panel consists of Trade Union, People and OD, Equality and Inclusion Team, BAME staff network and management representatives. The panel's objective is to bring a particular focus on equality and diversity in making an initial determination on whether, following an initial fact finding, a matter should progress to a formal investigation under the disciplinary process. The project has led to a significantly reduced likelihood of BME staff entering the disciplinary process, from BME staff being twice as likely to enter the formal process to achieving equality of treatment with white colleagues.
- **Staff networks** – our seven staff networks continue to flourish and are each sponsored and fully supported by an Executive Director. Together with the networks, we have run learning events, events to share experiences, provided targeted wellbeing support and celebrated the diversity of our people throughout the year.
- **Inclusion Ambassadors** – we have trained 21 Inclusion Ambassadors in preparation for the launch of our new scheme, which was co-produced with our trade unions and BAME staff network. Inclusion Ambassadors will participate in recruitment panels for posts at Band 8a and above in order to provide greater confidence in equity of appointments and to contribute to greater diversity at senior levels.
- **Reasonable adjustments** – we have put in place a reasonable adjustments panel to ensure that managers and staff can benefit from the advice and guidance of a panel of experts in relation to making adjustments for disabled staff so that we are confident we can consistently provide the best support to staff.

We continue to focus on strengthening our culture of belonging and inclusion and eliminating the gap in experience between staff groups which are currently reported.

Breakdown of the number of male and female staff

Staff Group	Female	Male	% Female	% Male	Total
Directors	6	4	60%	40%	10
Other Senior Managers	2	5	29%	71%	7
Medical and Dental	131	104	56%	44%	235
Employees	3283	1112	75%	25%	4395
Grand total	3422	1225	74%	26%	4647
Grand Total	**2874**	**1086**	**73%**	**27%**	**3960**

The Trust operates an Equal Opportunities Policy which sets out how we will give full and fair consideration to applications for employment made by disabled persons. The policy also cites the Trust's 'Managers Guide for Supporting Staff with a Disability', which describes our approach to ensuring support for staff who have become disabled, as well as our approach to applicants and existing disabled staff. The Equal Opportunities Policy and Management Guidance are complemented by the Trust's Absence Management Policy and our Recruitment and Selection Policy.

The Trust is a Disability Confident employer. As part of our Disability Confident commitment, our Recruitment and Selection Policy states that all applicants with a disability who meet the minimum shortlisting requirements for a position will be shortlisted for the post and guaranteed an interview, and we have robust systems for monitoring this.

The Trust is committed to ensuring there is equality of access to services for all our service users. During this period, the Trust undertook a partial regrading of Equality Delivery System 2 EDS2 in the absence of EDS3 being published, and the results of which are published on our website at:
www.hpft.nhs.uk/about-us/equality-and-diversity/our-performance

Gender pay gap reporting

Legislation makes it a statutory requirement for organisations with 250 or more employees to report annually on their gender pay gap. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). We deliver equal pay through a number of means, but primarily through adopting nationally agreed terms and conditions for our workforce.

As at 31 March 2021, our gender pay gap analysis identifies a mean gender pay gap of 9.92% and median of 2.33%. We are confident this pay gap does not stem from paying men and women differently for the same or equivalent work but is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. We will continue to monitor the gender pay gap and, during 2022/23, will consider the next steps we should take to reduce it. Further details are on our Trust website.
www.hpft.nhs.uk/about-us/gender-pay-gap-reporting

Equality, Diversity and Human Rights

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

We are committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy and maternity, sexual orientation, gender reassignment or disability.

Our equality and diversity work is centred on ensuring that we comply with the Public Sector Equality Duty and are delivering best practice as a lead for equality and diversity. This work focusses on activity to:

- eliminate unlawful discrimination.
- advance equality of opportunity.
- foster good relations.

We completed our most recent grading of the NHS Equality Delivery System 2 in May 2019 with an overall outcome of 'good' and we also self-assessed in May 2020 as part of our COVID-19 quality impact assessment. Our overall 'good' reflects ongoing progress and areas for improvement. During 2021/22 we will be undertaking a full regrading exercise once EDS3 is in place with underpinning activity to include:

- Monitoring and recording our data as part of an improvement programme - with a review of equity of access to services and care outcomes.
- Leading a programme of work that is focused on identifying and removing systemic barriers that can lead to inequity.
- Reviewing our experience feedback for staff, service users and carers.
- Working at SBU level to promote and engage staff on the EDI agenda.
- Increased activity for the NHS Accessible Information Standard (communication and language needs).

2.2.5 Anti-fraud and corruption

The Trust engages a dedicated local counter-fraud specialist (LCFS) through RSM Risk Assurance Services LLP to counter fraud and corruption. Our anti-fraud and Anti Bribery Policies and work plan is approved by the Board of Directors' Audit Committee. It reflects the NHS Counter Fraud and Security Management Services framework, and the Audit Committee receives regular reports throughout the year. The Trust has a Standards of Business Conduct Policy which is available on the Trust website. During this period the Trust has reviewed and updated its Anti-Bribery and Anti-Fraud policies.

Our LCFS provides regular fraud awareness briefings and workshops, specific training for targeted groups and awareness raising as part of the Trust induction programme for all new employees.

2.2.6 Staff incidents

The Trust reported a total of 59 staff incidents to the Health and Safety Executive (HSE) under the Reporting Injuries and Dangerous Occurrences Regulations (RIDDOR) during 2021/22. This compares to 28 incidents in 2020/21.

Eight incidents were specified injuries and all others resulted in staff being absent for seven or more days. 51 of the incidents were as a result of a physical assault against staff, five were a result of a slip, trip or fall and three occurred during Physical Intervention Training.

2.2.7 Lone working

The Trust has in place a new three-year contract for the supply and management of lone working devices with Peoplesafe which commenced in November 2020. This is a more advanced solution with a pendant device alongside a mobile app. The contract has continued smoothly with a marked improvement in usage. Staff movement within the Trust has resulted in changes of escalation paths and the Health and Safety team routinely update these. New teams have come on board resulting in the need for more devices. The Health and Safety team are improving the process of returning of devices to the team for redistribution. Whilst awaiting device allocation lone working staff have access to the Peoplesafe App to ensure their safety.

2.2.8 Occupational Health

The Trust has an external Occupational Health Service, which assesses new staff prior to employment to ensure that any risks in relation to their own or others' health and safety are identified, and actions taken to mitigate these, and recommend reasonable adjustments for disabled staff. In addition, the Occupational Health Service assesses existing staff for their fitness for work and advises how we can support our people, including making reasonable adjustments for disabled staff. The service fully complies with all relevant standards for occupational health services, such as SEQOHS (Safe Effective Quality Occupational Health Service standard). Section 2.2.6 details incident information for 2021/22.

Nursing Times Awards finalists: CAMHS DBT Team at 15 Forest Lane, Radlett

2.2.9 National Staff Survey

2.2.9.1 Summary of performance

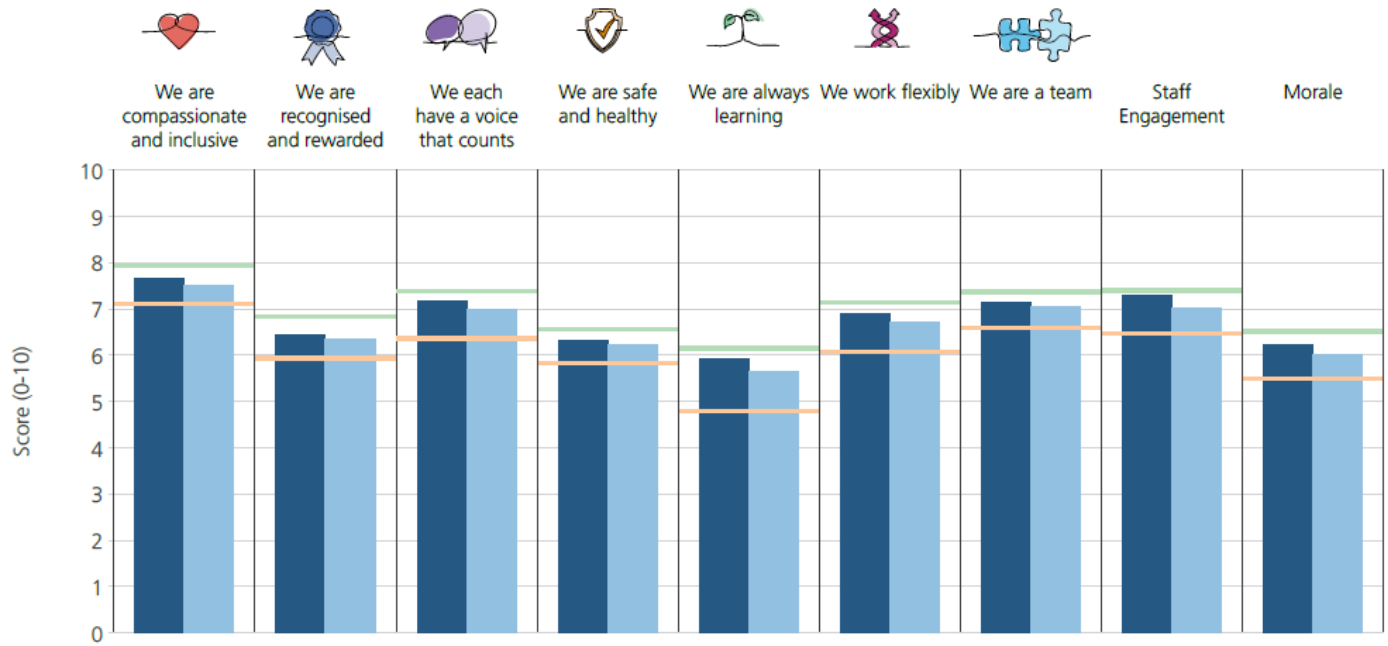
Overall, our results paint a picture of people who are proud to work for the Trust, recommend us as a place to work, are proud of the standard of care we provide and are clear that service users are our top priority. The survey results tell us that our people are highly engaged, motivated and emotionally invested in their work, that we have a strongly compassionate culture and that staff feel supported and looked after through support for health and wellbeing, work-life balance and flexible working, development and high-quality appraisals and that people feel confident to raise concerns and know that if they do so, their concerns will be addressed.

The NHS staff survey is conducted annually. In 2021 seven new indicators were used to give the results from the questions, mapped against the NHS People Promise, whilst retaining the two existing themes from previous years of Staff Engagement and Morale. The table below sets out the comparison across the two themes that continued between 2021/21 and 2021/22.

	2020		2021	
	Trust score	National average score	Trust score	National average score
Staff engagement	7.4	7.2	7.3	7.0
Staff morale	6.5	6.2	6.2	6.0

The response rate to the 2021 survey among Trust staff was 50%, compared to the national median of 52% and our previous year's rate of 52%. Scores for each indicator together with that of the survey benchmarking group (Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts) are presented below.

2.2.9.2 Staff Survey results 2021



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Best	7.9	6.8	7.4	6.6	6.1	7.1	7.4	7.4	6.5
Your org	7.7	6.4	7.2	6.3	5.9	6.9	7.1	7.3	6.2
Average	7.5	6.3	7.0	6.2	5.6	6.7	7.1	7.0	6.0
Worst	7.1	5.9	6.4	5.8	4.8	6.1	6.6	6.5	5.5
Responses	1,752	1,774	1,733	1,747	1,633	1,768	1,759	1,777	1,774

2.2.9.1 Summary of performance

The results of the 2021 staff survey were overwhelmingly positive and we have maintained a good overall result. The key highlights are:

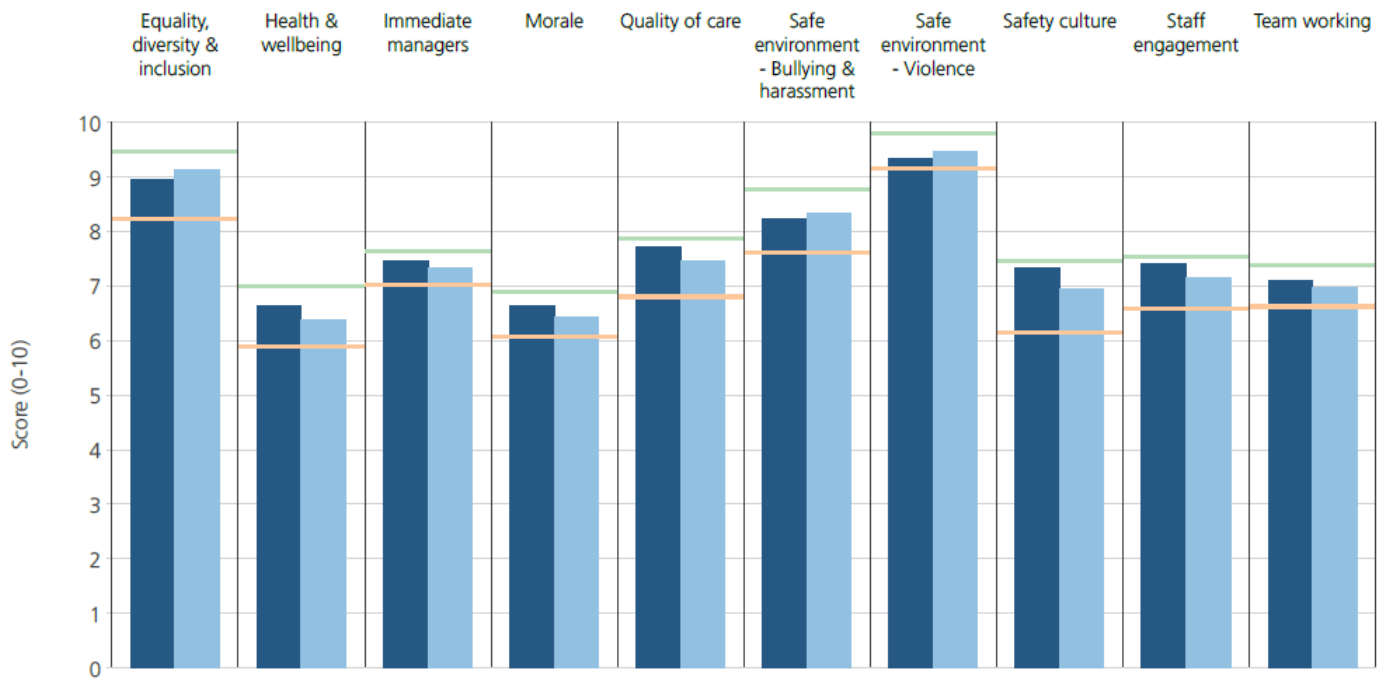
- We scored higher than the national average in eight of the nine themes and the same as the national average for the other theme.
- 71% recommend HPFT as a place to work. This was the highest score among mental health and learning disability trusts in the East of England region and joint fourth highest in the country.
- 71% would be happy with the standard of care we provide if a friend or relative needed it, placing us in the top ten of all mental health and learning disability trusts in the country.
- We achieved a national best score for “Motivation” and scored close to the national best score for the overall theme of staff engagement.
- Of the 104 questions, 26 questions scored significantly better that the national average (by 3% or more), whilst only three scored worse than the national average (by 3% or more), as follows:
  - Experience of violence and aggression from service users.
  - Having received an appraisal in the last 12 months.
  - Working additional unpaid hours.
- 89% of staff feel their role makes a difference to service users.
- 85% say care of service users is our organisation’s top priority.
- 82% say the organisation acts on concerns raised by service users.
- 80% say the people they work with are understanding and kind to one another; and 78% believe that HPFT respects individual differences (culture, working styles, backgrounds etc).

The results indicate that the areas we should focus on to keep improving the experience of all our people include reducing violence and aggression, continuing to improve belonging and inclusion, helping our people to achieve better levels of self-care and embracing feedback as an opportunity to grow and improve. We are engaging with all our people to discuss our survey results and to co-produce an action plan to continue to make the Trust a great place to work.

Staff Awards
November 2021

2.2.9.3 Staff Survey results 2020

The graph below shows the Trust's performance in the 2020 national staff survey. As noted above it is not possible to provide a direct comparison with results from 2021 across all the themes because of the changes to the questions.



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	7.0	7.6	6.9	7.9	8.8	9.8	7.5	7.5	7.4
Your org	8.9	6.6	7.4	6.6	7.7	8.2	9.3	7.3	7.4	7.1
Average	9.1	6.4	7.3	6.4	7.5	8.3	9.5	6.9	7.2	7.0
Worst	8.2	5.9	7.0	6.1	6.8	7.6	9.1	6.1	6.6	6.6
Responses	1,770	1,773	1,772	1,758	1,533	1,707	1,765	1,767	1,786	1,765

2.2.10 Staff engagement, information and consultation

We continue to focus on engagement and co-production to ensure staff feel able to provide great care and achieve great outcomes in a culture in which they thrive.

During 2021/22, we also engaged widely with all our people through a series of roadshow events (in person and virtually) to co-produce our plan for supporting our people over the year. We continue to engage with all our people regularly, through our weekly "HPFT News" bulletin which is sent to all staff as well as monthly on-line catch ups with the Executive Team, at which staff hear an update on how the Trust is performing and how services are developing as well as being able to raise a question about any matter which concerns them as an employee. We also have a very active range of staff networks which host workshops, masterclasses and also contribute to the development of Trust work, for example: Trust Annual Plan, staff survey action plan and response to the Community Survey. We also have a regular programme of in person visits across our sites to directly engage with people, our health and wellbeing engagement events and our quarterly pulse surveys and annual staff survey.

As a result of our engagement with people, we have put in place health and wellbeing support that is better tailored to people's needs, introduced ways to reward people's contribution that staff told us would be most effective, co-produced schemes to improve equality of experience across all staff and tailored our financial wellbeing support to support staff needs, including changing our pay date each month to help our people to better plan financially. The effect of this work has meant that our staff tell us that they are confident in being able to raise matters with us and confident that when they do, the issues they raise will be addressed.

About our Joint Consultative Negotiating Committee

We have a formal Joint Consultative and Negotiating Committee with elected staff representatives from our recognised trades unions. This takes place every two months and is the formal forum for discussing Trust performance and matters of concern to employees with elected representatives and for formally consulting on staff views as part of our decision making processes. The formal Committee is supported by a policy group which comprises of staff representatives and management representatives to agree the content of our policies, which are then ratified by the Committee. The Committee is also supported by the Operational Partnership Group which is a forum for staff representatives and management representatives to discuss all matters of concern to employees about their employment and to reach agreements or refer the matter to the Committee for ratification where appropriate.

2.2.11 Future Priorities and Targets

Our priorities going forward are to support the delivery of the Good to Great strategy by:

- Focusing on engagement and co-production to ensure we continue to provide the best employment experience and retain our talented people.
- Provide our people with access to the best health and wellbeing support that meets the diverse needs in our workforce.
- Strengthen our culture of inclusion and belonging so that all our people feel valued, included and able to thrive.
- Further develop our people, teams and leaders, harnessing their talents to enable delivery of great care and great outcomes.

The People and Organisational Development Group will measure how we perform against our priorities. We will also monitor the feedback received in the quarterly Pulse Survey and from staff during the various engagement events running throughout 2022/23.

Good to Great Roadshow April 2021

2.2.12 Expenditure on Consultancy

The total expenditure on consultancy for the year is £665k, an increase on 2020/21 spend of £199k. This includes the provision of specific expertise or short-term project capacity on areas such as estates development, service redesign, project assurance and IT consultancy where the Trust does not have the specialist expertise and/or the capacity to deliver projects and initiatives within the required timescales. The main areas of expenditure in this category for 2021/22 were £563k for IT support for the Trust's digital strategy implementation, £67k to assist with the Trust's communications function and £13k for assistance in the investigation of Serious Incidents.

2.2.13 Trade Union Facility Time

From 1 April 2017, the Trade Union (Facilities Time Publication Requirements) Regulations 2017 were introduced. At HPFT, facilities time is agreed in partnership with accredited trade unions that actively support members of staff. This information is published on the Trade Union Facilities time government portal. The regulations require public sector employers to annually collect and publish, a range of data in relation to their usage and spend of trade union facilities time in respect of their employees who are trade union representatives. Facilities time is defined as the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties as a trade union representative. This is a statutory entitlement to reasonable time off for undertaking union duties.

The publication requirements and our data as at March 2021 was:

- HPFT had 15 employees who were relevant union officials during the relevant reporting period. This equates to 13.79 full-time equivalents
- Of the 15 employees who were relevant union officials:

0% working hours on facilities time	1-50% of their working hours on facilities time	51-99% of their working hours on facilities time	100% of their working hours on facilities time
3	10	2	0

- The percentage of the total pay bill spent on facilities time was 0.02%
- The time spent on paid trade union activities as a percentage of the total facilities time hours was 3.06%

2.2.14 Exit Packages

There were no exit packages agreed in 2021/22 (0 in 2020/21).

2.2.15 Off-payroll engagement

***Table 2** – Off-payroll engagements as of 31 March 2022, for more than £245 per day and lasting for longer than six months*

	Number
Total number of existing arrangements as of 31 March 2022	1
Of which the number that have existed for;	
less than one year at time of reporting	0
between one and two years at time of reporting	0
between two and three years at time of reporting	0
between three and four years at time of reporting	0
four or more years at time of reporting	1

We confirm that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Trust policy is to minimise the number of off-payroll engagements and to ensure strict compliance with the requirements of IR35. All off-payroll engagements are routinely reported and monitored as part of financial control processes. For highly paid staff, approval is required from the Executive Director of Finance (who is the executive lead for agency expenditure) and for Board level appointments approval would be by the Nominations and Remuneration Committee.

Table 3 – For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, 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 2021 and 31 March 2022	0
Of which;	
No. assessed as within the scope of IR35	0
No. assessed as not within the scope of IR35	0
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. that saw a change to IR35 status following the consistency review	0

Table 4 – Off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

	Number
Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	13

2.2.16 Modern Slavery Act Reporting

The Modern Slavery and Human Trafficking Act 2015. The Trust is committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation. We realise that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse.

Our policies, governance and legal arrangements are robust, ensuring that proper checks and due diligence take place in our employment procedures to ensure compliance with this legislation.

2.3 Code of Governance

The purpose of NHS Improvement's NHS Foundation Trust Code of Governance ('the Code') is to assist trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients. The Code is best practice advice but imposes specific disclosure requirements. The Annual Report includes all the disclosures required by the Code, which can be found in this section or in the Annual Governance Statement (section 2.5).

2.3.1 External Audit

KPMG is the appointed auditor for the Trust. The primary duty of our external auditors is to conduct an official inspection (audit) of the Annual Report and financial statements of the Trust and provide a level of assurance on each of these and an overall level of assurance.

The Audit Committee approves the External Audit Plan before the audit starts and receives regular updates as it progresses. The annual accounts were reviewed by our independent external auditors, who issued an unqualified opinion. So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The audit is conducted in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board (APB), the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by NHS Improvement. It remains important that the external auditor's independence from management is both maintained and transparent. Therefore, any additional non-audit work carried out by or contracted with KPMG LLP is reported within their annual plan and updated and reported again in their yearend report. Throughout the year any non-audit work agreed between the Trust and KPMG LLP will be reported and approved by the Audit Committee prior to contracting. The cost of any non-audit work is shown separately in the accounts and in the table below. No non-audit work has been carried out or contracted in year. The KPMG external audit team are contracted to provide assurance over the Quality Report and Quality Accounts. The Annual Reporting Manual 2021/22 removed the requirements of an external audit of the Quality Report and Quality Account and therefore the work was no longer required.

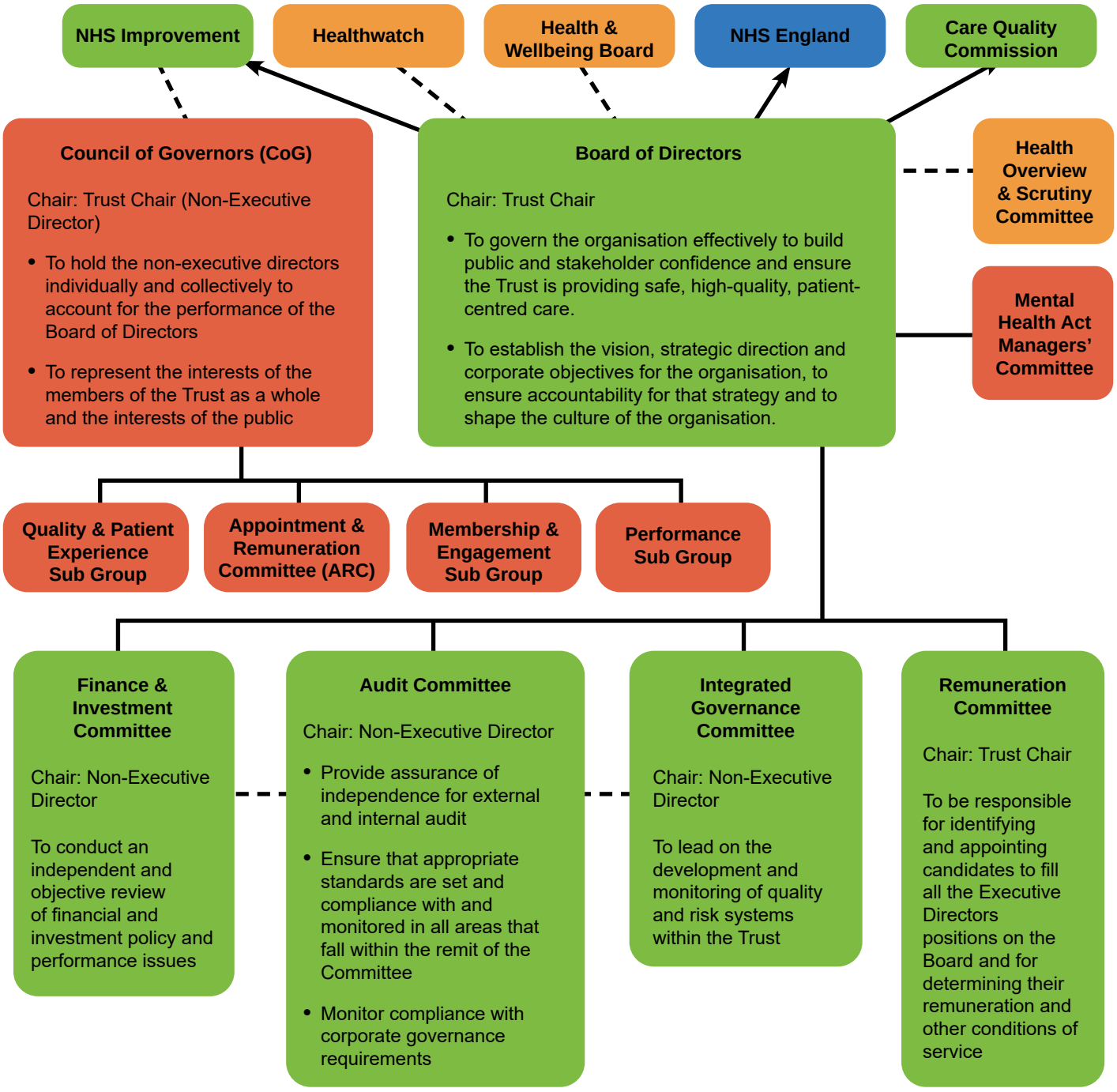
The total external audit fee for 2021/22 (excluding VAT) was £80k, comprising:

Audit Area	Audit Fee £k
Statutory	80
Quality Account	0

Anyone who may be concerned about a matter of corporate governance or probity can contact any member of the Audit Committee in confidence.

The Chief Executive is invited to attend the Audit Committee at least once a year to discuss, with the committee, the process for assurance that supports the Annual Governance Statement.

The diagram below sets out the Corporate Governance structure for the Trust.



The statutory and assurance committees of the Trust have a key role in ensuring that the organisation is compliant with the regulatory and legal frameworks. They also provide assurance that the systems and processes it has in place will enable the Trust to meets its strategic objectives. Details of the role of the Audit Committee (statutory Committee) can be found in the Annual Governance Statement, section 2.5. Details of the work of the Nomination and Remuneration Committee (Statutory committee) can be found in the Remuneration Report section 2.6.

2.3.2 Integrated Governance Committee (IGC)

The role of the Integrated Governance Committee is to:

- Assure adherence to CQC and other relevant regulatory requirements for quality and safety and receive reports from all relevant quality and safety groups.
- Receive minutes, reports, action plans and risk registers from the following standing sub-committees of the IGC:
  - Quality and Risk Management Committee.
  - People and Organisational Development.
  - The following groups will also report on specific items relating to areas of regulatory compliance:
    - Trust Management Group.
    - Information Governance Group.
- Supervise, monitor and review Trust governance systems and processes and the Trust-wide Risk Register and make recommendations for improvement.
- Scrutinise and provide assurance to the Trust Board through regular reports on governance, quality and risk issues and to escalate any risks or concerns to the Board Assurance Framework (BAF) as appropriate where assurance is not adequate. Reports are also being sent to the Audit Committee for scrutiny and recommendations.
- Set standards for the Trust Governance systems in order to:
  - Meet performance targets
  - Meet core and developmental standards
  - Manage risks
- Recommend to the Trust Board necessary resources needed for the IGC to undertake its work.
- Advise on the production and content of the Annual Governance Statement and make recommendations to the Chief Executive as necessary prior to its review at Audit Committee, its approval at the Board and subsequent inclusion in the Annual Report.
- Advise on the content, format and production of an Assurance Framework for the Trust Board, monitor its ongoing suitability and make recommendations to the Audit Committee and the Board as necessary.
- Advise on the content, format and production of the annual Quality Accounts.
- Ensure that appropriate risk management processes are in place and that they provide the Board with assurance that action is being taken to identify risks and manage identified risks within the Trust.
- Be responsible for developing systems and processes for ensuring that the Trust implements and monitors compliance with the Care Quality Commission's (CQC) registration requirements.
- Oversee the establishment of appropriate systems for ensuring that effective practice governance arrangements are in place throughout the Trust.
- Ensure that the learning from inquiries carried out in respect of Serious Incidents is shared across the Trust and implemented through policies and procedures as necessary.
- Ensure that services and treatments provided to service users are appropriate, reflect best practice and represent value for money.
- Ensure that plans are in place to improve the service user experience.
- Ensure that services are accessible and responsive to service users' needs and reflect local "nuances".
- Ensure that the environments in which services are provided are appropriate and therapeutic.
- Ensure that the organisation is engaged in public health programmes and these are integrated throughout the services we provide.
- Provide assurance with regard to the workforce and organisational development work of the Trust.

2.3.3 The Finance and Investment Committee

The role of the Finance and Investment Committee in regard to Financial Policy, Management and Reporting and is to:

- Consider the Trust's operational performance, including delivery of the annual plan.
- Consider the Trust's financial strategy, in relation to both revenue and capital.
- Consider the Trust's annual financial targets and performance against them.
- Review the annual budget, before submission to the Trust Board of Directors.
- Consider the Trust's financial performance, in terms of the relationship between underlying activity, income and expenditure, and the respective budgets.
- Review proposals for major business cases and their respective funding sources.
- Commission and receive the results of in-depth reviews of key financial issues affecting the Trust.
- Maintain an oversight of, and receive assurances on the robustness of the Trust's key income sources and contractual safeguards.
- Oversee and receive assurance on the financial plans of the transformation programme.
- Consider the Trust's tax strategy.
- Annually review the financial and accounting policies of the Trust and make appropriate recommendations to the Board of Directors.

Investment Policy, Management and Reporting

- Approve and keep under review, on behalf of the Board of Directors, the Trust's investment strategy and policy.
- Maintain oversight of the Trust's investments, ensuring compliance with the Trust's policy and NHS Improvement's requirements.

Other

- Make arrangements as necessary to ensure all Board of Directors members maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust.
- Examine any other matter referred to the Committee by the Board of Directors.
- Review performance indicators relevant to the remit of the Committee.

During the year the Integrated Governance Committee and Finance and Investment Committee undertook thorough self-assessments. The self-assessments were positive and the committees agreed actions to improve on some areas.

The frequency and attendance of Board members at Board and Committees are summarised in Table 1 of the Directors' Report.

2.3.4 Council of Governors

In line with its constitution the Trust is able to have up to 40 Governors. During this period the Council of Governors is constituted to have 21 public governors from two constituencies, namely Hertfordshire and the Rest of England and Wales, plus five Staff Governors and up to 11 appointed governors, nominated by the Trust's partner organisations.

Table 5 – Governors: 1 April 2021 to 31 March 2022

Name	Date Appointed	End of Term Date	Resignation/ End Date	Number of Terms	Meetings Attended
Tap Bali	01 August 2012	31 July 2021		3	2/2
Caroline Bowes-Lyon	01 August 2011	31 July 2020	31 July 2021	3	1/2
Barry Canterford Lead Governor	01 August 2013	31 July 2022		3	6/6
Mathew Kunyeda	01 August 2018	31 July 2021		1	0/2
Bob Taylor	01 August 2016	31 July 2022		2	6/6
Jon Walmsley Lead Governor	01 August 2016	31 July 2022	30 April 2021	2	1/1
William Say	01 August 2017	31 July 2020	31 July 2021	1	2/2
Colin Egan	01 August 2017	31 July 2020	31 July 2021	1	0/2
Harinder Singh-Pattar	01 August 2017	31 July 2020	31 July 2021	1	0/2
Emily Burke	01 August 2018	31 July 2024	31 July 2022	2	4/6
Catherine Adedoyin Akanbi	01 August 2018	31 July 2024		2	3/6
Eni Bankole Race	01 August 2018	31 July 2024		2	6/6
Maria Watkins	01 August 2019	31 July 2022		1	2/6
George Ashcroft	01 August 2019	31 July 2022		1	6/6
Louis Sanford	01 August 2019	31 July 2022		1	3/6
Michael Shapiro	01 August 2019	31 July 2022		1	1/6
Michelle Maddison	01 August 2019	31 July 2022		1	0/6
Cynthia Price	04 November 2019	03 September 2022		1	1/6
Brian Littlechild	01 August 2021	31 July 2024		1	3/4
Stephen Booth	01 August 2021	31 July 2024		1	3/4
Dan Buckingham	01 August 2021	31 July 2024		1	1/4
Manjit Rostom	01 August 2021	31 July 2024		1	4/4
Jill Spriggs	01 August 2021	31 July 2024		1	4/4

Name	Date Appointed	End of Term Date	Resignation/ End Date	Number of Terms	Meetings Attended
Elizabeth McCaul	01 August 2021	31 July 2024		1	3/4
Jane Spears	01 August 2021	31 July 2024		1	4/4
Neville Waits	01 August 2021	31 July 2024	31 March 2022	1	2/4
Erroll Thomas	01 August 2021	31 July 2024		1	4/4

Appointed Governors

Name	Date Appointed	End of Office	Meetings Attended
David Andrews	01 August 2013		2/6
Ray Gibbins	04 September 2018	03 September 2018	1/1
Fran Deschampsneufs	01 August 2012	Stepped down August 2021	1/2
Rosemary Farmer	01 December 2014	Stepped down May 2021	1/1
Eve Atkins	07 January 2017		4/6
Siobhan Nundram	01 October 2021		2/2
Phil Shaughnessy	01 April 2021		3/6

Staff Governors

Name	Date Appointed	End Date	Number of Terms	Meetings Attended
Herbie Nyathi	01 August 2016	31 July 2022	2	0/6
Sue Nolan	01 August 2019	31 July 2022	1	4/6
Francis Bernard	01 August 2019	31 July 2022	1	0/6
MJ Cruz	01 August 2019	31 July 2022	1	5/6
Vanessa Cowle	01 August 2019	30 August 2021	1	3/3

The Council of Governors and the Board of Directors have a good working relationship. Both are chaired by the Trust Chair and they hold five joint meetings annually, including the AGM. The Directors also have an open invitation to attend all Council of Governors meetings. The Chair and the Head of Corporate Affairs Company Secretary act as the main links between the Board and the Council, and reports and briefings are shared by the Governors and Directors. The Trust Constitution includes a process for settling any disagreements between the Council and the Board of Directors. This process was written by the Council and the Board. Any other significant commitments held by the Trust Chair are disclosed to the Council of Governors before appointment, and any changes to such commitments reported as they arise.

The Trust Chair has made a formal declaration of interests and these are recorded and held in the register of Directors' interests maintained by the Head of Corporate Affairs and Company Secretary. The significant commitments declared by the Chair are:

Sarah Betteley:

- Director DEVA Medical Electronics Ltd.

The range of issues the Council of Governors has dealt with as part of their statutory duties, includes:

- Extension of External Audit contract
- Procurement of External Audit services
- The recruitment of non-executive director roles.
- Recruitment of Lead Governor.

The Governors have also been involved in:

- Development of the Quality Indicators
- Development of the Trust's Annual Plan.

Due to the impact of the ongoing pandemic the Council's three working groups did not meet in 2021/22 and instead used the opportunity to review and reset the role of the Groups. In particular their terms of reference were reviewed and updated and this resulted in the agreement to move to two sub groups:

a. Engagement and Membership
b. Service User and Carer Experience

Sub group meetings will re start in 2022/23 and all governors are invited to participate in the groups. Group meetings have been attended by Board members and senior managers to support information sharing and engagement with governors.

Details of interests declared by members of the Council of Governors including Company Directorships are maintained in the register of Governors' interests. This is available from the Head of Corporate Affairs and Company Secretary at: Hertfordshire Partnership University NHS Foundation Trust, The Colonnades, Beaconsfield Road, Hatfield, Hertfordshire, AL10 8YE Tel: 01707 253866.

Governors hold no company directorships in companies likely to do business with, or that seek to do business with, the Trust.

2.3.5 Membership

Currently our membership stands at 8,702. The Trust has a data management system to ensure it has accurate membership data. We are encouraging our members to receive membership correspondence by email in a further effort to reduce costs and over the year we have noticed a definite trend towards members choosing electronic forms of communication.

The COVID-19 pandemic has had an impact on Governors' ability to canvas the views of members, the wider community and the bodies they represent. During the year the Council of Governors has been involved in the discussions regarding the Trust's Annual Plan, performance of services and Quality Indicators , providing their views and feedback on the Trust's plans. Their views have been shared with to the Board and resulted in some changes in approach.

We continue to look at new and innovative ways to both recruit and retain members that represent the diverse population we serve. We have encouraged people to join up by supporting governors to speak to local Universities of the Third Age's and other groups. Through our website we have encouraged more people to join the Trust and to get involved in a wide range of ways: from standing in our Governor Elections to becoming members of our Involvement Councils and promoting volunteering.

To be eligible for membership, people must be:

- over the age of 14 and living either within the County of Hertfordshire or the Rest of England and Wales or
- or be employed by the Trust and have a permanent contract or a temporary contract lasting 12 months or more, or
- or, although not directly employed by the Trust, have been either employed for longer than 12 months by another organisation that is providing core services to the Trust or seconded to the Trust to provide core services

Our website remains our primary medium for engaging with members and the wider community and is a good source of information about the work of the Trust including the Council of Governors. In particular, the relevant sections of the website set out how members of the community can contact governors and the Board of Directors and how they can attend meetings held in public. Any member of the community who wants to contact Governors or Board members can email the corporate office team on corporate.office@nhs.net or phone 01701 2523852.

It is important that we continue our efforts to recruit a diverse and representative membership. In the next 12 months we will increase our efforts to find new ways and creative ways to reinvigorate our membership.

Membership size and movements

Public constituency	2020/21	2021/22
Year start (1 April)	8,916	8,813
New members	2	5
Members leaving	105	116
Year end (31 March)	8,813	8,702

Staff constituency	2020/21	2021/22
Year start (01 April)	3,478	3,709
New members	605	667
Members leaving	524	707
Year end (31 March)	3,559	3757

Note: on 31 March 2021 we had number of staff TUPED out of the trust and also staff transferred from the Trust Bank staff to permanent contracts.

Public constituency	2020/21	2021/22
Age (years)		
0 – 16	3	3
17 - 21	4	2
22+	8,188	8,088
Not specified	618	609
Ethnicity		
White	7,407	7,299
Mixed	408	406
Asian or Asian British	439	438
Black or Black British	118	119
Other	7	7
Not specified	434	433
Gender analysis		
Male	3,508	3,455
Female	5,289	5,231
Not specified	16	16

2.3.6 Disclosure Issues

Requests for Information

2.3.6.1 Freedom of Information Act 2000 (FOIA)

The number of Freedom of Information Act 2000 (FOIA) requests received by the Trust during the year increased as did their complexity and the number of questions asked within each request. In the year the Trust received a total of 365 requests compared to 311 in 2020/21. In both of these years, there were a lower number of requests received than in 2019/20 (373 requests) and 2018/19 (392 requests).

Who has asked for information?

Under the FOIA an applicant does not need to inform us who they are or give a reason why they want the information. However, where we have been able to establish the identity of a requester, year on year figures show that requests from journalists are becoming more frequent and the FOIA appears to be increasingly used as an investigative tool.

Timescales for responses

FOIA legislation requires public authorities to provide a response to requests for information within 20 working days. Whilst every effort is made to complete all requests within this timescale, it is not always achievable due to the sheer complexity of some requests that require input from numerous teams.

When it is evident that a request is going to take longer than 20 working days, the applicant is informed of the delay and regular updates are provided.

Information has been provided to applicants within the following timescales:

Response Time (in working days)	Number of Requests 2021/22	Number of Requests 2020/21
1 - 5 days	38	39
6 - 10 days	31	12
11 - 15 days	17	11
16 - 20 days	32	5
21+ days	191	163
Other	87	6
Requests currently being processed	56	75

Note: These figures relate to the outgoing number of cases, whereas the total figure relates to the incoming number in the year.

Exemptions

The FOIA exemptions ensure a proper balance is achieved between the right to know and the right to personal privacy.

The following exemptions were considered and applied to all or part of a request during 2021/22:

- Section 1: Do not hold this information
- Section 12: Cost of compliance exceeds appropriate limit
- Section 14: Vexatious
- Section 21: Information available by other means
- Section 22: Information intended for future publication
- Section 31: Law enforcement
- Section 40: Personal information
- Section 41: Information provided in confidence
- Section 43: Commercial interests

Year	No of requests with exemptions applied	Exemptions used and frequency
2021/22	175 exemptions were applied (2020/21, 82 exemptions were applied)	Section 1 x 44
		Section 12 x 20
		Section 14 x 3
		Section 16 x 3
		Section 21 x 76
		Section 22 x 1
		Section 31 x 5
		Section 40 x 17
		Section 41 x 3
		Section 43 x 3

Publication of information requested (disclosure log)

Requests from the previous two financial years are routinely published on the FOIA disclosure log on the Trust website. This enables us to direct applicants to information already available and to apply exemption Section 21 (information accessible by another means) where the same/similar information has been requested. The Trust applied this exemption for 76 requests received during the period 2021/22.

Over the course of the next year, the Trust will be identifying trends in FOIA requests to understand the key areas of interest for the public, with the intention of making this information available on our website in a clear and accessible format.

2.3.6.2 Data Protection Act 2018 (DPA)

The DPA gives an individual (or someone appointed on behalf of the individual with the appropriate authority) the right to apply to see the information we process on them. Below are the figures year on year for Subject Access Requests (SARs) received by the Trust.

Year	SARs Received	SARs Processed (Excluding CC)	% change year on year (received)	Continuing Care (CC)	Access to Health Record	Enquiries
2021/22	793	787		6	20	36
2020/21	789	716	-4%	54	21	48
2019/20	821	807	+ 44%	14		

Requests Received

Year	Subject Access Requests	Clinician To Clinician	Access to Health Record	Enquiries	Individual Rights Request	TOTAL
2021/22	793	54	20	36	7	911
2020/21	789	54	21	48	3	915

In addition to the above figures for 2021/22, we have received requests from the Police for two operations they are conducting.

Timescale for responses

DPA legislation requires the Trust to provide information within one calendar month. HPFT works to a 28 day turnaround to comply with good practice. The Department of Health guidance advises that healthcare organisations should aim to respond within 21 days.

During the period 1 April 2021 – 31 March 2022, SARs were processed within the following timescales, (excludes the special project, detailed above):

Response Time	Number of SAR requests 2021/22
Within 21 calendar days	251
Within 28 calendar days	43
Within 30 calendar days	24
30+ calendar days	309
No longer required or closed during processing	110
In progress	75

The Trust will endeavor to respond to SARs within 21 calendar days, but due to the number of requests and large volumes of notes that require processing, this is not always achievable. We aim to keep applicants informed of any delay and provide regular updates if a request is going to take longer than the statutory deadline.

We receive SARs from a variety of sources, with the largest numbers coming from the sources below.

Type of requestor	Total	Type of requestor	Total
CCG	9	Other Public Authorities	32
Charity	3	Police	161
Continuing Care	10	Relatives	65
Court Order	63	Service User	278
Doctor/Research	1	Solicitor	224
Investigatory Body	15	Staff Members	5
Other NHS Trust	43	Others	2
		Total	**911**

Flag raising at the Civic Offices Borehamwood for the NHS Birthday in July 2021

2.4 Statement of Accounting Officer's Responsibilities

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

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

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

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

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum.*

Accounting Officer approval of the Statement of Accounting Officers responsibilities

Karen Taylor,
Chief Executive
20 June 2022

2.5 Annual Governance Statement 2021/22

2.5.1 Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

2.5.2 The purpose of the system of internal control

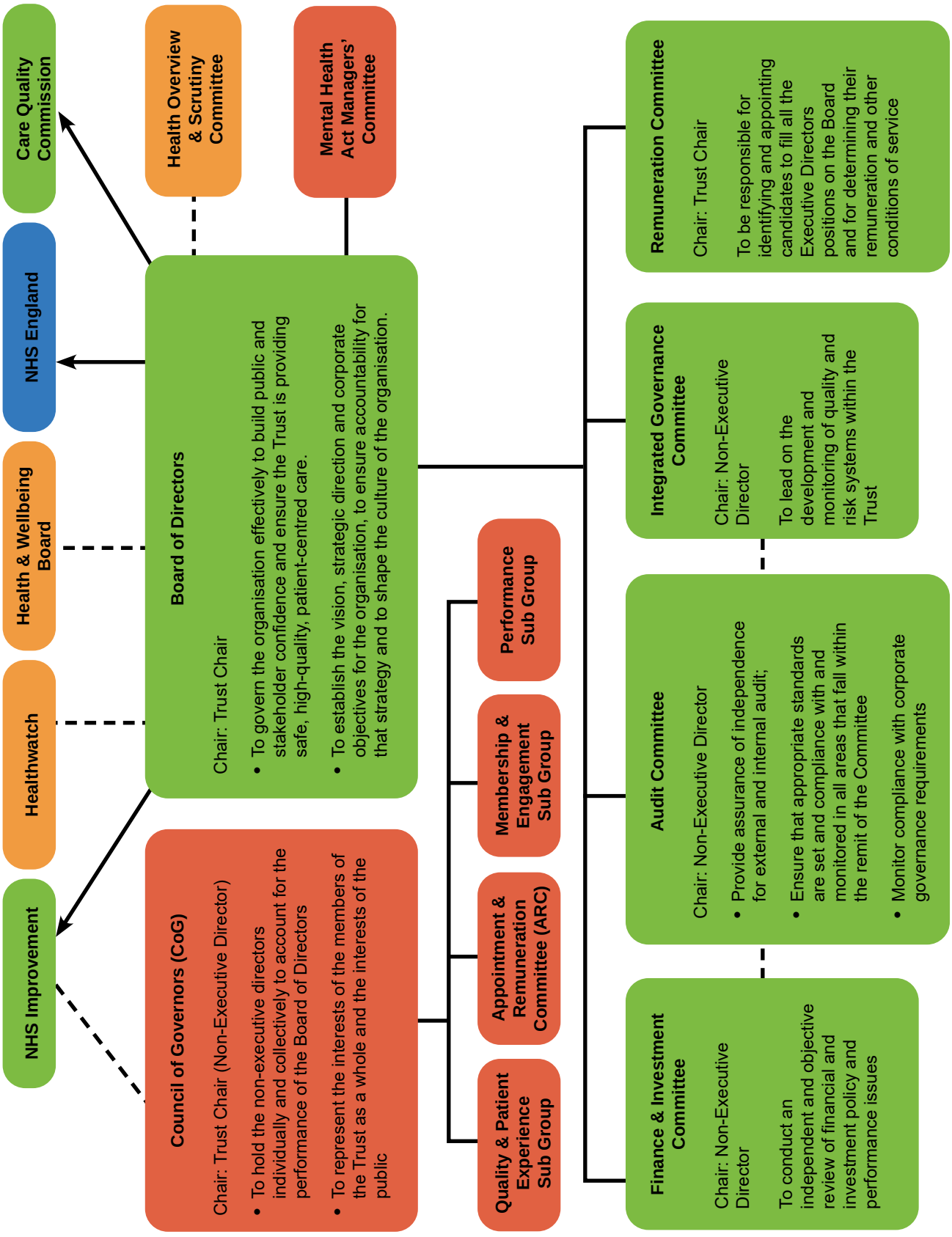
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Hertfordshire Partnership University NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

2.5.3 Capacity to handle risk

As Accounting Officer, I am accountable for the quality of the services provided by the Trust. I have overall responsibility for risk management within the Trust and this responsibility is incorporated within the risk management strategy. Elements of risk management are delegated to members of my Executive Management Team and designated specialist staff:

Overall Risk Management	Executive Director of Quality and Safety (Caldicott Guardian)
Clinical Governance	Executive Director of Quality and Safety
Clinical Risk and Medical Leadership	Executive Director of Quality and Medical Leadership
Corporate Governance	Head of Corporate Affairs and Company Secretary
Board Assurance and Escalation	Head of Corporate Affairs and Company Secretary
Financial Risk	Executive Director of Finance
Compliance with NHS Improvement Regulatory Framework	Executive Director of Finance & Head of Corporate Affairs and Company Secretary
Compliance with CQC Regulatory Framework	Executive Director of Quality and Safety
Information Risk	Director of Innovation and Digital Transformation

Figure 1 below illustrates the robustness and effectiveness of our risk management and performance processes via our governance structure.

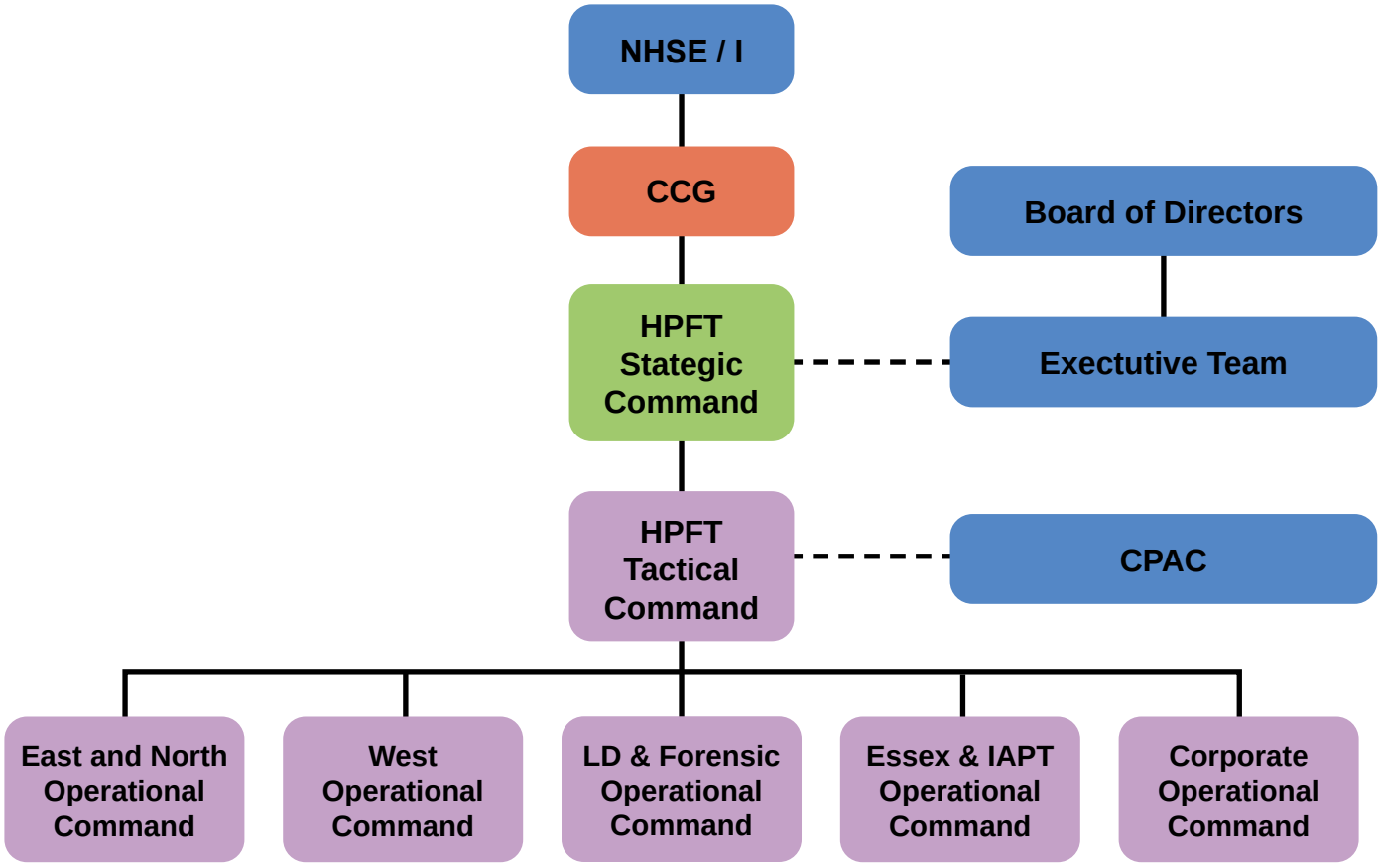


Note: Council of Governors Sub groups were reviewed in 2021/22 and it was agreed to move to two groups only - Engagement and Membership and Service User and Carer Experience

2.5.4 Governance for Emergency Planning 2021/22

In order to continue to respond to the COVID-19 pandemic in 2021-22 and when national level 4 Alert status was issued the Trust implemented its Business Continuity policy for a Major Incident. As a consequence during the year the Trust operated a command and control structure alongside its established corporate Governance framework. Diagram 1 describes the Major Incident command structure in place in the Trust.

***Diagram 1**: HPFT Major Incident Command Structure*



In line with national guidance the governance arrangements were reviewed in relation to the COVID-19 pandemic and it was agreed that, throughout the period of the pandemic, the Trust would continue with the established governance arrangements and it did not put in place any interim arrangements. This included the continuation of the Clinical and Professional Advisory Committee (CPAC), which was in place to offer expert guidance and advice relating to the clinical and practice issues in relation to COVID-19. This includes but is not limited to ethical issues, Mental Health Act, Deprivation of Liberties (DoLS), Restraint, Admissions and physical environments.

In addition, the Director of Service Delivery and Service User Involvement/ Chief Operating Officer is responsible for the day-to-day management of risk and performance within operational services, and there are designated roles of Deputy Director of Nursing and Quality and Deputy Director of Nursing and Partnerships providing leadership and support in their respective areas.

Staff members have a responsibility for handling the management of clinical and non-clinical risks according to their roles and duties within the Trust. Mandatory training on key risk areas is undertaken by all staff at induction into the Trust and on a regular refresh basis.

Capacity and capability is developed across the Trust through training events commensurate with staff duties and responsibilities and includes risk management training for all new staff.

Sharing the learning through risk related issues, incidents, complaints and claims is an essential component to maintaining the risk management culture within the Trust. Learning is shared through Clinical Management Teams and Trust wide forums such as the Quality and Risk Management Committee and Health and Safety Committee. Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External Inspections.
- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

In accordance with its Standing Orders and as required by NHS Improvement's Code of Governance, the Trust has an Audit Committee whose role is to review and report upon the adequacy and effective operation of the organisation's overall system of governance and internal control which encompasses risk management, both clinical and non-clinical.

In order to assist both the Board and the Audit Committee, specific risk management is overseen by two other Board Assurance Committees:

- Integrated Governance Committee (which receives reports from the Quality and Risk Management Committee and People and Organisational Development Group) and has the specific purpose of delivering assurance to the Board on the management of clinical risk and operational performance against the CQC domains.
- Finance and Investment Committee, which provides assurance on management of risks relating to resources – financial and service performance and the strategic direction of the Trust

Our Risk Management and our Risk Escalation Models are set out at Figure 2 and Figure 3 respectively.

2.5.5 The risk and control framework

Risk management by the Board is underpinned by four (4) interlocking systems of internal control:

- The Board Assurance Framework
- Trust Risk Register (informed by Strategic Business Units, Departments and Teams)
- Audit Committee
- Annual Governance Statement

The principal strategic and operational risks are outlined in the Risk Strategy which sets out how the Trust endeavours to ensure that they do not prevent the Trust from achieving its strategic objectives. The Strategy, therefore, sets out the role of the Board and its statutory and assurance committees in the identification, management and mitigation of risks. It also emphasises the role of the Board Assurance Framework and Risk Register in the management of strategic and operational risks respectively. Figure 3 illustrates the risk escalation process.

The Trust's Risk Management Strategy details the relationship between the Trust's strategic goals, principal risks and the Board Assurance Framework and thereby provides the quality governance framework for the Trust. It is also enhanced by the Practice Governance Framework and the Quality Strategy.

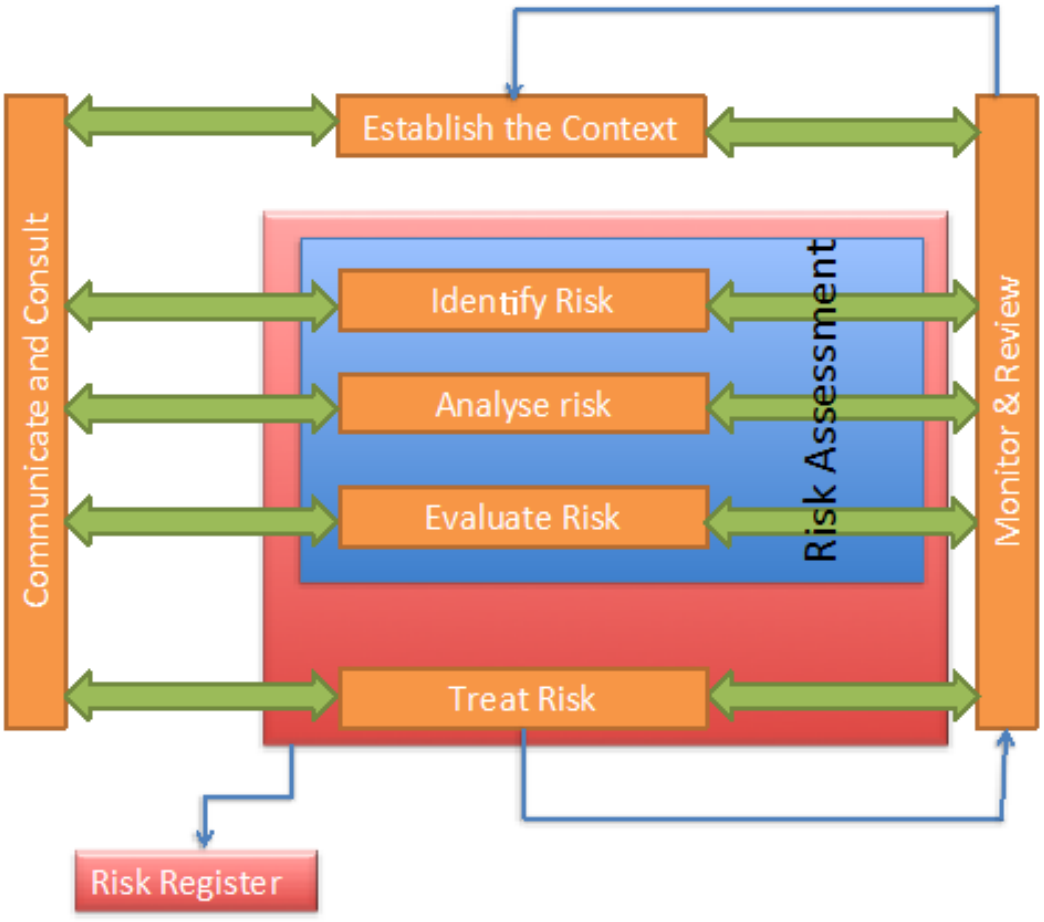
The Risk Management Policy outlines the process for assessing, prioritising and managing all types of risk through risk registers and includes:

- Risk Assessment and Risk Register flow charts
- Risk definitions including risk appetite
- Duties and responsibilities of individuals and committees
- The risk assessment process
- The risk management process
- The Integrated Governance and Risk Management Structure
- Board assurance framework and risk register templates

The Risk Management Policy has continued to work effectively during 2021/22. Our Risk Management system, Datix, has continued to be a source of effective risk management across all levels and a source of just-in-time reports as necessary. The risk management processes remained the same as defined within the Board Assurance and Escalation Framework. This clearly outlines the leadership, accountability and responsibility arrangements.

These responsibilities are then taken forward through the Board Assurance Framework, the Risk Registers, Business Planning and Performance Management processes, enabling the coherent and effective delivery of risk management throughout the organisation.

__Figure 2__ below illustrates risk management and how it involves the identification, analysis, evaluation and treatment of risks – or more specifically recognising which events (hazards) may lead to harm and therefore minimising the likelihood (how often) and consequences (how badly) of these risks occurring:



Risk is managed at all levels, both up and down the organisation and in order to ensure triangulation between the Annual Plan and the Board Assurance Framework (BAF), the Trust produces a Performance Report for the Board on activity within the Trust Risk Register which details the risks that have either come onto the Trust risk register or those that the Executive Team has approved to come off the Risk Register.

The Audit Committee is responsible for scrutinising the overall systems of internal control (clinical and non-clinical) and for ensuring the provision of effective independent assurance via internal audit, external audit and local counter fraud services. The Audit Committee reports to the Board after every meeting and annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the BAF, the completeness and extent to which risk management is embedded in the Trust and the integration of governance arrangements.

The Audit Committee provides assurance to the Board through oversight of the probity and internal financial control of the Trust and works closely with external and internal auditors. Key activities include reviewing governance, risk management and assurance functions. The Committee approves the annual plans for external and internal audit and for counter fraud, receiving and reviewing regular reports, monitoring the implementation of recommendations, issues of risk and their mitigation.

The Committee also assures itself of the review of accounting policies and draft annual accounts prior to submission to the Board of Directors.

The Committee received regular updates from management in relation to the financial position and, in particular, key risks and issues arising during the year, and their treatment and mitigation. During the year, the key risks and issues considered were:

- **Information Governance**: In response to monitoring reports considered to be data breaches, the systems in place to reduce and mitigate associated risks.
- **Cyber Security**: Details of the systems in place to manage cyber security and fraud were considered. The discussion also enabled both internal audit and Counter Fraud Services to confirm that the work being undertaken covered all the appropriate areas.
- **People**: Include workforce planning, recruitment and retention and implementation of Clinical Excellence awards.

Continuous Quality Improvement (CQI) Leaders Training June 2021

The Committee also considered:

- Internal Audits, receiving updates on progress against actions from internal audits such as data quality, staff wellbeing, Delivering Value Programme and Infection Prevention and Control.
- Counter Fraud, regular updates and progress on fraud issues and investigations as well as compliance with Counter Fraud Functional Standards.
- Accounting issues, presentation of key areas of management judgement in the preparation of the annual financial statements with particular reference to the level and nature of provisions for potential future costs for example continuing care obligations the liability for dilapidations or restatement costs on the leasehold properties currently occupied, potential employment claims and COVID costs.

The Integrated Governance Committee is the central driving force for the Risk Management Strategy and the Trust's internal control mechanisms, regularly reporting to the Trust Board on the risks being faced by the organisation, and how they are being managed and controlled. This includes oversight of the performance and quality dashboards which show compliance with CQC registration requirements and other statutory compliance with quarterly reports being scrutinised prior to their submission to the Board.

The Trust recognises the need for a robust focus on the identification and management of risks. Therefore, risk is an integral part of our overall approach to quality and the management of risk is an explicit process in every activity in which the Trust and its employees take part.

Risk management in the Trust is discharged through clearly focusing responsibility for all clinical governance and risks with the respective Directors. The Directors, working closely with the Chief Executive, have responsibility for all Trust care services and supporting corporate functions in this context. The management lead for risk rests with the Director of Quality and Safety who is also the Caldicott Guardian.

The Trust has a strong track record in:

- the identification and mitigation of risks
- responding quickly when there have been untoward and serious incidents,
- ensuring that the lessons learned are implemented swiftly across the organisation and are then embedded in practice.

Our comprehensive approach to risk management is embedded in the culture of the organisation and implemented through robust processes and procedures including *"concerns at work"* and our *"ward to board"* assurance processes.

Ribbon cutting by Karen Taylor for the Opening of the Simulation Hub in November 2021

These are supplemented by the Chief Executive's and Directors' *'Good to Great'* roadshows and engagement sessions. These have encouraged teams and individuals to share any risks and concerns openly as well as helping identify areas of good practice that should be celebrated. Our strong performance in the Staff Survey is particularly positive and demonstrates how we are creating and reinforcing an open culture in which staff feel both motivated and safe to raise any concerns they may have. We have also strengthened our engagement for staff with the monthly live Q&A sessions with the Executive Team. These sessions enable any member of staff to attend and put questions or raise issues directly with the Executive Team.

Regular discussions take place at Board meetings around the Trust's appetite for risk. These set the strategic parameters within which staff can make decisions involving various types of risk on a sound and consistent basis.

During this period the Trust continued to operate these robust risk management and governance frameworks against the backdrop of the continued COVID-19 pandemic. This approach was in line with national guidance.

2.5.6 Board Assurance Framework (BAF)

Board assurance is a systematic method of identifying; analysing; evaluating, treating, monitoring, reviewing and communicating, all clinical and non-clinical risks combined with the integration and management of both types of risk.

The requirement to develop a Board Assurance Framework (BAF) was established by the Department of Health (now NHS England) in their document, *Assurance: The Board Agenda* (July 2002). The BAF is designed to help the Board to satisfy itself that risks are being managed and strategic objectives are being achieved. The Board has established a robust BAF so that I, as Chief Executive, can confidently sign the *Annual Governance Statement* which deals with statements of internal control.

A Board Assurance Framework has been in place throughout the year which is designed and operating to meet the requirements of the 2021/22 *Annual Governance Statement*. In particular the principal risks of the Trust have been updated to ensure complete alignment with the Trust's Strategic Objectives. During 2021/22, the BAF has been considered and reviewed by the Integrated Governance Committee, Audit Committee and Board and has been updated in line with feedback following an internal audit.

The BAF, which is Board owned provides a vehicle for the Board to be assured that the systems, policies and procedures in place are operating in a way that is effective and focussed on the key strategic risks which could prevent the Trust's strategic objectives being achieved. The BAF is robustly discussed and analysed at Board sub-committees before being discussed by the Board. Updates of progress against actions are provided at each meeting of the IGC and Audit Committee and quarterly by the Board.

The BAF provides a structure and process to enable the organisation to focus on the risks that might compromise the achievement of its strategic objectives and therefore the operational plan. It maps out the key controls to mitigate the risks and provides a mechanism to inform the Board of the assurances received about the effectiveness of these controls. The Board receives assurances directly or via its statutory and assurance Committees: Audit; Remuneration; Integrated Governance and Finance and Investment.

It is a dynamic tool which supports the Chief Executive to complete the Annual Governance Statement at the end of each financial year. It is part of this wider 'Assurance and Escalation Framework' to ensure the Trust's performance across the range of its activities is monitored and managed, resulting in targets being met, objectives achieved, and good outcomes for service users.

The formation and maintenance of the BAF is the responsibility of the Head of Corporate Affairs and Company Secretary and is regularly reviewed by each Principal Risk Owner (Executive Directors). This ensures the controls and assurances remain valid and any identified gaps are mitigated by timely implementation of clearly defined actions.

Risks monitored over the year included:

- Regulatory compliance
- Quality and safety
- Response to COVID-19 pandemic
- Infection Prevention and Control
- Demand on services
- Acuity and complexity of the needs of service users
- Financial resources
- Staff – including wellbeing
- Cyber security
- Data Quality and General Data Protection Regulations.
- Changes to system architecture

During this period the Trust had an Infection Prevention and Control Board Assurance Framework (IPC BAF) in line with national best practice. The IPC BAF set out the risks, controls, and assurance in place to manage IPC during the COVID pandemic. The IPC BAF was reviewed by the CQC who gave a positive opinion. The Trust also commissioned an external review to provide assurance and identify areas for improvement. The IPC BAF and external review were reported to the Integrated Governance Committee. During this period NHSE/I undertook a supportive IPC visit to Trust facilities, noting that Infection Prevention and Control standards have been well maintained despite the significant challenges during the COVID-19 pandemic. As understanding of COVID-19 developed, Public Health England (PHE) published, updated and refined guidance on IPC measures to reflect learning. This continuous process ensured the Trust responded in an evidence-based way to maintain the safety of service users and staff.

The IPC BAF is a framework for the Trust to assess against the guidance as a source of internal assurance that quality standards are being maintained, as well as identify any areas of risk and show the corrective actions taken in response. It will also provide assurance to the Board that compliance is systematically reviewed.

2.5.7 Code of Governance

The purpose of NHS Improvement's NHS Foundation Trust Code of Governance ('the Code') is to assist trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients. The Code is best practice advice but imposes specific disclosure requirements. The Annual Report includes all the disclosures required by the Code.

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

We have reviewed the make-up and balance of the Board, including the appropriateness of current appointments. The Board believes that its membership is balanced, complete and appropriate to the requirements of a Foundation Trust that no individual group or individuals dominate the Board meetings. The skills and experience of all Board members is set out in more detail in this report under 'Board Committees'.

The Trust complied throughout the review period with the main and supporting principles of the Code of Governance with no exceptions, the Audit Committee and Board received a report providing detail of compliance. The following information summarises the evidence against the Code of Governance.

The Trust is properly constituted and Well-Led as the CQC Well-led Inspection Report (2019) demonstrated. During this period the Trust reported on the external developmental Well Led Review in line with the KLOEs in the framework. The report was positive and the review concurred with the CQC's assessment of the Trust as 'Outstanding' with regard to the well led domain. The review identified a number of recommendations for which an action plan has been developed and will be monitored going forward.

The Governance Structure demonstrates the roles and relationships of the Council of Governors, the Board of Directors and its statutory committees (the Nominations and Remuneration Committee and the Audit Committee) and its two assurance committees: the Integrated Governance Committee and the Finance and Investment Committee. During the year, despite the

challenges presented by the COVID-19 pandemic the Trust maintained its established systems of corporate governance. We have already made reference to the Remuneration Committees of the Council of Governors and the Board of Directors (see Section 2.6).

2.5.8 The Board of Directors, Chair and Executive

The Board of Directors believes the Foundation Trust is led by an effective Board which is collectively responsible for the exercise and the performance of the Trust. This assessment is evidenced through the periodic appraisal of Board performance.

2.5.9 Chair and Chief Executive

The Board of Directors has agreed a clear division of responsibilities between the chairing of the Board of Directors and Council of Governors and the executive responsibility for the running of the Foundation Trust's business.

The Chair is responsible for providing leadership to the Board of Directors and Council of Governors, ensuring governance principles and processes are maintained while encouraging debate and discussion. The Chair is also responsible for ensuring the integrity and effectiveness of the relationship between the Governors and Directors. The Chair also leads the performance appraisals of both the Board and the Council, as well as the Non-Executive Directors' performance appraisals. The appraisal of the Chair is led by the Lead Governor, who is Chair of the Appointments and Remuneration Committee. This includes input from the Senior Independent Director and is appropriate due to the role of the Governors in the appointment and remuneration of the Chair.

2.5.10 Trust's Risk Monitoring Escalation and Assurance Process

The Risk Management Strategy sets out how risk is identified and assimilated into the Risk Registers and reported, monitored and escalated throughout the directorate and corporate governance structures.

In addition to the Board Assurance Framework (BAF), the Trust operates five tiers of risk management which are all interlinked via an escalation process. The escalation of a risk is dependent upon the level of the risk or on whether it is felt that the risk needs specialist management at a higher tier, such as the risk requiring a multi-directorate approach to its management.

The registers are recorded using a standardised risk matrix. The severity of each risk is rated according to the Consequence x Likelihood risk assessment matrix within the Risk Management Strategy to establish the risk score which helps guide action at the appropriate level.

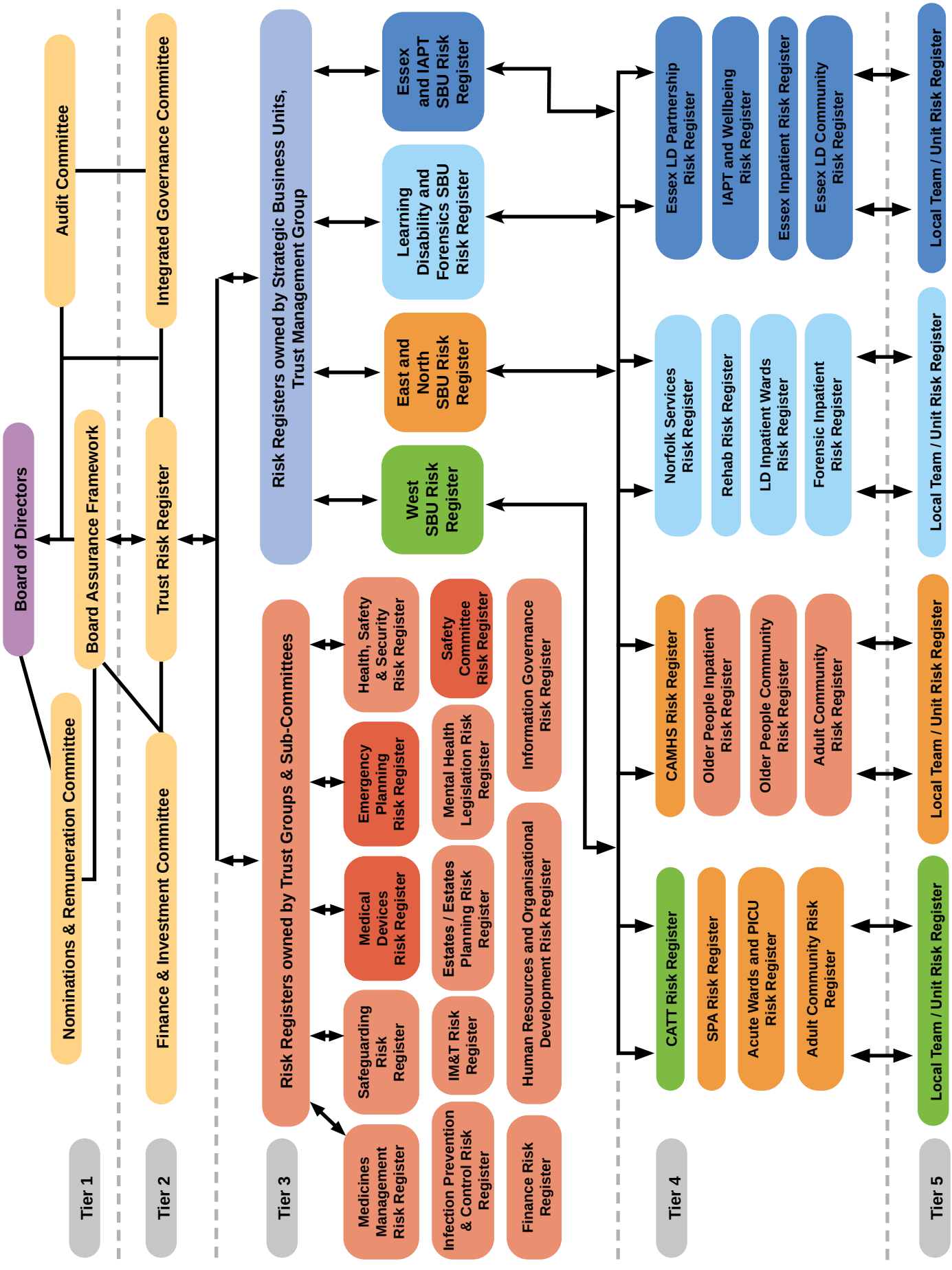
There is a clear process for escalating high or significant risks (see Figure 3 below). The Trust does not have a static risk appetite. The Board may vary the amount of risk that it is prepared to tolerate depending on the circumstances at the time. In any event there must be consultation with the Board if there needs to be material altering of significant risk scores by directorates, departments or teams. The statutory and assurance committees and the Executive Team have regular oversight of all relevant risks from the Trust Risk Register.

During this period the risk escalation process has been enhanced through a COVID-19 specific risk register, reviewed at Tactical Command in relation to appropriate mitigating actions. The review is informed by the Operational Command incorporating SBU and corporate functions as well as CPAC with key risks and concerns escalated to Strategic Command when required.

All risks that are entered onto Datix (anyone can alert the organisation to a risk through Datix) are reviewed by the Risk and Governance Team and these are fed into the relevant risk register, including the COVID risk register.

To support this approach to risk management, the Trust has appointed a full time Freedom to Speak Up Guardian, with a dedicated email address and Datix whistleblowing facility and has recruited a number of Freedom to Speak Up Champions. The Board has also identified a Non-Executive Director for Freedom to Speak Up, who supports the Guardian in their role. The CQC also informs the Trust of any concerns that they are alerted to.

Figure 3 – Escalation Structure



2.5.11 Local and Directorate Risk Registers

Each ward team or department produces a local risk register. The register is developed in response to the identification of local risks that may impact on the delivery of their immediate service. Local risk registers are recorded using the risk module in Datix.

Appropriate steps have been taken to ensure that processes are in place at both clinical service and departmental levels to update and maintain their risk registers. Monthly updates from local and directorate risk registers are provided via the Risk and Compliance Manager for potential inclusion into the Trust's Risk Register.

All local risks are systematically reviewed within a specified time frame by the local teams to ensure that controls in place are effective and to assess whether the risk changes over time.

Risks may be identified through internal processes e.g. complaints, incidents, claims, service delivery changes, risk assessments or financial interests. They may also be identified by external factors such as. national reports and recommendations or regulatory and enforcement notices.

2.5.12 Care Quality Commission essential standards of quality

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust registered with the Care Quality Commission (CQC) on 1st April 2010 and continues to be rated overall as outstanding.

The Trust receives periodic unannounced CQC Mental Health Act inspections. No significant issues have arisen during 2021/22.

Throughout the pandemic, the CQC has kept its regulatory approach under review. This is in recognition of the changing pressures health and social care services find themselves working under. Throughout 2021/22, the CQC has undertaken inspections where there has been evidence that people are at risk of harm. Alongside its risk-based activity, the CQC have recommenced the undertaking of ongoing monitoring of services. This helps to identify where the CQC may need to take further action to ensure people are receiving safe care and offer support to providers.

During 2021/22, the CQC carried out an unannounced focused inspection at Warren Court in September 2021, following a number of concerns raised about the safety and quality of the services. The inspection was risk focused and the CQC did not look at all Key Lines of Enquiry (KLOE) and the service was not rated at this inspection. The CQC provided a full and detailed report, following their inspection process, outlining their findings. The Trust put in place a detailed action plan which is monitored and regularly reported on to the CQC.

During the year, the CQC also carried out an unannounced focused inspection at Forest House Adolescent Unit in November and December 2021, following concerns raised regarding the safety and quality of the services provided. In the period the CQC published its report and, as a result of the inspection, the CQC issued the Trust with a Warning Notice under Section 29a of the Health and Social Care Act 2008 and reduced the rating of the Trust's Child and Adolescent Inpatient Ward from Outstanding to Inadequate. The rating of other Trust services is not affected, and the Trust's overall rating remains Outstanding. Prior to the inspection, the Trust already had a Service Improvement Action Plan in place and was making improvements. The actions identified during the visit are also being taken forward. The Service Improvement plan is actively led by the Executive Director of Quality and Safety and is monitored by the Executive Team, Integrated Governance Committee and Trust Board. The Plan covers all the areas identified, including access to psychological interventions, physical health checks following rapid tranquilisation and management and oversight of the unit. The Trust does not consider the outcome of the inspection as a significant issue of control as the findings relate to a small and discrete service area and did not demonstrate a wide range of concerns relating to the governance of the Trust.

In the period, the Trust was a partner in a CQC Partner Collaboration Review for Children and Young People's (CYP) Mental Health. The review looked at how providers had collaborated during the pandemic to ensure children and young people who are moving through mental health and care services have been seen safely in the right place, at the right time, by the right person. It also looked at system wide governance and leadership for children and young peoples' mental health services. The review provided a number

of reflections about the well-established working relationships and emphasis on person-centred care and noted that the pandemic had sped up the implementation of new models of care. It was also noted that young people could not always access specialist inpatient care promptly due to national pressures on tier four beds and that providers were working to provide more community-based support and earlier intervention. The review noted national shortages in specialist roles.

2.5.13 Other Regulatory Activity

From November 2021 to February 2022, commissioners undertook Safe and Wellbeing reviews for all service users with a learning disability and/or autism who were an inpatient on 31 October 2021. The reviews were instigated following the deaths of Joanne, Jon and Ben at Cawston Park Hospital in Norfolk and formed part of a national initiative. The purpose of the reviews was to undertake a safe and wellbeing check for each person, to seek assurance that people are being properly cared for and are leading good lives in hospital and for commissioners to take immediate remedial action if a review shows that a person is not safe and well.

All relevant reviews have been completed for Trust service users and the Trust expects to receive the outcome following the ICS panel assurance process. The immediate feedback provided by commissioners has been acted upon and an update provided.

2.5.14 Workforce strategies

The Trust has a People and Organisational Development Group (PODG) which oversees delivery of the workforce strategy, short medium and long term, and reports routinely to the Integrated Governance Committee. The PODG is supported in its role by a number of task oriented groups which focus on specific elements of strategy delivery and operational management, including:

- Recruitment and Retention Group
- Safer Staffing Meeting
- Medical Educators Forum
- Joint Consultative and Negotiating Committee

The Annual Workforce Plan is set out within the Trust's Annual plan which is reviewed and approved by the Trust Board. The Trust has also worked as an active partner in the strategic workforce planning work across the ICS.

The Integrated Governance Committee and Trust Board receive regular safe staffing reports from the Executive Director of Quality and Safety, confirming that staffing levels are safe, effective and sustainable, in line with the 'Developing Workforce Safeguards' recommendations.

The Trust has a framework for ensuring real time risk based safe staffing assessment and processes, supported by SafeCare software technology as follows:

- **SafeCare Census checks –** held three times daily and monitored by the Team Leader and Clinical Matron with weekly reporting detailing the overall weekly position.
- **SafeCare calls –** held daily and chaired by the Head of Nursing to manage and monitor safe staffing within their area of responsibility, ensuring consistency across the Trust on a daily basis (for the next 24 hours). This enables deployment of staff in response to acuity levels, admissions and discharges
- **eRoster Scrutiny** held on a weekly basis, chaired by the Head of Nursing or Service Line Leader to ensure the effective utilisation of the eRoster
- **SBU Safe Staffing Groups –**held on a monthly basis, chaired by the SBU Head of Nursing.
- **Quarterly Trust wide Safer Staffing Group Committee**, chaired by the Deputy Director, Nursing and Quality, which oversees staffing regarding effective utilisation of eRostering and SafeCare, bank & agency usage, staffing skill mix & establishments.

In response to the COVID-19 pandemic and in order to manage the increase in staff absence from work whilst ensuring staff staffing levels, the minimum staff levels were reviewed and proposed minimum staffing level were agreed as a temporary measure if required. The staffing levels were reviewed daily and weekly throughout the pandemic. At no time did the minimum levels have to be implemented.

2.5.15 Register of Interests

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

2.5.16 Pension schemes

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

2.5.17 Equality, Diversity and Human Rights

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

We are committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy and maternity, sexual orientation, gender reassignment or disability.

Our equality and diversity work is centred on ensuring that we comply with the Public Sector Equality Duty and that we are delivering best practice as a lead for equality and diversity. This work focusses on activity to:

- eliminate unlawful discrimination
- advance equality of opportunity
- foster good relations.

We completed our most recent partial re-grading of the NHS Equality Delivery System 2 in May 2019 with an overall outcome of 'good' and this reflects ongoing progress and improvement. We will undertake a full review once the expected NHS EDS3 is launched. However, current activity includes:

- Data quality improvement programmes with a review of equity of access to services and care outcomes.
- Reporting and action planning for the Workforce Equality Standards (WRES, WDES).
- Increased activity for the Information Standards (AIS, SOIS).
- Gender Pay Gap reporting and additional reporting on Ethnicity and Disability Pay Gaps

2.5.18 Energy and Carbon Reduction

The Trust has undertaken risk assessments and has plans in place which take into account the 'Delivering a Net Zero Health Service' report under the Greener NHS Programme. The Trust ensures that its obligations under the Climate Change Act and Adaption Reporting requirements are complied with.

During this period the Trust agreed its' Green Plan which set out how the Trust will meet the ambition to reduce its impact on the climate and support a sustainable future.

2.5.19 Internal and external stakeholders and service user and carer Involvement

All of our councils and groups ensure that stakeholder views are embedded in the ways we work.

The Trust has

- a Service User Council
- Carer Council
- Parent Carer's Council
- Young People's Council
- Forest House Council (CAMHS Inpatient)
- 'Making Services Better' Group for people with Learning Disabilities.

Service User and Carer Groups/Councils have been a significant presence in the Trust for over 16 years. They raise and discuss a variety of topics with Trust staff at all levels and are vital critical friends that the Trust can approach for honest feedback and comment from the perspective of lived experience.

We are also proud of our unique Peer Experience Listening project, which has been running successfully since 2010. This project is led by people who have a lived experience and who collect feedback from current service users. Over the last year, our Peer Experience Listeners have conducted qualitative interviews with people using services.

All our Experts by Experience and volunteers undertake the same induction. This covers topics including:

- Equality and diversity
- Safeguarding
- Living our values
- Conflict resolution
- Health and safety
- Information governance.
- Wellbeing and mindfulness (self-care)

2021/22 has been characterised by the impact of COVID 19 which has affected the way we have been able to interact with our service users and carers. There was a need to rethink the way we engaged in the new environment. Having adopted our approaches we devised an active virtual involvement programme for our service users and carers. Elections were held for new chairs of the Councils. A number of members of the service user and carer councils are also elected Trust Governors. An inclusion and equality working group is also being formed.

Over the past year, the Inclusion & Engagement Team have led on the priorities in our Equality Plan (2019 – 2022) and Carer Plan (2019 – 2021). Our staff disabled network (Diversability) and our staff mental health network have been instrumental in supporting our work around the NHS Workforce Disability Equality Standard (WDES) which we are now monitored on as part of our standard NHS contract.

Our BAME staff network has led on an extensive consultation programme with staff that has resulted in improvements such as COVID 19 risk assessment for all trust staff, informing the development of the Trust people plan and the development and implementation of a BAME staff support line that has since been up scaled across the ICS. The efforts of the network over the last year can also be seen through the improvements in outcomes as measured through the NHS Workforce Race Equality Standard (WRES).

Regional Chief Nurse East of England visit to Kingfisher Court in April 2021

At every Board meeting, a service user, carer or professional from a specific service is invited to share their experiences and suggest actions for positive change.

Having service users and carers sharing their stories at the start of every Board meeting helps set the tone of the meeting and brings the focus back to the Trust's vision to deliver Great Care and Great Outcomes for people, together.

As a Trust we also aim to have an Expert by Experience on every recruitment panel. This is an important part of ensuring that the people recruited to the Trust are in tune with our values.

All our groups have worked relatively intensively with staff on local projects that impact service users' and carers' day-to-day care, including participating in Improvement projects virtually, for example contributing to the design of new facilities. We also work with our other stakeholders to listen and act on people's lived experience. Our third sector partners have been vital in ensuring carers' feedback contributes to local commissioning decisions.

Our focus over the past year has been to introduce key programmes and events to bring a diverse range of people together to focus on a particular area of quality improvement. This has enabled both celebration of diversity and awareness around inequalities that require attention in order to remove barriers and further promote social inclusion. These have included:

- LGBT History Month
- Black History Month
- International Womens Day
- Time to talk and Blue Monday
- Carers Week and Carer Rights Day
- Diversity and Leadership
- Equality, Diversity and Human Rights Week
- Schwartz Rounds for Inclusion
- Race equality programme
- Introduction of equality ambassadors programme
- Introduction of equality champions programme
- Launch of inclusion ambassadors
- Reverse mentoring for executives and senior leaders
- Flu and COVID-19 vaccine engagement programme

It is notable from the WDES, WRES and NHS Staff Survey results that our equality and diversity programmes have made a contribution to improving the performance of the Trust and to the Trust becoming Mental Health Trust of the Year 2020.

2.5.20 Data quality and governance

The Trust has an Information Governance Policy in place. The four key interlinked strands to the information governance policy are:

- Information security.
- Legal compliance.
- Openness.
- Quality assurance.

The policy contains duties and responsibilities for information governance and highlights the reporting structure, with reference to the Information Management and Governance Sub-Committee as a key forum for discussion, challenge and oversight.

The Trust has a policy framework which outlines the statutory requirements for the Trust and the limitations for personal data processing. Policies within the framework also detail the responsible owners for Personal Confidential Data and Personal Identifiable Data. We are also in the process of reviewing these policies to ensure that they are easy to understand and accessible to everyone.

The Trust follows these steps to assure the Board that there are appropriate controls ensuring the quality of the data:

- We provide all staff – including all new starters – with appropriate training on inputting and managing data.
- Where possible, we eliminate manual approaches to data gathering and analysis. This includes investing in new systems.
- We audit the electronic patient record to gain assurances that our clinical record-keeping and data quality processes are robust

The accuracy of information for Quality Reports is assessed via:

- Systematic checks within the Performance Improvement team
- Board scrutiny of the quarterly reports, ensuring that any errors and/or corrections are noted

We continue to review our performance reporting framework, considering the increasing size and complexity of the quality measurement and reporting in the Trust. During the year our business intelligence system has been further developed and enhanced to provide additional real time information and we have invested in developing a performance reporting dashboard to ensure we have access to up to date and accurate information on our key performance indicators

The quality metrics which are contained in quarterly Board reports are agreed by the Board after a period of internal and external consultation. Each quality metric is reviewed quarterly at Board meetings, where they are checked for accuracy and relevance as well as progress made. Should an error occur during the year, the errors are corrected at the next Board quarterly report and the occurrence noted.

During this period the Trust increasingly used its internal information repository to support the management of services during the pandemic and to support our wellbeing offer to staff. A Board level post with a specific responsibility for digital transformation, data quality and information governance was also created and recruited to.

2.5.21 Information Governance

Reporting of Personal Data Related Incidents

The Trust takes the management of risks to data security very seriously and the loss of data is a risk which is monitored nationally.

Data breaches are risk assessed to establish the impact a breach could have, against the likelihood of harm occurring as a result. Breaches which result in a risk to the rights and freedoms of data subjects are reportable to the Information Commissioners Office (ICO).

The following table details every data incident notified to the Information Compliance team in 2021/22.

Positive Practive in Mental Health Award Winners

Themes of reportable data loss/breaches	
Theme (Historic HSCIC SIRI Classifications)	**Total Number Reported 2021/22**
Corruption or inability to recover historic data	7
Disclosed in error	193
Lost in transit	10
Lost or stolen hardware	7
Lost or stolen paperwork	9
Non-secure disposal - Hardware	0
Non-secure disposal – Paperwork	2
Uploaded to website in error	0
Technical security failing (inc Hacking)	10
Unauthorised access/ disclosure	6
Other and rejected	51
Total	295

There were two incidents requiring investigation which were reported to the ICO in 2021/22, compared to seven reported in 2020/21. Both were formally reported as potential or actual breaches of confidentiality involving person identifiable data. The ICO has closed one of the reported incidents, with no further action required by the Trust. The second incident remains under investigation.

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

The key financial policies and processes

As Accounting Officer I have responsibility to the Board for the economy, efficiency and effectiveness of the use of resources. This is achieved operationally through good governance and systems of internal control designed to ensure that resources are applied efficiently and effectively.

The effective and efficient use of resources is managed by the following key policies:

Standing Orders

Standing Orders are contained within the Trust's Constitution and set out the regulatory processes and proceedings for the Board of Directors and the Council of Governors and their committees and working groups including the Audit Committee, whose role is set out below. They support the efficient use of resources.

Standing Financial Instructions (SFIs)

SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by laying out very clearly who has responsibility for each of the key aspects of policy and decision making in relation to key financial matters. This ensures that we have:

- A clear division of duties
- Completely transparent policies for
  - competitive procurement processes
  - effective and equitable recruitment and payroll systems and processes.

Our budget planning and allocation process is clear and robust and ensures costs are maintained within budget or highlighted for action.

The SFIs are used in conjunction with:

- The Trust's Standing Orders
- The Scheme of Delegated Authority
- Individual detailed procedures set by directorates.

Scheme of Delegated Authority

This sets out those matters reserved to the Board and the areas of delegated responsibility to committees and individuals. The document explains who is responsible and the nature and purpose of that responsibility. It assists in the achievement of the efficient and effective use of resources by ensuring that decisions are taken at an appropriate level within the Trust by those with the experience and oversight appropriate to the decision being made. It ensures that the focus and rigor of decision-making processes align with the strategic priorities of the Trust and it that the Trust puts in place best practice in relation to its decision-making.

Anti-fraud and Corruption including the Bribery Act 2010

The Bribery Act which came into force in April 2011 makes it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. Failure to take appropriate measures to avoid (or at least minimise) the risk of bribery could lead to the imposition of fines or imprisonment of the individuals involved and those who failed to act to prevent it. This helps ensure that the taking or receiving of bribes is less likely and improves the integrity and transparency of the Trust's transactions and decisions.

The Trust Board relies on the Audit Committee to ensure appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources and ensure the Trust's internal control systems are robust and can be evidenced.

The Audit Committee agrees an annual work programme for the Trust's Internal Auditors and the Counter Fraud Service, and reviews progress on implementation of recommendations following audit and other assurance reports and reviews.

Independent assurance is provided through the Trust's internal audit programme and the work undertaken by NHS Counter Fraud Authority, reports from which are reviewed by the Audit Committee. In addition, further assurance on the use of resources is obtained from external agencies, including External Audit and regulatory bodies.

During this period the Trust received an ISAE3402 Type II report from East Lancashire Financial Services (ELFS) which provides the Trust's financial ledger and some associated financial services. This report, undertaken by ELFS external auditor, presents a qualified opinion on the operation of into internal financial control systems. The report is not specific to HPFT and reflects ELFS' overall performance on behalf of all of its clients. The Trust has directly sought a remedial action plan from ELFS which is already being implemented. Whilst this presents a control risk to the Trust, the existence of additional controls with HPFT's financial processes and the timely implementation of a remedial action plan within ELFS means that the Trust does not consider this to be a significant control risk. A significant control risk is defined as something that could have a material impact on the accounts or could undermine the integrity or reputation of the NHS.

2.5.23 Review of effectiveness

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 NHS Foundation Trust who 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, the Audit Committee and the Integrated Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control, I have set out below some examples of the work undertaken and the roles of the Board and Committees in this process:

- The Board reviews the Board Assurance Framework quarterly with the Trust Risk Register
- A programme of Risk Management training for all staff is in place.

- The internal audit plan, which is risk based, is approved by the Audit Committee at the beginning of each year. Progress reports are then presented to each Audit Committee, with the facility to highlight any major issues. The Chair of the Audit Committee can, in turn, quickly escalate any areas of concern to the Board via a Committee Report and produces an annual report on the work of the Committee and a self-evaluation of its effectiveness.
- The Executive Team meets on a weekly basis and has a process whereby key issues such as performance management, serious incidents, recruitment and retention, safe staffing, action plans arising from external reviews and risk management are considered both on a planned timetable and an ad hoc basis if necessary. The Team also reviews the Trust Risk Register and the Board Assurance Framework quarterly.
- The Board and its statutory and assurance committees have a clear cycle of business and a reporting structure that allows issues to be escalated via the 'ward to board' risk escalation framework (see Figure 3 page xx). The work of each committee is outlined in the Governance Structure at Figure 1 page xx

The Board Assurance Framework provides me with evidence that the effectiveness of controls to manage the risks that might prevent the Trust achieving its principal objectives have themselves been reviewed. My review is also informed by our internal and external audits, the external review processes for the clinical negligence scheme and the NHS Resolution and the CQC.

2.5.24 Head of Internal Audit Opinion

Internal Audit review the system of internal control during the financial year and report accordingly to the Audit Committee. The Head of Internal Audit has provided an overall opinion of positive assurance based on their work during 2021/22, which gives me confidence that we have a solid foundation on which to build our improvement work. Specifically, the Head of Internal Audit has stated: The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.'

The Head of Internal Audit considered a range of factors and findings in coming to her overall opinion, having issued ten final assurance opinions and one final advisory reviews for the year.

Of the ten assurance opinions there were five substantial assurances and four reasonable assurances. The audit of Data Security and Protection Toolkit was assessed using the national framework and the outcome was limited with medium level of confidence.

We have addressed the issues identified by the Data Security and Protection audit tool kit by:

- Improving the audits we do to monitor our staff's compliance with organisational policies on data quality and protection
- Establishing a central list of our supplier's compliance with cyber security requirements.
- Ensuring all staff complete Data Security and Awareness induction training.
- Strengthening our evidence for managing access to users accounts.
- Ensuring our ICT provider's reports to us on cybersecurity not only confirms mitigation of vulnerabilities, but also provides evidence.

The Trust also received one advisory review in relation to the Clinical Excellence Awards.

2.5.25 Conclusion

There are no significant internal control issues that have been identified.

Karen Taylor, Chief Executive
Dated: 20 June 2022

2.6 Remuneration Report

2.6.1 Annual Statement of Remuneration - From the Chair

This Statement covers the remuneration of the most senior managers of the Trust, the Board of Directors, including both Executive Directors and Non- Executive Directors as those people who have the authority and responsibility for controlling the major activities of the Trust.

The following paragraphs provide information about the Remuneration Committees, the policy on remuneration and detailed information about the remuneration of the Executive and Non-Executive Directors of the Trust. It is worth noting that the remuneration of the Non-Executive Directors is determined by the Appointments and Remuneration Committee and ratified by the Council of Governors.

2.6.1.1 Substantial changes to senior managers remuneration

A review of the senior managers' remuneration policy, if required is provided to the Nominations and Remuneration Committee by a pay specialist. During 2021/22, no advice external to the Trust was received. No Board Director is involved in setting their own remuneration. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors whilst maintaining the quality required. Senior manager are those people who have the authority and responsibility for controlling the major activities of the Trust.

2.6.1.2 Major decisions on senior managers' remuneration

During 2021, the Nominations and Remuneration Committee considered benchmarking information to inform remuneration during the recruitment process to a number of executive roles that became vacant. This included standard benchmark data for the NHS. There were no other changes to executive remuneration and no performance related pay, following agreement by the Committee to consolidate this during the previous accounting period.

The full remuneration report of salary, allowances and benefits of senior managers are set out in section 2.6.3.7 of the Annual Report on Remuneration.

Remuneration for Non-Executive Directors is set out at 2.2.3.6 of the Annual Report on Remuneration and within the Full Statutory Accounts. No additional fees are payable in the role of Non-Executive Director. The role of Senior Independent Director attracts an additional payment.

Sarah Betteley, Chair
Date: 20 June 2022

2.6.2 Senior managers Remuneration Policy

The remuneration policy for the Trust's Executive Directors ensures remuneration is consistent with market rates for equivalent roles in Foundation Trusts of comparable size and complexity and that regardless of the level of pay the remuneration is reasonable. It also takes into account the performance of the Trust, comparability with employees holding national pay and conditions of employment, pay awards for senior roles elsewhere in the NHS and pay/price changes in the broader economy, any changes to individual roles and responsibilities, as well as overall affordability.

Where an individual Executive Director is paid more than £150,000, the Trust has taken steps to ensure that remuneration is set at a competitive rate in relation to other similar Foundation Trusts and that this rate enables the Trust to attract, motivate and retain executive directors with the necessary abilities to fully manage and develop the Trust's activities fully for the benefits of service users

Future Policy Table – *Directors: Table 6 describes the components of the remuneration package for Directors.*

	Salary	Taxable benefits	Performance related bonuses	Long term bonuses	Pension benefits
Support for long and short term Trust objectives	Ensuring recruitment and retention of Directors with sufficient quality / experience	N/A	N/A	N/A	Ensuring recruitment and retention of Directors with sufficient quality / experience
How the component works	Standard monthly pay	N/A	N/A	N/A	Standard monthly pay
Maximum payment	Basic salary	N/A	N/A	N/A	Basic Salary
Framework used to assess performance	Trust appraisal system	N/A	N/A	N/A	Trust appraisal system
Performance measures	Appraisal based on individual objectives agreed with the Chief Executive	N/A	N/A	N/A	Appraisal based on individual objectives agreed with the Chief Executive
Performance period	Financial year	N/A	N/A	N/A	Financial year
Amount paid for minimum level of performance	Basic salary for minimum performance; no performance related element	N/A	N/A	N/A	Basic salary for minimum performance no performance

Note: During the period the Remuneration Committee agreed a one off retention incentive be awarded to three Executive Directors who had been in post for over two years. The incentive was agreed to ensure continuity among the Executive team and support to new members of the Executive Team

***Future Policy Table** – Non Executive Directors: Table7 describes the components of the remuneration package for Non-Executive Directors.*

	Salary	Taxable benefits	Performance related bonuses	Long term bonuses	Pension benefits
Support for long and short term Trust objectives	Ensuring recruitment and retention of Directors with sufficient quality / experience	N/A	N/A	N/A	N/A
How the component works	Standard monthly pay	N/A	N/A	N/A	N/A
Maximum payment	Basic salary	N/A	N/A	N/A	N/A
Framework used to assess performance	Trust appraisal system	N/A	N/A	N/A	N/A
Performance measures	Appraisal based on individual objectives agreed with the Chair	N/A	N/A	N/A	N/A
Performance period	Financial year	N/A	N/A	N/A	N/A
Amount paid for minimum level of performance	Basic salary for minimum performance; no performance related element	N/A	N/A	N/A	N/A

2.6.2.1 Service contract obligations

The Trust is obliged to give Directors six months' notice of termination of employment, which matches the notice period expected of Executive Directors at the Trust. The Trust does not make termination payments beyond its contractual obligations which are set out in the contract of employment and related terms and conditions. Executive Directors' terms and conditions, with the exception of salary, shadow the national arrangements inclusive of sick pay and redundancy arrangements and do not contain any obligations above the national level.

2.6.2.2 Policy on payment for loss of office

The principles of the determination of payments for loss of office are in accordance with the national Agenda for Change guidance and in accordance with employment legislation.

2.6.2.3 Statement of consideration of employment conditions

The Trust adheres to the national Agenda for Change guidelines for the setting of notice periods. Director contracts, however, are subject to six months' notice periods. Any annual cost-of-living increases for Executive Directors are linked to the Agenda for Change terms and conditions of employment.

2.6.3 Annual Report on Remuneration

2.6.3.1Service contracts

All directors are subject to a six months' notice period. Table 4 below shows their start and finish dates where applicable, or if their role is current:

Table 8 Trust Board Members for the Year Ending 31 March 2022

Name	Title	Contract date from	Contract date to
Non-Executive Directors			
Sarah Betteley	Chair	1 January 2021	31 December 2024
David Atkinson	Non-Executive Director	1 August 2019	31 July 2022
Anne Barnard	Non-Executive Director	1 January 2021	31 December 2023
Tim Bryson	Non-Executive Director	1 January 2021	31 December 2023
Catherine Dugmore	Non-Executive Director (Senior Independent Director)	1 August 2016	31 July 2022
Diane Herbert	Non-Executive Director	1 May 2019	30 April 2022
Kush Kanodia *	Associate Non-Executive Director	1 March 2021	31 August 2022
Patrick Vernon	Non-Executive Director	1 January 2021	28 February 2022
Jon Walmsley	Non-Executive Director	1 May 2021	30 April 2024
Non-Executive Directors			
Tom Cahill	Chief Executive	1 April 2009	30 November 2021
Karen Taylor	Chief Executive	1 December 2021	Current
Hakan Akozek*	Director of Innovation and Digital Transformation	1 February 2022	Current
Sandra Brookes	Executive Director of Delivery and Service User Experience	1 April 2019	
Ann Corbyn	Executive Director of People and OD	2 February 2020	30 November 2021
Keith Loveman	Executive Director of Finance and Deputy CEO (until 28 February 2021)	14 October 2010	30 June 2021
Janet Lynch	Interim Executive Director of People and OD	1 June 2021	Current

Non-Executive Directors			
Dr Jane Padmore	Executive Director of Quality and Safety (Chief Nurse)	17 November 2016	31 July 2021
Paul Ronald*	Director of Operational Finance	1 April 2020	Current
Karen Taylor	Executive Director of Strategy and Integration and Deputy CEO (from 1 March 2021)	27 February 2012	31 November 2021
Jacky Vincent	Executive Director of Quality and Safety (Chief Nurse)	1 August 2021	Current
Maria Wheeler	Executive Director of Finance and Estates	1 July 2021	Current
Paul Wood	Interim Executive Director of Strategy and Partnerships	1 November 2021	31 March 2022
Dr Asif Zia	Director of Quality and Medical Leadership	1 July 2017	Current
Other Directors and Attendees			
Helen Edmondson*	Head of Corporate Affairs and Company Secretary	2 September 2019	Current

**Non-Voting*

Note: There was no identified Deputy CEO after the 30 November 2021.

During this period, three members of our Executive - Keith Loveman, Jane Padmore and Ann Corbyn left the Trust and Non-Executive Director Patrick Vernon resigned. The Trust appointed Jacky Vincent, Executive Director of Quality and Safety, Maria Wheeler, Executive Director of Finance, Janet Lynch, Interim Executive Director of People and OD and Hakan Akozek Director of Innovation and Digital Transformation, whilst also welcoming Jon Walmsley as Non-Executive Director after many years as one of our Trust governors.

2.6.3.2 Remuneration Committee

The Trust has two Remuneration Committees – the Board of Directors' Nomination and Remuneration Committee and the Council of Governors' Appointments and Remuneration Committee.

2.6.3.3 Nominations and Remuneration Committee

The Nominations and Remuneration Committee reviews and makes recommendations to the Board on the composition, skill mix and succession planning of the Executive Directors of the Trust and is chaired by the Trust Chair.

All Non-Executive Directors are members of the Committee. The Chief Executive, Head of Corporate Affairs and Company Secretary and the Executive Director of People and Organisational Development are normally in attendance.

There were ten meetings of the Committee during the financial period and the members' attendance is shown in section 2.1.2 in table 1.

The Executive Director of People and Organisational Development and the Head of Corporate Affairs and Company Secretary serve and provide advice to the Committee. No advice external to the Trust was received in relation to the Remuneration Committee in 2021/22.

2.6.3.4 Policy on diversity and inclusion used by Nominations and Remuneration Committee

The Nomination and Remuneration Committee follows Trust policy on Equal Opportunities and ensures all decisions made are in line with the principles laid out in the policy to:

- Eliminate discrimination of all kinds
- Promote equality of opportunity
- Work to maintain relationships between different groups of staff
- Advocate for fairness in the workplace

This is part of the Trusts' Strategic Objective 4, we will attract, retain and develop people with the right skills and values to deliver consistently great care, support and treatment.

2.6.3.5 Appointments and Remuneration Committee

The Board of Governors' Appointments and Remuneration Committee is responsible for making recommendations to the Council of Governors on the following:

- Appointment and remuneration of the Chair and Non-Executive Directors
- Appraisal of the Chair
- Approval of appointment of the Chief Executive
- Succession planning for posts of Chair and Non-Executive Directors
- Analysis of action required following appraisal of performance of Board of Governors

The committee is made up of six Governors: four from the public constituency, one staff governor and one appointed governor enabling a range of representative views. The Chair, Head of Corporate Affairs and Company Secretary, Executive Director of People and Organisational Development and the Chief Executive are normally in attendance. The committee is chaired by the Lead Governor.

Appointments and Remuneration Committee (period 1 April 21 – 31 March 22)
There were three meetings of the committee during the financial period and the members' attendance is shown below:

- Sarah Betteley – Chair (3/3)
- Caroline Bowes Lyon (2/2)
- Ray Gibbins (2/3)
- Vanessa Cowle (1/2)
- Barry Canterford (3/3)
- Eni Bankole Race (3/3)
- Michael Shapiro (0/3)
- Manjit Rostom (1/1)
- MJ Cruz (2/2)
- Helen Edmondson (2/3)
- Tom Cahill (1/2)
- Janet Lynch (2/2)

The Executive Director of People and Organisational Development and the Head of Corporate Affairs and Company Secretary service and provide advice to the Committee.

2.6.3.6 Disclosures required by the Health and Social Care Act

Remuneration for senior managers is set out within section 2.6.3.7 of the Remuneration Report. For all other staff the Trust adheres to the national Agenda for Change guidelines for the setting of pay and notice periods.

Governors may claim travel expenses at the rate of 45p per mile as well as other reasonable expenses incurred on Trust business. They are not otherwise remunerated.

Non-Executive Directors may claim in line with the Trust's expenses policy and Executive Directors may claim travel expenses in accordance with national Agenda for Change guidelines as well as other reasonable expenses. During the accounting period expenses were paid as follows:

	2020/21		2021/22		
	No of individuals claimed	£	No of individuals claimed	£	No of individuals in post
Governors	0	0	0	0	30
Non-Executive Directors	2	909	1	121	9
Executive Directors	5	1,325	4	1,208	11

2.6.3.7 Senior Managers' remuneration

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2021/22 was £195k-£200k (2020/21, £200k-£205k). This is a change between years of minus 2.5%. The reason for the reduction relates to the retirement of the Chief Executive part way through the year.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £3,030 to £204,887 (2020-21 £7,500 to £204,284). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 3.7%. The increase in average remuneration related to the pay award for 2021/22.

No employees received remuneration in excess of the highest-paid director in 2021/22 or in 2020/21.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

	2021/22		
	25th Percentile	Median	75th Percentile
Salary component of pay	£23,946	£33,767	£45,839
Total pay and benefits excluding pension benefits	£23,946	£33,767	£45,839
Pay and benefits excluding pension: pay ratio for highest paid director	7.8	5.6	4.1

	2020/21		
	25th Percentile	Median	75th Percentile
Salary component of pay	£23,193	£32,237	£43,644
Total pay and benefits excluding pension benefits	£23,193	£32,237	£43,644
Pay and benefits excluding pension: pay ratio for highest paid director	8.7	6.3	4.6

The increase in salary components of pay relates to the pay award for 2021/22. There were no additional pay or benefits for staff included in total pay for 2021/22 or 2020/21. The decrease in the pay ratios relates to the reduction in the highest paid director due to the retirement of the Chief Executive part way through 2021/22.

Senior Managers remuneration details and pension benefits for 2021/22 are set out in the tables below. These are subject to audit. During the accounting period no payments were made to past senior managers and no payments were made for loss of office.

For the three Directors that were paid in excess of £150k during this period the Trust, via the Nominations and Remuneration Committee have considered the remuneration in comparison with similar posts and organisations and were satisfied that the renumeration was reasonable and in line with what was required to attract and retain high quality and experienced Directors.

Dr Asif Zia RCPsych Psychiatrist of the Year 2021

2 Accountability Report

Salary and Pension Entitlements of Senior Managers – Remuneration

Name and Title	2021/22 Salary and fees (bands of £5,000) £000	2021/22 Other remunera-tion* (bands of £5,000) £	2021/22 Taxable benefits** (nearest £00) £	2021/22 Perfor-mance related bonuses (bands of £5,000) £000	2021/22 Long term Performance related bonuses (bands of £5,000) £000	2021/22 Pension related benefits (bands of £2,500)*** £000	2021/22 Total (bands of £5,000) £000	2020/21 Salary and fees (bands of £5,000) £000	2020/21 Other remunera-tion* (bands of £5,000) £	2020/21 Taxable benefits** (nearest £00) £	2020/21 Perfor-mance related bonuses (bands of £5,000) £000	2020/21 Long term Performance related bonuses (bands of £5,000) £000	2020/21 Pension related benefits (bands of £2,500)*** £000	2020/21 Total (bands of £5,000) £000
Chris Lawrence (Non-Executive Director and Chair) – Resigned December 2020	0						0	35 to 40						35 to 40
Sarah Betteley (Non-Executive Director) – Appointed Chair January 2021	50 to 55						50 to 55	20 to 25						20 to 25
Catherine Dugmore (Non-Executive Director)	15 to 20						15 to 20	15 to 20						15 to 20
Loyola Weeks (Non-Executive Director) – Resigned December 2020	0						0	10 to 15						10 to 15
Tanya Barron (Non Executive-Director) – Resigned March 2021	0						0	10 to 15						10 to 15
Diane Herbert (Non Executive-Director) – Appointed May 2019	15 to 20						15 to 20	10 to 15						10 to 15
David Atkinson (Non Executive-Director) – Associate from May to July 2019 – Appointed August 2019	15 to 20						15 to 20	10 to 15						5 to 10
Janet Paraskeva (Non Executive-Director) – Resigned September 2020	0						0	5 to 10						0 to 5
Sarita Dent (Associate Non Executive-Director) – Appointed May 2019 – Resigned July 2020	0						0	0 to 5						0 to 5
Timothy Bryson (Associate Non Executive-Director) – Appointed January 2021	15 to 20						15 to 20	0 to 5						0 to 5
Anne Barnard (Associate Non Executive-Director) – Appointed January 2021	15 to 20						15 to 20	0 to 5						0 to 5
Patrick Vernon (Associate Non Executive-Director) – Appointed January 2021 – Resigned February 2022	10 to 15						10 to 15	0 to 5						0 to 5
Kush Kanodia (Associate Non Executive-Director) – Appointed March 2021	5 to 10						5 to 10	0 to 5					487.5 to 490	690 to 695
Tom Cahill (Chief Executive) – Resigned November 2021	135 to 140					0	135 to 140	200 to 205					75 to 77.5	260 to 265
Asif Zia (Director of Quality & Medical Leadership) ****	185 to 190	10 to 15				0	195 to 200	185 to 190					132.5 to 135	295 to 300
Keith Loveman (Deputy CEO / Director of Finance) – Appointed Deputy CEO December 2018 – Resigned July 2021	45 to 50					0	45 to 50	155 to 160		6.000			117.5 to 120	265 to 270
Karen Taylor (Chief Executive from December 2021 – previously Director of Strategy & Integration)	170 to 175	5 to 10				92.5 to 95	270 to 275	145 to 150					155 to 157.5	305 to 310
Jane Padmore (Director of Quality & Safety) – Resigned August 2021	55 to 65					122.5 to 125	180 to 185	145 to 150					192.5 to 195	340 to 345
Sandra Brookes (Director of Delivery and Service User Experience) – Appointed April 2019	145 to 150	10 to 15				0	155 to 160	145 to 150					30 to 32.5	160 to 165
Ann Corbyn (Director of Workforce & Organisational Development) – Appointed February 2020 – Resigned June 2021	30 to 35					22.5 to 25	50 to 55	130 to 135					87.5 to 90	215 to 220
Paul Ronald (Director of Finance) – Appointed April 2020	120 to 125					17.5 to 20	140 to 145	130 to 135						0 to 5

Salary and Pension Entitlements of Senior Managers – Remuneration

Name and Title	2021/22 Salary and fees (bands of £5,000) £000	2021/22 Other remunera-tion* (bands of £5,000) £	2021/22 Taxable benefits** (nearest £00) £	2021/22 Perfor-mance related bonuses (bands of £5,000) £000	2021/22 Long term Performance related bonuses (bands of £5,000) £000	2021/22 Pension related benefits (bands of £2,500)*** £000	2021/22 Total (bands of £5,000) £000	2020/21 Salary and fees (bands of £5,000) £000	2020/21 Other remunera-tion* (bands of £5,000) £	2020/21 Taxable benefits** (nearest £00) £	2020/21 Perfor-mance related bonuses (bands of £5,000) £000	2020/21 Long term Performance related bonuses (bands of £5,000) £000	2020/21 Pension related benefits (bands of £2,500)*** £000	2020/21 Total (bands of £5,000) £000
Susan Young (Interim Director of Workforce & Organisational Development) – Appointed February 2020 – Resigned March 2020	0					0	0	0 to 5						
Hakan Akozek (Director of Innovation & Digital Transformation) – Appointed February 2022	20 to 25					27.5 to 30	50 to 55							
Janet lynch (Interim Director of People & OD) – Appointed June 2021	90 to 95					0	90 to 95							
Jacky Vincent (Director of Safety & Quality) – Appointed August 2021	90 to 95					107.5 to 110	200 to 205							
Maria Wheeler (Director of Finance & Improvement) – Appointed July 2021	105 to 110					72.5 to 75	180 to 185							
Jonathan Walmsley (Non Executive-Director) – Appointed May 2021	10 to 15					0	10 to 15							
Paul Wood (Interim Director of Stategy & Partnerships) – Appointed November 2021 – Resigned March 2022	50 to 55					0	50 to 55							

Senior Managers are defined as "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS FT".

** During the period the Remuneration Committee agreed a one off retention incentive be awarded to three Executive Directors who had been in post for over two years. The incentive was agreed to ensure continuity among the Executive team and support to new members of the Executive Team. This is included within Other remuneration.*

*** Taxable benefits represents the liability for tax payable by Executive Directors who are members of the NHS FT lease car scheme. Each Executive Director pays for their own private fuel consumption.*

**** The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pensions benefits accruing to the individual.*

***** The salary and fees for the Director Quality & Medical Leadership includes £140k for Asif Zia in relation to their clinical role.*

Physical Health Clinic Essex Opening August 2021

Pensions Benefits

Name	Real increase in pension at pension age (bands of £2,500) £000	Real increase in lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2022 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2022 (bands of £5,000) £000	Cash Equivalent Transfer value at 31 March 2022 £000	Cash Equivalent Transfer value at 31 March 2021 £000	Real increase in Cash Equivalent Transfer value £000
Tom Cahill*	N/A	N/A	N/A	N/A	0	0	0
Asif Zia	0 to 2.5	-5 to -7.5	60 to 65	115 to 120	1.214	1,126	23
Keith Loveman***	N/A	N/A	N/A	N/A	0	1,181	N/A
Karen Taylor	5 to 7.5	7.5 to 10	55 to 60	105 to 110	911	763	104
Dr Jane Padmore	0 to 2.5	5 to 7.5	65 to 70	155 to 160	1,292	1,088	141
Sandra Brookes	0 to 2.5	-5 to -7.5	55 to 60	130 to 135	1,213	1,136	12
Ann Corbyn	0 to 2.5	0 to 2.5	0 to 5	0	68	41	25
Paul Ronald***	N/A	N/A	N/A	N/A	0	734	N/A
Maria Wheeler	2.5 to 5	7.5 to 10	30 to 35	70 to 75	655	526	99
Jacky Vincent	2.5 to 5	5 to 7.5	45 to 50	95 to 100	831	682	109
Hakan Akozek	0 to 2.5	0 to 0.25	5 to 10	0	120	93	22
Janet Lynch**	0	0	0	0	0	0	0
Paul Wood**	0	0	0	0	0	0	0

Non-Executive Directors do not receive pensionable remuneration.

** Tom Cahill retired on 31 March 2021 and though he returned he was nolonger part of teh pension scheme.*
*** Both Janet Lynch and Paul Wood chose not to be covered by the pension arrangements during the reporting year.*
**** Keith Loveman and Paul Ronald are now retired.*

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. NHS Pensions are using pension and lump sum data for their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement. (This is a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design). We believe this approach is appropriate given that there is still considerable uncertainty on ow teh affected benefits within the new NHS 2015 Scheme would be adjusted in future once legal proceedings are completed.

Accounting Officer approval of the Remuneration Report

Karen Taylor,
Chief Executive
20 June 2022

FOREWORD TO THE FINANCIAL STATEMENTS

HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

These accounts, for the year ended 31 March 2022, have been prepared by Hertfordshire Partnership University NHS Foundation Trust ('the NHS FT') in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

If you require any further information on these Annual Financial Statements please contact:

Matthew Hooper
Head of Financial Services
Hertfordshire Partnership University NHS Foundation Trust
Head Office
The Colonnades, Hatfield
Hertfordshire
AL10 8YE
Telephone number: 07971 639542

Signed 

Karen Taylor, Chief Executive Date 20 June 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2022

	note	2021/22 £000	2020/21 £000
Operating income from patient care activities	4	330,105	273,695
Other operating income	4	13,935	21,293
Operating expenses	5	(340,527)	(294,930)
OPERATING SURPLUS		**3,513**	**57**
FINANCE COSTS			
Finance income	9	68	0
Finance expense - financial liabilities	9.1	(242)	(258)
Finance expense - unwinding of discount on provisions	9.1	56	43
PDC dividend charge		(3,180)	(2,904)
NET FINANCE COSTS		(3,298)	(3,119)
Gains on disposal of assets	11.3	0	178
SURPLUS/(DEFICIT) FOR THE YEAR	24.2	**215**	**(2,884)**
Other comprehensive income will not be reclassified to income and expenditure:			
Impairments	13	(901)	(9,565)
Revaluations	11	2,960	2,945
Remeasurements of net defined benefit pension scheme	26	39	(402)
Will not be reclassified to income and expenditure:		**2,098**	**(7,022)**
TOTAL COMPREHENSIVE INCOME/EXPENSE FOR THE YEAR		**2,313**	**(9,906)**

STATEMENT OF FINANCIAL POSITION
31 March 2022

	note	31 March 2022 £000	31 March 2021 £000
Non-current assets			
Intangible assets	10	514	815
Property, plant and equipment	11	164,824	152,990
Trade and other receivables	16	386	0
Total non-current assets		**165,724**	**153,805**
Current assets			
Inventories	14	59	59
Receivables	16	15,664	8,127
Assets held for sale	15	2,582	3,054
Cash and Cash Equivalents	17	71,642	78,891
Total current assets		**89,947**	**90,131**
Current liabilities			
Trade and other payables	21	(59,924)	(43,718)
Borrowings	19	(541)	(541)
Provisions	20	(5,516)	(4,347)
Other liabilities	22	(3,891)	(12,513)
Total current liabilities		**(69,872)**	**(61,119)**
Total assets less current liabilities		**185,799**	**182,817**
Non-current liabilities			
Borrowings	19	(7,939)	(8,469)
Provisions	20	(6,264)	(5,932)
Other liabilities	22	(303)	(364)
Total non-current liabilities		**(14,506)**	**(14,765)**
Total assets employed		**171,293**	**168,052**
Financed by (taxpayers' equity)			
Public dividend capital		95,612	94,684
Revaluation reserve		30,889	28,830
Other reserves		(489)	(528)
Income and expenditure reserve		45,281	45,066
Total taxpayers' and others' equity		**171,293**	**168,052**

The financial statements on pages 2 to 5, together with the notes on pages 6 to 43 were approved by the Board and signed on its behalf by:

Karen Taylor, Chief Executive Date 20 June 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March 2022

	note	Total	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2021 - brought forward		**168,052**	**94,684**	**28,830**	**(528)**	**45,066**
Surplus for the year	SOCI	215	0	0	0	215
Net impairments	13	(901)	0	(901)	0	0
Revaluations - property, plant and equipment	11	2,960	0	2,960	0	0
Remeasurements of defined net benefit pension scheme liability / asset	26	39	0	0	39	0
Public dividend capital received	18	928	928	0	0	0
Taxpayers' Equity at 31 March 2022		**171,293**	**95,612**	**30,889**	**(489)**	**45,281**

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 by the Department of Health and Social Care. In 2021/22 £928k was issued to fund capital investment on the Unified Tech Fund of the NHSFT . A charge, reflecting the cost of capital utilised by the NHS FT, is payable to the Department of Health and Social Care as the public dividend capital dividend.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March 2021

	note	Total	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2020 - brought forward		**175,210**	**91,936**	**36,432**	**(126)**	**46,968**
Surplus for the year	SOCI	(2,884)	0	0	0	(2,884)
Net impairments	13	(9,565)	0	(9,565)	0	0
Revaluations - property, plant and equipment	11	2,945	0	2,945	0	0
Transfer to income and expenditure reserve on disposal of assets		0	0	(982)	0	982
Remeasurements of defined net benefit pension scheme liability / asset	26	(402)	0	0	(402)	0
Public dividend capital received	18	2,748	2,748	0	0	0
Taxpayers' Equity at 31 March 2021		**168,052**	**94,684**	**28,830**	**(528)**	**45,066**

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 by the Department of Health and Social Care. In 2020/21 £1,000k was issued to fund capital investment on estates and technology which otherwise could not have been funded; £1m to relocate the plant room on the Little Plumsted Hospital site, £882k to support the implementation of an electronic prescribing system, £579k for COVID capital claims, and £286k to fund additional remote working support . A charge, reflecting the cost of capital utilised by the NHS FT, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

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

Other reserves

The Other reserves relate to accounting for the Local Government Pension Scheme as a defined benefit scheme, see note 26 for further details.

Income and expenditure reserve

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2022

	2021/22 £000	2020/21 £000
Net cash inflow from operating activities (see note 24.1)	**12,740**	**37,737**
Cash flows used in investing activities		
Interest received	35	0
Purchase of property, plant and equipment	(17,991)	(12,692)
Proceeds from sales of property, plant and equipment	0	504
Net cash flows used in investing activities	**(17,956)**	**(12,188)**
Net cash generated used in financing activities		
Public dividend capital received	928	2,748
Movement in loans from the Department of Health and Social Care	(530)	(530)
Interest on loans	(243)	(256)
PDC dividend paid	(2,188)	(3,880)
Net cash generated used in financing activities	**(2,033)**	**(1,918)**
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(7,249)	23,631
Cash and Cash equivalents at 1 April	**78,891**	**55,260**
Cash and Cash equivalents at 31 March	**71,642**	**78,891**

The Statement of Cash Flows reports transactions purely on a cash basis and not on an accruals basis as used in the other Financial Statements. For this reason some figures may appear different to the figures reported elsewhere. An example of this is 'PDC dividend paid' being £2,188k in the statement above, compared to £3,180k on the Statement of Comprehensive Income. Cash and cash equivalents are recorded at current value.

The 'Proceeds from sales of property, plant and equipment' in 2020/21 consisted of the sales proceeds realised on the sale of Alexandra Road and a small plot of land on the Little Plumsted Hospital site; there were no such sales proceeds in 2021/22 with no disposals.

NOTES TO THE ACCOUNTS

1. Accounting Policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the NHS FT 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 2021/22 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 NHS FT for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

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

True and Fair View

Foundation Trusts' financial statements should give a true and fair view of the state of affairs of the reporting body at the end of the financial year and of the results of the year. Section 393 of the Companies Act 2006 requires that Directors must not approve financial statements unless they are satisfied that they give a true and fair view as described above.

Going Concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

1.2 Critical accounting judgements and key sources of estimation uncertainty

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

1.2.1 Critical judgements in applying accounting policies

The are no critical judgements, apart from those involving estimations (see below note 1.2.2), that management has made in the process of applying the NHS FT's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

1.2.2 Key sources of estimation uncertainty

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation assumptions for Property, Plant and Equipment are based on valuations provided by the District Valuer, Giles Awford, as at 31 March 2021 in line with note 1.6. In addition assets that were significantly upgraded in year were valued by the District Valuer, Giles Awford, as at 31 March 2022, as well as an internal review of overall market movements which lead to a 9% increase in specialised buildings as indicated by the DV and BCIS index.

Estimates for the Hertfordshire Local Government Pension Scheme (LGPS) are based on actuarial reports as provided by Hymans Robertson LLP, and for the Essex Pension Fund by Barnett Waddingham, see note 1.5 for further details.

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

1.3 Revenue from contracts with customers

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

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

To maintain the NHS FT's cashflow position this year the normal contract arrangements were set aside with block payment arrangements applied, performance obligations are assumed to have been met by the elapsing of time. Non-block contract performance obligations require payment 30 days from the date of request for payment. Block contract income accounts for circa 92% of the NHS FT's income in this year.

The main source of income for the NHS FT is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the NHS FT's income from NHS commissioners was in the form of block contract arrangements. The NHS FT receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the NHS FT's entitlement to consideration not varying based on the levels of activity performed.

The NHS FT also receives additional income outside of the block payments to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Mental health provider collaboratives

NHS led provider collaboratives for specialised mental health, learning disability and autism services involve a lead NHS provider taking responsibility for managing services, care pathways and specialised commissioning budgets for a population. As lead provider for Tier 4 CAMHS, the NHS FT is accountable to NHS England and Improvement and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. Where the NHS FT is the provider of commissioned services, this element of income is recognised in respect of the provision of services, after eliminating internal transactions.

1.3.1 Revenue from research contracts

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

1.4 Other forms of income

Grants and Donations

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. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once the conditions attached to the grant have been met. Donations are treated in the same way as government grants. During 21/22 the NHS FT received £307k of donated Covid consumables from the Department of Health and Social Care. In addition non-recurrent income for transformation , pilot schemes and training is accounted for as government grants by the NHS FT.

Apprenticeship Service Income

The value of the benefit received when accessing funds from the Governments 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 from the Trusts Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition of the benefit

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

Changes to the rate of employers NHS Pension contribution have not been reflected in funding provided to individual trusts during 2021/22. For this reason, the addition 6.3% liability was paid centrally by the Department of Health and Social Care . The amount is £7,897k in 2021/22 and £7,464k in 2020/21.

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

1.5 Employee Benefits (continued)

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

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

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

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

Local Government Superannuation Scheme
The NHS FT is also an admitted fully funded member of the Hertfordshire Local Government Pension Scheme (LGPS), for those staff who have transferred under TUPE (Transfer of Undertakings: Protection of Employment) from Hertfordshire County Council to the NHS FT's employment since 2004/05. The LGPS is a defined benefit statutory scheme administered by Hertfordshire County Council, in accordance with the Local Government Pension Scheme Regulations 1997, as amended.

The NHS FT was admitted into the scheme on a fully funded basis, whereby it was allocated assets equal to the value of the liabilities transferred. These assets are held by the Hertfordshire County Council.

Some current employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the NHS FT's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

In 2018/19 5 staff, with a further 3 staff in 2019/20, who had transferred under TUPE from Essex County Council remained members of the Essex Pension Fund. The NHS FT is now an admitted fully funded member of the pension scheme so has been accounted for such since 2020/21.

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

1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable for the goods and services received. Expenditure is recognised as an operating expense, except where it results in the creation of a non-current asset such as property, plant and equipment and is therefore capitalised (see 1.7 below).

1.7 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised if:

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

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

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 either: 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 NHS FT 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.

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

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

A desktop revaluation of all assets was conducted by the District Valuer, Giles Awford, as at 31st March 2021 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS). The NHS FT last undertook a full estate valuation in 2017/18. In addition assets that were significantly upgraded in year were valued by the District Valuer, Giles Awford, as at 31 March 2022, as well as an internal review of overall market movements which lead to a 9% increase in specialised buildings as indicated by the DV and BCIS index

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

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

1.7 Property, plant and equipment (continued)

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is provided at rates calculated to write off the cost of non-current assets, less their estimated residual value, over the expected useful lives on the following basis:

	Years
Plant & machinery	5 - 15
Set up costs in new buildings	10
Furniture & Fittings	10
Information Technology	3

Buildings held under finance lease agreements are depreciated over the term of the lease.

Freehold land is considered to have an infinite life and is therefore not depreciated.

Refurbishment of leased buildings is depreciated over the term of lease.

Property, plant and equipment which has been reclassified as 'Held for Sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the NHS FT.

Revaluation gains and losses

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

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

Gains/surpluses and losses/impairments recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as separate items 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.

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

1.7 Property, plant and equipment (continued)

De-recognition

Assets intended for disposal are reclassified as ôHeld for Saleô once all of the following criteria are met: The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sellô 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 ôHeld for Saleôand instead is retained as an operational asset and the assetôs useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

The properties listed in the 2020/21 accounts as Assets Held For Sale, Harper Lane and the Stewarts, were not disposed of within 2021/22 as intended due to COVID. The sales is considered highly probable in 2021/22 and remains as held for sale with heads of terms now agreed on the sales.

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS FTôs 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 NHS FT and where the cost of the asset can be measured reliably.

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

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

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 and amortised over the useful life of the asset which is generally 5 to 10 years.

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

1.8 Intangible Assets (continued)

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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits. This is expected to be between 5 and 10 years.

1.9 Leases

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

The NHS FT as lessee

Property, plant and equipment held under finance leases are initially recognised at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged as an expense within the Statement of Comprehensive Income.

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 on the Statement of Financial Position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

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

The NHS FT as lessor

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

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

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out approach to identify stock movements. This is considered to be a reasonable approximation to fair value. In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.11 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the NHS FT’s cash management. Cash, bank and overdraft balances are recorded at current values.

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

1.12 Provisions

The NHS FT 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 HM Treasury's discount rates effective for 31 March 2022.

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

1.13 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS FT 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 NHS FT. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS FT is disclosed at note 20 but is not recognised in the NHS FT's accounts.

1.14 Non-clinical risk pooling

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

1.15 Contingencies

Contingent assets

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

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

Contingent liabilities
Contingent liabilities are not recognised, but are disclosed in note 30, 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.

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

1.16 Financial assets and financial liabilities

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

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

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

Financial assets and liabilities are classified as subsequently measured at amortised cost.

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

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

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

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

Impairment of financial assets (continued)

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

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

1.17 Corporation Tax

The NHS FT had determined that it has no Corporation Tax liability on the basis that its principal purpose is a public service, rather than carrying on a trade or any commercial activity.

1.18 Value Added Tax

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

1.19 Foreign currencies

The NHS FT's functional currency and presentational currency is sterling. There are no material foreign currency transactions in the year.

1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However they are disclosed in Note 28 to the accounts in accordance with the requirements of HM Treasury's FReM.

1.21 Public Dividend Capital (PDC) and PDC dividend

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

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

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation 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 and grant 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 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 calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

The average relevant net assets is calculated as a simple average of the opening and closing relevant net assets.

The PDC dividend calculation is based upon the NHS FT's accounts.

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

1.22 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 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.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses. The detail can be found in note 27.

1.23 Subsidiaries

The NHS FT is the corporate trustee to Hertfordshire Partnership NHS Foundation Trust Charity. The NHS FT has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS FT is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

The NHS FT has chosen not to consolidate the Charitable Funds into these Financial Statements as the amounts of the Charitable Funds are not material and would not provide additional value to the reader of the NHS FT's Financial Statements.

1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

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

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

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

Estimated impact on 1 April 2022 statement of financial position	**£'000**
Additional right of use assets recognised for existing operating leases	17,272
Additional lease obligations recognised for existing operating leases	(16,638)
Changes to other statement of financial position line items	(634)
Net impact on net assets on 1 April 2022	**0**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(2,602)
Additional finance costs on lease liabilities	(146)
Lease rentals no longer charged to operating expenditure	2,696
Estimated impact on surplus / deficit in 2022/23	**(52)**
Estimated increase in capital additions for new leases commencing in 2022/23	**382**

Notes to the Accounts - 2. Financial Risk Factors

2 Financial Risk Factors

The NHS FT's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The NHS FT's overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the NHS FT's financial performance.

Risk management is carried out centrally under policies approved by the Board of Directors.

2.1 Credit risk

Over 90% of the NHS FT's income is from contracted arrangements with commissioners. As such, any material credit risk is limited to administrative and contractual disputes. Where a dispute arises, provision will be made on the basis of the age of the debt and the likelihood of a resolution being achieved.

2.2 Liquidity risk

The NHS FT's net operating costs are incurred under contract agreements principally with NHS Clinical Commissioning Groups and Hertfordshire County Council, which are financed from resources voted annually by Parliament. The NHS FT also finances its capital expenditure from internally generated resources, from funds made available by commissioners and from loan agreements with the National Loan Fund. The NHS FT is not, therefore, exposed to significant liquidity risks.

2.3 Cash flow and fair value interest-rate risk

100% of the NHS FT's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. The NHS FT is therefore not exposed to significant interest-rate risk.

2.4 Borrowings

As an NHS Foundation Trust the NHS FT has the authority to finance capital expenditure through borrowing. Up until 2012/13 the NHS FT had financed its capital programme from existing cash balances. Two loan applications were approved by both Monitor and the Independent Trust Financing Facility to part fund the future capital investment programme , £19.2m was drawn down in previous years (£10.2m in 2014/15, £9m in 2013/14). No further drawdown against this facility is permitted. Any future requirements would require agreement of a new facility. Refer to note 23.2 for the current liabilities shown.

3 Segmental Information

Under IFRS 8, an Operating Segment is a component of an entity:
- that engages in activities that may attract income and incur expenses (including income and expenses incurred internally)
- whose operating results are regularly reviewed the NHS FT's 'Chief Operating Decision Maker' to make decisions about resources allocated to that segment and assess performance
- for which discrete financial information is available

A separate segment must only be reported if it exceeds one of the quantitative thresholds: 10% of revenue, profit/loss or assets; unless this would result in 75% of the NHS FT's revenue being included in reportable segments, in which case additional reportable segments are identified such that the 75% threshold is reached or exceeded.

The Directors consider that the NHS FT's activities constitute a single segment since they are provided wholly in the UK, are subject to similar risks and rewards and all the assets are managed as one central pool.

Notes to the Accounts - 4 Operating Income from continuing operations

4 Operating Income from continuing operations

4.1 Operating Income (by classification)

Income is classified as "Income from Activities" when it is earned under contracts with NHS bodies and others for the provision of service user-related health and social care services. Income from non-patient-care services is classified as “Other operating income”.

	2021/22 Total	2020/21 Total
	£000	£000
Income from activities		
Block contract income	279,691	261,487
Services delivered as part of a mental health collaborative	3,563	0
Income for commissioning services from other providers as a mental health collaborative lead provid	34,032	0
Clinical partnerships providing mandatory services (including S75 agreements)	1,272	1,066
Other clinical income from mandatory services	3,650	2,306
Additional pension contribution central funding	7,897	7,464
Other clinical income	0	1,373
Total income from activities	**330,105**	**273,695**
Other operating income		
Research and development	332	342
Education and training	9,092	5,562
Reimbursement and top up funding	57	10,735
Education and training - notional income from apprenticeship fund	362	195
Consumables donated from DHSC group bodies for COVID response	307	1,579
Other	3,187	2,258
Rental revenue from operating leases	598	622
Total other operating income	**13,935**	**21,293**
Total operating Income	**344,040**	**294,988**

During 2021/22 the NHS FT was a lead commissioner for CAMHS tier 4 services, income the NHS FT received for services provided by itself is shown as 'Services delivered as part of a mental health collaborative', services commissioned from other providers is shown as 'Income for commissioning services from other providers as a mental health collaborative lead provider'.

Changes to the rate of employers NHS Pension contribution have not been reflected in funding provided to individual Trusts during 2021/22. For this reason, the additional 6.3% liability was paid centrally by the Department of Health and Social Care . The amount included above in this respect is £7,897k in 2021/22 and £7,464k in 2020/21.

In 2020/21 Other Operating Income included amounts of income provided by NHS England to meet the additional costs incurred by the NHS FT in relation to COVID-19. These are shown as reimbursement and top up funding. In 2021/22 this funding was provided as part of the block and only 'outside envelope' COVID-19 costs were subject to reimbursement top up.

PPE consumables were provided to the NHS FT at no charge. The cost of these consumables is shown within operating expenses and the equivalent amount is shown as income above

Notes to the Accounts - 4 Operating Income from continuing operations

4.2 Income from Activities (by source)

Income from Activities may also be analysed by the source of that Income.

	2021/22 Total	2020/21 Total
	£000	£000
Income from Activities		
NHS Trusts	527	391
NHS England	55,497	33,133
Local authorities	38,697	25,307
NHS Foundation Trusts	12,110	920
Clinical commissioning groups	223,070	213,943
NHS other (including PHE & UKHSA)	204	0
Total Income from Activities	**330,105**	**273,695**

During 2021/22 the NHS FT was a lead commissioner for CAMHS tier 4 services which accounted for a significant increase in NHS England and NHS Foundation Trust Income

4.3 Analysis between Commissioner Requested Services and non-Commissioner Requested Services

Under the NHS FT's Provider Licence, the NHS FT is required to provide commissioner requested health and social services. The allocation of income from activities between Commissioner Requested Services and other services is shown below.

	2021/22	2020/21
	£000	£000
Income from Commissioner Requested Services	330,105	273,695
Income from non-Commissioner Requested Services	13,935	21,293
	344,040	**294,988**

The increase in Income from Commissioner requested services relates primarily to income as a Lead Provider for the Mental Health Provider Collaborative and Covid reimbursement funding which in 2020/21 was treated as non-Commissioner services, but in 2021/22 formed part of the block

4.4 Operating Lease Income

The NHS FT leases one of its properties (31/33 Hill End Lane) under a non-cancellable operating lease agreement with VMH Support Ltd and a portion of the Marlowes Health & Wellbeing Centre under an operating lease agreement with Hertfordshire Community NHS Trust. In 2021/22 the Trust also leased the sites Forest House Annex to Hertfordshire County Council, Sovereign House to New Directions and Spring House land to NHS Property Services.

The total annual income from these operating leases in 2021/22 is £598k (£622k in 2020/21).

The future aggregate minimum lease payments due to the NHS FT under non-cancellable operating leases are as follows:

	2021/22 £000	2020/21 £000
on leases of Buildings expiring:		
- not later than one year;	600	621
- later than one year and not later than five years;	1,405	1,687
- later than five years.	1,027	1,343
	3,032	**3,651**

Notes to the Accounts - 5 Operating Expenses of continuing operations

5 Operating Expenses of continuing operations

5.1 Operating Expenses (by type)

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies (excl. expenses as a mental health collaborative lead provider)	6,475	5,450
Purchase of healthcare from non-NHS and non-DHSC bodies (excl. expenses as a mental health collaborative lead provid	22,279	23,303
Mental health collaboratives (lead provider) - purchase of healthcare from NHS bodies	16,988	0
Mental health collaboratives (lead provider) - purchase of healthcare from non-NHS bodies	17,044	0
Purchase of social care	18,297	18,315
Staff and executive directors costs	205,703	193,322
Non-executive directors	175	168
Supplies and services – clinical (excluding drugs costs)	809	1,125
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	307	1,579
Supplies and services - general	9,919	8,842
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	3,382	3,415
Consultancy	665	199
Establishment	2,508	2,900
Premises - business rates collected by local authorities	1,732	1,687
Premises - other	2,352	2,519
Transport (business travel only)	953	558
Transport - other (including patient travel)	1,807	1,823
Depreciation	7,242	6,483
Amortisation	301	220
Impairments net of (reversals)	512	3,105
Movement in credit loss allowance: contract receivables/assets	(169)	330
Provisions arising / released in year	334	1,344
Audit services - statutory audit*	97	85
Internal audit - non-staff	101	90
Clinical negligence - amounts payable to NHS Resolution (premium)	581	525
Legal fees	424	389
Insurance	447	376
Research and development - staff costs	254	0
Education and training - staff costs	620	1,364
Education and training - non-staff	1,842	175
Education and training - notional expenditure funded from apprenticeship fund	362	195
Operating lease expenditure (net)	4,122	3,478
Car parking and security	641	1,019
Hospitality	47	92
Other services (e.g. external payroll)	6,198	6,345
Other	5,176	4,110
Total Operating Expenses	**340,527**	**294,930**

* Audit services and remuneration figures are quoted inclusive of VAT. Audit fees excluding VAT for the year are £80k. No fees have been paid to KPMG LLP in year in relation to non-audit services".

Notes to the Accounts - 5 Operating Expenses of continuing operations

5.2 Limitation on Auditor's Liability

The contract signed on 26th July 2018, states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1m, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

5.3 Exit Packages

Reporting of other compensation schemes - exit packages
There were 0 exit packages agreed in 2021/22 totalling £0k.

Reporting of other compensation schemes - exit packages
There were 0 exit packages agreed in 2020/21 totalling £0k.

Notes to the Accounts - 6 Commitments under Operating Leases

6 Commitments under Operating Leases

The NHS FT leases various premises and vehicles under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Analysis of operating lease expenditure 2021/22

	Total £000	Buildings £000	Other £000
Minimum lease payments	4,122	3,794	328
Total	**4,122**	**3,794**	**328**

Analysis of operating lease expenditure 2020/21

	Total £000	Buildings £000	Other £000
Minimum lease payments	3,478	3,160	318
Total	**3,478**	**3,160**	**318**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Arrangements containing an operating lease 2021/22

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	3,766	3,497	269
- later than one year and not later than five years;	12,048	11,764	284
- later than five years.	8,491	8,491	0
	24,305	**23,752**	**553**

Arrangements containing an operating lease 2020/21

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	3,744	3,430	314
- later than one year and not later than five years;	13,197	12,810	387
- later than five years.	9,607	9,607	0
Total	**26,548**	**25,847**	**701**

Notes to the Accounts - 7 Employee expenses

7 Employee expenses

7.1 The employee expenses incurred during the year were as follows

	2021/22	2020/21
	£000	£000
Salaries and wages	153,918	147,724
Social security costs	15,712	14,829
Apprenticeship levy	737	696
Pension cost - employer contributions to NHS pension scheme	17,948	17,058
Pension cost - employer contribution amount paid directly by NHSE	7,897	7,464
Pension cost - other	112	101
Temporary staff - agency/contract staff	10,308	6,885
Total Gross Staff Costs	**206,632**	**194,757**
Employee expenses - staff & executive directors	205,703	193,322
Research & development	254	0
Education and training	620	1,364
Total Employee benefits excl. capitalised costs	**206,577**	**194,686**

Changes to the rate of employers NHS Pension contribution have not been reflected in funding provided to individual Trusts during 2021/22. For this reason, the addition 6.3% liability was paid centrally by the Department of Health and Social Care . The amount is £7,897k in 2021/22 and £7,464k in 2020/21.

Notes to the Accounts - 7 Employee expenses

7.2 Retirements due to ill-health

During 2020/21 there were 3 (1 in 2020/21) early retirements from the NHS FT on the grounds of ill-health with an estimated additional pension liability of £85k (£36k in 2020/21).

Where incurred the cost of any ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8 Better Payment Practice Code

The measure of compliance for 2021/22 has been analysed and can be found in the NHS FT's Annual Report .

8.1 The Late Payment of Commercial Debts (Interest) Act 1998

There are no material amounts included within Finance Expenses (note 9.1) arising from claims made under this legislation.

There is no compensation paid to cover debt recovery costs under this legislation.

9 Finance Income

	2021/22 £000	2020/21 £000
Interest receivable on bank deposits	68	0

Interest rates increased in 2021/22 and no interest income was received in 2020/21.

9.1 Finance Expenses

	2021/22 £000	2020/21 £000
Interest on loans from the Department of Health and Social Care:	242	258
Unwinding of discount on provisions	(56)	(43)
Total	**186**	**215**

Notes to the Accounts - 10 Intangible Assets

10 Intangible Assets

	2021/22 Software licences £000	2020/21 Software licences £000
Opening cost at 1 April	1,567	1,567
Gross cost at 31 March	**1,567**	**1,567**
Opening amortisation at 1 April	752	532
Provided during the year	301	220
Amortisation at 31 March	**1,053**	**752**
Net book value		
At 1 April	815	1,035
At 31 March	**514**	**815**

Notes to the Accounts - 11 Property, Plant and Equipment

11 **Property, Plant and Equipment as at 31 March 2022**

11.1 Balances as at 31 March 2022	**Total**	Land	Buildings excluding dwellings	Dwellings	Assets Under Construction	Plant & machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**159,127**	22,838	111,231	250	11,696	2,652	7,196	3,264
Additions - purchased	**17,057**	0	3,623	0	11,853	211	1,094	276
Impairments charged to operating expenses	**(1,454)**	0	(1,454)	0	0	0	0	0
Impairments charged to the revaluation reserve	**(901)**	0	(901)	0	0	0	0	0
Reversal of impairments credited to operating expenses	**1,414**	0	1,414	0	0	0	0	0
Reclassifications	**0**	0	3,779	0	(4,107)	107	125	96
Revaluations	**(563)**	0	(563)	0	0	0	0	0
Valuation/gross cost at 31 March 2022	**174,680**	**22,838**	**117,129**	**250**	**19,442**	**2,970**	**8,415**	**3,636**
Accumulated depreciation at 1 April 2021 - brought forward	**6,137**	0	138	0	5	633	3,381	1,980
Provided during the year	**7,242**	0	4,053	5	0	246	2,681	257
Revaluations	**(3,523)**	0	(3,523)	0	0	0	0	0
Accumulated depreciation at 31 March 2022	**9,856**	**0**	**668**	**5**	**5**	**879**	**6,062**	**2,237**
Net book value at 31 March 2022								
Owned	**164,824**	22,838	116,461	245	19,437	2,091	2,353	1,399
NBV Total at 31 March 2022	**164,824**	**22,838**	**116,461**	**245**	**19,437**	**2,091**	**2,353**	**1,399**

A desktop revaluation of all assets was conducted by the District Valuer, Giles Awford, as at 31st March 2021 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS). The NHS FT last undertook a full estate valuation in 2017/18. In addition assets that were significantly upgraded in year were valued by the District Valuer, Giles Awford, as at 31 March 2022, as well as an internal review of overall market movements which lead to a 9% increase in specialised buildings as indicated by the DV and BCIS index

Included within 'additions - purchased' are the following material items:
Classified as 'Buildings, excluding dwellings';
- Safety Suites Phase 1 £2,931k
- Kingfisher Court Anti Ligature Windows £687k

Classified as 'Information technology';
- £1,022k to replace computers at the end of their economic life

Additions - purchased' under 'Assets Under Construction' includes;
- £2,431K Safety Suites Phase 2
- £1,571k Forest House HDU
- £1,407k Albany Lodge Refurbishment
- £1,398k New inpatient unit
- £881k Oak Ward refurbishment
- £801k Network infrastructure upgrades
- £592k CCTV

See note 13 for details of Impairments.

Included within 'reclassifications' are the following material items, previously held as 'Assets under Construction':
- £3,783k Safety Suites phase 1 completed in Q3 2021/22

See note 11.3 for details of property disposals.

Notes to the Accounts - 11 Property, Plant and Equipment

Property, Plant and Equipment as at 31 March 2021

11.2 Balances as at 31 March 2021	Total	Land	Buildings excluding dwellings	Dwellings	Assets Under Construction	Plant & machinery	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**163,594**	25,419	125,101	230	2,304	1,467	5,942	3,131
Additions - purchased (including capital lifecycle additions)	**17,204**	0	4,357	0	10,275	1,185	1,254	133
Impairments charged to operating expenses	**(4,410)**	(825)	(3,585)	0	0	0	0	0
Impairments charged to the revaluation reserve	**(9,565)**	(2,329)	(7,236)	0	0	0	0	0
Reversal of impairments credited to operating expenses	**1,305**	522	783	0	0	0	0	0
Reclassifications	**0**	0	883	0	(883)	0	0	0
Revaluations	**(7,053)**	507	(7,580)	20	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	**(1,942)**	(450)	(1,492)	0	0	0	0	0
Disposals/derecognition	**(6)**	(6)	0	0	0	0	0	0
Valuation/gross cost at 31 March 2021	**159,127**	**22,838**	**111,231**	**250**	**11,696**	**2,652**	**7,196**	**3,264**
Accumulated depreciation at 1 April 2020 - brought forward	**9,814**	0	6,169	10	5	450	1,483	1,697
Provided during the year	**6,483**	0	4,113	6	0	183	1,898	283
Revaluations	**(9,998)**	0	(9,982)	(16)	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	**(162)**	0	(162)	0	0	0	0	0
Accumulated depreciation at 31 March 2021	**6,137**	**0**	**138**	**0**	**5**	**633**	**3,381**	**1,980**
Net Book Value at 31 March 2021								
Owned	**152,990**	22,838	111,093	250	11,691	2,019	3,815	1,284
Net Book Value at 31 March 2021	**152,990**	**22,838**	**111,093**	**250**	**11,691**	**2,019**	**3,815**	**1,284**

The NHS FT's land and buildings underwent a full valuation at 31 March 2021.

Included within 'additions - purchased' are the following material items:
Classified as 'Buildings, excluding dwellings';
- 6 Facet Survey Fire Compliance works - £1,008k which were completed at Lister Hospital, Lexden Hospital, Astley Court and Victoria Court over the year 2020/21
- Forest House refurb phase 1 infection control and security- £275k which was completed in Q4 2020/21
- Kingsley Green overflow carpark - £561k which was completed in Q4 2020/21
- Colonnades 1st floor conversion- £461k which was completed in Q2 2020/21
- Harper House refurb - £260k which was completed in Q3 2020/21

Classified as 'Information technology';
- £804k to replace computers at the end of their economic life
- £441k development of digital sign on and digital dictation, part of the NHS FT's broader Digital Strategy

A further £4,590k 'additions - purchased' spend is included under 'Assets Under Construction' for the NHS FT's Safety Suites

See note 13 for details of Impairments.

Included within 'reclassifications' are the following material items, previously held as 'Assets under Construction':
- Colonnades 1st floor conversion- £727k, completed in Q2 2020/21

See note 11.3 for details of property disposals.

Notes to the Accounts - 11 Property, Plant and Equipment

11.3 Disposal Of Property, Plant and Equipment

	2021/22 £000	2020/21 £000
Gains on disposal of property, plant and equipment	0	178
Total gain/loss on disposal recorded in the Statement of Comprehensive Income	**0**	**178**

The assets disposed of in 2020/21 were: Alexandra Road (previously categorised as an Asset Held For Sale (see note 15.) and; a small area of land at the Little Plumstead site.

12 Assets held under Finance Leases

	2021/22	2020/21
Opening cost at 1 April	**0**	**2,125**
Accumulated depreciation at 1 April	0	2,125
Provided during the year	0	0
Accumulated depreciation at 31 March	**0**	**2,125**
Net book value		
NBV total at 1 April	0	0
NBV total at 31 March	**0**	**0**

The NHS FT leased one premises under a finance lease agreement. The premises was 32 St. Peter's Street, St. Albans and was vacated at the beginning of 2020/21.

Notes to the Accounts - 13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

	2021/22 £000	2020/21 £000
Impairments of Property, Plant and Equipment charged to operating expenses due to changes in market price	1,454	4,410
Reversal of prior year impairments of Property, Plant and Equipment credited to operating expenses	(1,414)	(1,305)
Total impairments and reversal of impairments charged to the Statement of Comprehensive Income	**40**	**3,105**

Total Net Impairments of Property, Plant and Equipment charged to the Revaluation Reserve	901	9,565
Total impairment charged to the Revaluation Reserve	**901**	**9,565**

The impairment adjustments for 2021/22 follows an impairment review conducted by the District Valuer. The asset impairments related to decreases in the value of buildings held by the NHS FT following a review of the upgraded assets brought into use, and reversal of prior year impairments related to an internal review of overall market movements which lead to a 6.4% increase in specialised buildings as indicated by the DV and BCIS index.

14 Inventories

	2021/22 £000	2020/21 £000
Carrying Value at 1 April	59	56
Additions	591	483
Additions (donated) - from DHSC	307	1,579
Inventories recognised in expenses	(898)	(2,059)
Carrying Value at 31 March	**59**	**59**

15 Assets Held For Sale

	31 March 2022 £000	31 March 2021 £000
Net Book Value of assets held for sale at 1 April	3,054	1,592
Plus assets classified as available for sale in the year	0	1,780
Less assets sold in year	0	(318)
Less impairments of assets held for sale	(472)	0
Net Book Value of assets held for sale at 31 March	**2,582**	**3,054**

Assets held for sale at March 31st 2020, comprised the properties at 143 and 145 Harper Lane, Radlett and Alexandra Road, Hemel Hempstead. Alexandra Road was sold early in 2020/21. The Harper Lane properties sale was delayed due to COVID reasons. An additional asset, the Stewarts was re-categorised as an Asset Held For Sale in 2020/21. Heads of Terms have now been agreed for the sale of these early in 2022/23.

Notes to the Accounts - 16 Receivables

16 Receivables

16.1 Trade and other Receivables

	31 March 2022	31 March 2021
	£000	£000
Current		
Contract receivables	13,120	4,048
Accrued income	810	1,705
Allowance for impaired contract receivables	(300)	(472)
Prepayments	1,735	1,452
Interest receivable	33	0
PDC dividend receivable	33	1,025
VAT receivable	298	309
Clinician pension tax provision reimbursement funding from NHSE	35	0
Other receivables	(100)	60
Total current trade and other receivables	**15,664**	**8,127**
Non-Current		
Clinician pension tax provision reimbursement funding from NHSE	386	0
Total non-current receivables	**386**	**0**
Of which receivable from NHS and DHSC group bodies	**3,330**	**5,342**

The increase in Contract Receivables relates to additional block income invoices that were agreed and invoiced in late March and paid in April 2022.

The decrease in Accrued Income relates to 2020/21 funding agreed to cover the increase in annual leave accrual required which was paid in 2021/22, no additional funding is available for 2021/22

The decrease in the PDC receivable in 2021/22 relates to the timing of block contract receipts for 2020/21 where funding was received one month in advance. This lead to a higher average cash balance and at the time of the submission of expected PDC values for the year was not confirmed if there would be a PDC adjustment for this. This was subsequently confirmed and the Trust was holding a £1,025k PDC receivable which was offset against the cash PDC payable in 2021/22.

16.2 Allowance for impaired contract receivables

	2021/22	2020/21
	£000	£000
At 1 April	472	147
Increase in provision	130	363
Amounts utilised	(3)	(5)
Unused Amounts reversed	(299)	(33)
Balance at 31 March	**300**	**472**

As part of the implementation of IFRS 9 an expected credit loss model for impaired contract receivables was applied. This has had no material impact on the allowance in the period.

Notes to the Accounts - 17 Cash and cash equivalents

17 Cash and cash equivalents

	2021/22 £000	2020/21 £000
Cash and cash equivalents at 1 April	78,891	55,260
Net change in cash and cash equivalents	(7,249)	23,631
Cash and cash equivalents at 31 March	**71,642**	**78,891**
Comprising:		
Cash at commercial banks and in hand	143	127
Cash with the Government Banking Service	71,499	78,764
	71,642	**78,891**

The NHS FT's cash reserves have decreased in year primarily due to level of capital investment above depreciation levels.

18 Public Dividend Capital

	2021/22 £000	2020/21 £000
Taxpayers' Equity at 1 April	94,684	91,936
Public Dividend Capital receipts	928	2,748
Taxpayers' Equity at 31 March	**95,612**	**94,684**

PDC receipts in 2021/22 of £928k were received for Unified Tech Fund.

In 2020/21 £1,000k was received for critical infrastructure funding to relocate a plant room on the Little Plumsted Hospital site, £882k to support the implementation of an electronic prescribing system, £579k for COVID capital claims, and £286k to fund additional remote working support .

19 Borrowings

	31 March 2022 £000	31 March 2021 £000
Current		
Capital loans	541	541
Total current borrowings	**541**	**541**
Non-current		
Capital loans	7,939	8,469
Total non-current borrowings	**7,939**	**8,469**
Total borrowings	**8,480**	**9,010**

The NHS FT has a loan arrangement with the Department of Health and Social Care (see note 2.4).

Notes to the Accounts - 20 Provisions for liabilities and charges

20 Provisions for liabilities and charges (held in current and non-current liabilities)

20.1 Provisions for liabilities and charges (held in current and non-current liabilities) 2021/22

2021/22	Total	Pensions relating to other staff	Pension - Injury benefits	Other legal claims	Restructuring	2019/20 Clinicians pension reimbursement	Other
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021 - brought forward	10,279	1,897	2,629	425	179	0	5,149
Arising during the year	2,407	97	51	0	0	421	1,838
Utilised during the year - accruals	(87)	(53)	(34)	0	0	0	0
Utilised during the year - cash	(398)	(143)	(90)	(144)	0	0	(21)
Reversed unused	(365)	0	0	(186)	(163)	0	(16)
Unwinding of discount rate	(56)	(23)	(33)	0	0	0	0
Total at 31 March 2022	**11,780**	**1,775**	**2,523**	**95**	**16**	**421**	**6,950**
Expected timing of cashflows:							
- not later than one year (current)	5,516	213	134	95	8	35	5,031
- later than one year and not later than five years (non current)	1,514	851	537	0	8	26	92
- later than five years (non current)	4,750	711	1,852	0	0	360	1,827
Total	**11,780**	**1,775**	**2,523**	**95**	**16**	**421**	**6,950**

The 'Pensions relating to other staff' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of long stay institutions, namely, Hill End, Leavesden, Cell Barnes and Harperbury Hospitals. Early retirement provisions are discounted using the HM Treasury's pension discount rate of -1.3% in real terms.

The 'Pension - Injury benefit' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. Injury Benefit provisions are discounted using the HM Treasury's pension discount rate of -1.3% in real terms.

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £50,228k (£27,934k as at 31 March 2021) is included in the provisions of NHS Resolution at 31 March 2022 in respect of clinical negligence liabilities of the NHS FT.

Other provisions includes a dilapidations provision which relates to the cost to return leased buildings back to their original condition upon exit, a Continuing Health Care provision comprises the potential liability for claims to the NHS FT for the reimbursement of the costs of Continuing Health Care incurred by the claimant where the claimant considers the costs should have been met by the NHS FT, a provision for the refurbishment of a psychiatric intensive care unit that will require additional operational costs to be incurred during the period of refurbishment, a provision for the future legacy costs of COVID-19, a provision for the costs of fulfilling an onerous SRS contract ceasing in 2022/23, and provisions for excess pension costs and WTD enhancements.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities. See note 1.2.2 for details of the uncertainties about the amount and timing of outflows.

Notes to the Accounts - 20 Provisions for liabilities and charges

20.2

Provisions for liabilities and charges (held in current and non-current liabilities) 2020/21

2020/21	Total	Pensions relating to other staff	Pension - Injury benefits	Other legal claims	Restructuring	Other
	£000	£000	£000	£000	£000	£000
At 1 April 2020 - brought forward	9,114	2,008	2,679	600	169	3,658
Arising during the year	2,190	125	102	310	26	1,627
Utilised during the year - accruals	(87)	(53)	(34)	0	0	0
Utilised during the year - cash	(564)	(165)	(93)	(179)	0	(127)
Reversed unused	(331)	0	0	(306)	(16)	(9)
Unwinding of discount rate	(43)	(18)	(25)	0	0	0
Total at 31 March 2021	**10,279**	**1,897**	**2,629**	**425**	**179**	**5,149**
						0
Expected timing of cashflows:						0
- not later than one year (current)	4,347	213	134	425	43	3,532
- later than one year and not later than five years (non current)	2,038	853	534	0	136	515
- later than five years (non current)	3,894	831	1,961	0	0	1,102
Total	**10,279**	**1,897**	**2,629**	**425**	**179**	**5,149**

The 'Pensions relating to other staff' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of long stay institutions, namely, Hill End, Leavesden, Cell Barnes and Harperbury Hospitals. Early retirement provisions are discounted using the HM Treasury's pension discount rate of -0.95% in real terms.

The 'Pension - Injury benefit' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. Injury Benefit provisions are discounted using the HM Treasury's pension discount rate of -0.95% in real terms.

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £27,934k (£24,819k as at 31 March 2020) is included in the provisions of NHS Resolution at 31 March 2021 in respect of clinical negligence liabilities of the NHS FT.

Other provisions includes a dilapidations provision which relates to the cost to return leased buildings back to their original condition upon exit, a Continuing Health Care provision comprises the potential liability for claims to the NHS FT for the reimbursement of the costs of Continuing Health Care incurred by the claimant where the claimant considers the costs should have been met by the NHS FT, a provision for the refurbishment of a psychiatric intensive care unit that will require additional operational costs to be incurred during the period of refurbishment, and a provision for the future legacy costs of COVID-19.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities. See note 1.2.2 for details of the uncertainties about the amount and timing of outflows.

Notes to the Accounts - 21 Trade and other payables

21 Trade and other payables

	31 March 2022 £000	31 March 2021 £000
Current		
Trade payables	1,926	3,346
Capital payables (including capital accruals)	5,977	6,911
Accruals (revenue costs only)	33,393	24,774
Annual leave accrual	2,117	2,170
Social security costs	2,252	2,180
VAT payables	9	19
Other taxes payable	1,642	1,855
Other payables	12,608	2,463
Total Trade and other payables	**59,924**	**43,718**

Accruals are the charges from suppliers for goods or services that have not been paid as at 31 March.

22 Other liabilities

	31 March 2022	31 March 2021
Current		
Deferred grant	3,891	12,513
Net defined benefit pension scheme liability	303	364
Total Other liabilities	**4,194**	**12,877**

Other liabilities largely comprises government grant non-recurrent income received from commissioners for a specific condition that will be delivered in a future period. As such, this income has been deferred under IAS 20 and therefore not included in the Statement of Comprehensive Income in this reporting period.

The net defined pension scheme liability relates to the Essex Pension Fund which has been accounted for as a defined benefit pension scheme. As at 31st March 2022 the actuary reports show the scheme is in a £303k deficit (£364k in 2020/21) and the potential pension liability is shown here.

Notes to the Accounts - 23 Financial assets and liabilities

23 Financial assets and liabilities

23.1 Financial assets by category

	31 March 2022 £000	31 March 2021 £000
Receivables (excluding non financial assets) - with DHSC group bodies	3,262	4,297
Receivables (excluding non financial assets) - with other bodies	10,301	1,044
Cash and cash equivalents	71,642	78,891
Total	**85,205**	**84,232**

23.2 Financial liabilities by category

	31 March 2022 £000	31 March 2021 £000
DHSC loans	8,480	9,010
Trade and other payables excluding non financial liabilities	45,951	36,605
Provisions	6,519	6,771
Total	**60,950**	**52,386**

Notes to the Accounts - 24 Reconciliation of operating surplus to net cash flow from operating activities, and surplus to adjusted financial performance

24 Reconciliation of operating surplus to net cash flow from operating activities, and surplus to adjusted financial performance

24.1 Reconciliation of operating surplus to net cash flow from operating activities

	2021/22		2020/21	
	£000	£000	£000	£000
Operating Surplus		3,513		57
Non cash flow movements:				
Depreciation and amortisation	7,543		6,703	
Impairments and reversals	512		3,105	
		8,055		9,808
Movement in Working Capital:				
(Increase) / Decrease in trade and other receivables	(8,881)		9,397	
on SOFP Pension liability - employer contributions paid less net charge to the SOCI	(22)		(38)	
Increase in inventories	0		(3)	
Increase in trade and other payables	17,140		10,218	
(Decrease) / Increase in other liabilities	(8,622)		7,090	
		(385)		26,664
Increase in provisions		1,557		1,208
Net cash inflow from operating activities		**12,740**		**37,737**

24.2 Reconciliation of surplus to adjusted financial performance

Whilst the surplus for the financial year was £215k (£2,884k deficit in 2020/21) as reported on the SOCI, this includes a small number of items which are unusual in nature and not considered by the NHS FT to be part of its normal activities, and are therefore adjusted for to show the comparative financial performance against the NHSI control total of break-even for 2021/22 (break even for 2020/21)

		2021/22	2020/21
Financial performance for the year:		£000	£000
SURPLUS/(DEFICIT) FOR THE YEAR		215	(2,884)
add back Net Impairments charged to the SOCI	13	512	3,105
remove Non-cash element of on-SOFP pension costs	26	(22)	(41)
COVID-19 eligibility adjustment- in FY20-21 the additional holiday pay accrual for untaken staff holidays was matched with additional income		0	507
Adjusted financial performance against the NHSEI Control Total		**705**	**687**

Notes to the Accounts - 25 Related Party Transactions

25 Related Party Transactions

25.1 Related Party Transactions 2021/22

The NHS FT is a body corporate established by the Secretary of State for Health and Social Care. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2022 the NHS FT had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities. These are disclosed where income or expenditure is above £3m, or receivables or payables are above £300k.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

The NHS FT also has a linked charity, The HPFT Charity registered with the Charity Commission under registered charity number 1053767, which the transactions for which are not consolidated within these statements.

Board Members, Governors and other key management staff take decisions on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made and are available for inspection on request from the Company Secretary.

2021/22	Income from Related Party £000	Expenditure payments to Related Party £000	Receivables from Related Party £000	Payables to Related Party £000
Central Government				
National Heath Service Pension Scheme	0	25,845	0	0
HMRC - other taxes & duties	0	16,449	0	3,894
NHS				
Department Of Health	27	0	0	355
Foundation Trusts				
Cambridgeshire and Peterborough NHS Foundation Trust	1,161	4,902	1,158	755
Central and North West London NHS Foundation Trust	(7)	354	0	352
East London NHS Foundation Trust	1,093	1,597	91	1,149
Essex Partnership University NHS Foundation Trust	8,986	11,619	30	1,187
Clinical Commissioning Groups				
NHS Buckinghamshire CCG	4,346	0	13	60
NHS East and North Hertfordshire CCG	88,690	3,240	153	145
NHS Herts Valleys CCG	89,781	0	12	137
NHS Mid Essex CCG	7,257	0	261	43
NHS North East Essex CCG	5,806	0	(427)	0
NHS Norfolk & Waveney CCG	3,217	0	107	0
NHS West Essex CCG	19,760	180	29	552
NHS Trusts				
West Hertfordshire Teaching Hospitals NHS Trust	847	1,142	313	499
West London NHS Trust	0	362	0	362
NHS Other				
Health Education England	7,776	36	155	4,898
NHS England	48,386	806	108	325
Local Government				
Hertfordshire County Council	37,033	369	10,773	6,735

Notes to the Accounts - 25 Related Party Transactions

25 Related Party Transactions

25.2 Related Party Transactions 2020/21

The NHS FT is a body corporate established by the Secretary of State for Health and Social Care. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2021 the NHS FT had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities. These are disclosed where income or expenditure is above £3m , or receivables or payables are above £300k.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

The NHS FT also has a linked charity, The HPFT Charity registered with the Charity Commission under registered charity number 1053767, which the transactions for which are not consolidated within these statements.

Board Members, Governors and other key management staff take decisions on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made and are available for inspection on request from the Company Secretary.

2020/21	Income from Related Party £000	Expenditure payments to Related Party £000	Receivables from Related Party £000	Payables to Related Party £000
Central Government				
National Heath Service Pension Scheme	0	24,522	0	0
HMRC - VAT	0	0	309	19
HMRC - other taxes & duties	0	15,525	0	4,035
NHS				
Department Of Health	185	0	0	338
NHS England - Core	12,789	0	1,976	154
Foundation Trusts				
Cambridgeshire and Peterborough NHS Foundation Tr	0	224	0	484
Essex Partnership University NHS Foundation Trust	10	5,267	10	0
Clinical Commissioning Groups				
NHS Buckinghamshire CCG	4,033	0	13	0
NHS East and North Hertfordshire CCG	86,819	2,759	478	113
NHS Herts Valleys CCG	86,615	2	0	5
NHS Mid Essex CCG	6,378	0	0	76
NHS North East Essex CCG	9,816	0	(283)	137
NHS West Essex CCG	12,235	127	281	3
NHS Trusts				
West Hertfordshire Hospitals NHS Trust	783	704	172	447
NHS Other				
Health Education England	5,170	4	688	5,936
East of England Specialised Commissioning hub	23,853	0	163	0
Local Government				
Barnet London Borough Council	1,398	0	350	0
Hertfordshire County Council	22,691	79	551	7,589
Westminster City Council	168	0	306	0

Notes to the Accounts - 26 Pension

26 Pension

The NHS FT is also an admitted fully funded member of the Hertfordshire Local Government Pension Scheme (LGPS), for those staff who have transferred under TUPE (Transfer of Undertakings: Protection of Employment) from Hertfordshire County Council to the NHS FT's employment since 2004/05. The scheme is in an asset position that cannot be realised by the NHS FT, so the asset ceiling is restricted to the value of the scheme liabilities. This has had no material impact on the NHS FT's SOCI or SOFP positions. In 2018/19 5 staff, with a further 3 staff in 2019/20, who had transferred under TUPE from Essex County Council remained members of the Essex Pension Fund. The NHS FT is now an admitted fully funded member of the pension scheme so has been accounted for such in 2020/21. The scheme is in a net deficit position which is shown in the following table and within other liabilities in note 22.

	2021/22 £000	2020/21 £000
Present value of the defined benefit obligation at 1 April	**(28,386)**	**(23,924)**
Current service cost	(126)	(95)
Interest cost	(551)	(551)
Contribution by plan participants	(25)	(22)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains)/losses	1,328	(4,656)
Benefits paid	965	878
Past service costs	0	(16)
Present value of the defined benefit obligation at 31 March	**(26,795)**	**(28,386)**

Plan assets at fair value at 1 April	**28,022**	**23,924**
Interest income	681	681
Remeasurement of the net defined benefit (liability) / asset		
- Return on plan assets (excludes any amounts already included in interest income above)	314	5,474
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling (excluding amounts included in interest income/expense)	(1,603)	(1,220)
Contributions by the employer	18	19
Contributions by the plan participants	25	22
Benefits paid	(965)	(878)
Plan assets at fair value at 31 March	**26,492**	**28,022**
Plan surplus/(deficit) at 31 March	**(303)**	**(364)**

Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised on the SoFP

	2021/22 £000	2020/21 £000
Present value of the defined benefit obligation	(26,795)	(28,386)
Plan assets at fair value	26,492	28,022
Total net (liability)/asset after the impact of reimbursement rights as at 31 March	(303)	(364)

Amounts recognised in the SoCI

	2021/22 £000	2020/21 £000
Current service cost	(126)	(95)
Net interest income	130	130
Past Service Cost	0	0
Total net gain / (charge) recognised in SoCI	4	35

Remeasurements of defined net benefit pension scheme liability / asset

	2021/22 £000	2020/21 £000
Actuarial gain/loss on scheme liabilities	1,328	(4,656)
Return on plan assets (excludes any interest element)	314	5,474
Changes in the effect of the asset ceiling	(1,603)	(1,220)
Remeasurements of defined net benefit pension scheme liability / asset	39	(402)

Notes to the Accounts - 27 Losses and Special Payments

27 Losses and Special Payments

There were 9 cases (72 cases in 2020/21) of losses and special payments totalling £99k (£31k in 2020/21) during 1 April 2021 to 31 March 2022. These are reported on an accruals basis but exclude provisions for future losses.

	2021/22		2020/21	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
Losses				
Losses of cash due to:				
- other causes	0	0	4	0
Total losses	**0**	**0**	**4**	**0**
Special Payments				
Ex gratia payments in respect of:				
- loss of personal effects	3	1	13	3
- other negligence and injury	2	96	0	0
- overtime payments (nationally funded)	0	0	48	26
- other	4	2	7	2
Total Special Payments	**9**	**99**	**68**	**31**
Total losses and special payments	**9**	**99**	**72**	**31**

Notes to the Accounts - 28 Third Party Assets

28 Third Party Assets

The NHS FT held £4,776k cash at bank and in hand at 31 March 2022 (£4,477k at 31 March 2021) which relates to monies held by the NHS FT on behalf of service users.

This has been excluded from the cash and cash equivalents figure reported in the accounts.

29 Post Balance Sheet Events

There are no such events to be reported.

30 Contingencies

There are no contingent assets (recoverable values from third parties).

Contingent liabilities are a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

The contingent liability for 2021/22 is in respect of the potential to pay excesses to NHS Resolution in respect of current and ongoing LTPS scheme claims and is per the advice received from the NHS Resolution.

	31 March 2022 £000	31 March 2021 £000
Value of contingent liabilities	**47**	**44**

31 Commitments under capital expenditure contracts

	31 March 2022 £000	31 March 2021 £000
Property, Plant and Equipment	5,977	6,911
Total	**5,977**	**6,911**

The capital commitments as at 31 March 2022 relate to the agreement of the final account on a number of projects: Safety Suites Phase 2, Kingfisher Court Anti Ligature Windows, Forest House HDU and Little Plumstead Plant Room.

The capital commitments as at 31 March 2021 relate to the agreement of the final account on a number of projects: 6 Facet Survey, Kingsley Green overflow carpark, 15 Forest Lane decant and Holly Lodge modular building have completed and are awaiting final account confirmations. The NHS FT's Safety Suite program, Oak Ward, Forest House HDU and Albany Lodge schemes, general IT Investment and Backlog maintenance works account for the majority of the remaining commitments along with retention payments against a number of completed projects.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hertfordshire Partnership University NHS Foundation Trust ("the Trust") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers 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 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2021/22.

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

The Directors have prepared the financial statements on the going concern basis as they have not 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. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Trust's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from NHS sources is accounted for in the incorrect financial period and the risk that Trust management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals and provisions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account code combinations and journals posted after a specific point in time.
- Assessing significant estimates for bias.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Assessing the outcome of the agreement of balances exercise with CCGs and other NHS providers, seeking explanations for any variances over £300,000.
- Agreeing a sample of deferred income balances to supporting evidence in order to confirm that they had been recorded within the correct accounting period based on the service to be provided and performance obligations identified.
- Assessing each of the Trust's significant provisions against the IAS37 recognition criteria to confirm the existence of the provision.
- Agreeing a sample of year end accruals back to supporting evidence in order to assess whether the accrual exists and has been recorded at an accurate value.

Identifying and responding to risks of material misstatement related to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with Executive Management (as required by auditing standards), and from

inspection of the Trust's regulatory and legal correspondence and discussed with Executive Management the policies and procedures regarding compliance with laws and regulations.

As the Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Trust is subject to laws and regulations that directly affect the financial statements, including the National Health Service Act 2006 and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Trust is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Directors are 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.
- in our opinion the other information has been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22.

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 NHS Foundation Trust Annual Reporting Manual 2021/22. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page [A], the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. 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; 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.

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 if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

Our work in this area is not yet complete. The outcomes of our procedures will be reported within our commentary on the Trust's arrangements as part of our Auditor's Annual Report.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006.
- any matters have been reported in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006 in the course of, or at the end of the audit.

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 Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's

report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to determine whether there are any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We will report the outcome of this work in the commentary included in our Auditor's Annual Report and include any exception reporting in respect of significant weaknesses in our audit completion certificate. We are satisfied that this work does not have a material impact on the financial statements.

Dean Gibbs
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

24 June 2022

AUDIT COMPLETION CERTIFICATE TO THE COUNCIL OF GOVERNORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

In our reported dated 24 June 2022, we explained that we could not formally conclude the audit on that date until we had completed our assessment of whether there were any significant weaknesses in the arrangements made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

This work has now been completed.

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

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 if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure 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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Dean Gibbs
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

18 July 2022