



# Annual Report and Accounts 2014 – 2015





Hertfordshire Partnership University NHS Foundation Trust  
Annual Report and Accounts 2014 – 2015

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



# Annual Report 2014 - 2015

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Full Statutory Accounts including Statement of Accounting Officers responsibilities in respect of the accounts and Annual Governance Statement



## Introduction

It has been a good year for the Trust and we have continued to grow using our values to shape and guide service delivery across Hertfordshire and parts of Norfolk and Essex.

Staff are a source of constant inspiration and their commitment to provide the best possible services has helped us make significant progress during 2014/15, despite significant financial and operational challenges felt across the NHS.

We are extremely proud of our workforce and their ethic has won praise from a number of visitors including the Chief Executive of the Royal College of Nursing and the Chief Nursing Officer of England.

This has been matched by a number of exciting projects that reflect our commitment to growth and meeting the ongoing needs of our community.

This includes:

- Kingfisher Court, a £42m mental health facility which sets a new benchmark for the provision of mental healthcare in the UK and at the forefront of the Trust's 'recovery' model
- The creation of three new service hubs offering bringing services closer to the community
- The relocation and refurbishment of Thumbswood Mother and Baby Unit, a six bed unit supporting new mothers with mental health issues
- The creation of a Dementia First Aid Course providing greater understanding and support for carers
- Making Tracks, our new long-term nursing strategy
- Continued promotion of our Host Families programme which temporarily places service users with families in the community to support recovery

The external validation of winning several major awards is always a good sign and the Trust won a Health Service Journal Award for Board Leadership, while Astley Court picked up a Value in Healthcare award. There were also several regional accolades.

Any organisation is only as good as its staff and our commitment to their continued development is reflected in the opening of a new training and development centre at The Colonnades, Hatfield.

This includes an on-site library, IT training suite, access to hot-desking and breakout area. There have been more than 9,000 visits to the centre since it opened in 2014 with an average of 250 hours of learning and development taking place every week.

The Trust's Leadership Academy talent spots and nurtures the leaders of tomorrow providing ongoing training and support which including mentoring.

The Trust's Values and Behaviours framework underpin everything the organisation does and we are now reaching a wider audience than ever with the launch of our Living our Values mobile phone app.

This has been bolstered by significant progress towards values-based recruitment and delivery of our Living our Values training to at least 75% of staff.



Living our Values ensure new staff are the right fit for the organisation. They can make a positive contribution to the Trust through a number of initiatives that allow their opinions and suggestions to be heard and, where appropriate, acted upon.

This includes Big Listen events where executives meet with frontline staff, chief executive breakfasts with staff, monthly cascade briefings, a coaching network and a quarterly Health & Wellbeing Magazine.

This willingness to listen and be open to change and improvement will hopefully serve us well in our upcoming CQC inspection in April when our service come under scrutiny.

Our commitment to being the best we can be extends to working closely with our partners across a range of projects and initiatives including Spot the Signs suicide awareness campaign with Herts MIND and winning a further two contracts to manage IAPT services in Mid and North Essex.

There is always more to understand, improve and build upon and we look forward to the coming year and the opportunities it will.

We have every confidence we will continue to move forward as a Trust and put people first. The last word goes to our staff who continue to surprise and impress the Trust Board with their commitment, hard work and enthusiasm to get the job done.

Well done and thank you.



A handwritten signature in blue ink that reads "Tom Cahill".

Tom Cahill  
Chief Executive

Date: 27/05/2015



A handwritten signature in blue ink that reads "Chris Lawrence".

Chris Lawrence  
Chair

Date: 27/05/2015



# Directors' Report

## What we do

We have been an NHS Foundation Trust since our authorisation in August 2007 and value the opportunities this provides to develop and improve our services. These benefits include:

- Stronger community involvement through our members and Council of Governors
- The ability to borrow finance to support our capital investment programme
- Retaining surpluses to re-invest in local services
- Working with partner organisations so we can grow and develop to meet the needs of our service users and communities.

We are regulated by Monitor, under the provisions of the Health and Social Care Act 2012, and provide integrated health and social care across community and inpatient settings treating and caring for people across Hertfordshire, Norfolk and North Essex.

We continue to develop our services where there is need and this year has seen us extend provision of our IAPT services to Mid and North East Essex as well as implement innovative new services within Hertfordshire including Home First and a broader approach to service integration with physical health services across the county.

Our strategic objective is to be the leading provider of mental health and specialist learning disability services in the country and we achieve this through the delivery of the following core objectives:

- Delivery of safe and effective services
- Service users, carers, referrers and commissioners have a positive experience of our services
- Service transformation putting service users' and carers' needs at the heart of what we do
- Staff will have a positive experience of work
- A productive and high performing workforce
- Embedding a culture that promotes our values
- Securing financial sustainability of our services
- Developing an enviable reputation for quality and innovation and strong relationships with commissioners, GPs and our key partners.

We recognise the benefits of integrating both mental and physical care services and keeping our strategic objective under review.

We are focused on providing services which make a positive difference to the lives of service users and their carers, underpinned by the principles of choice, independence and equality. Our partnership arrangements with the local authority provide an excellent opportunity to develop a recovery orientated approach based on a holistic assessment of both health and social care needs.

We also aim to play a full part in the local health and social care economies that we serve by promoting greater integration between mental and physical health and social care.

This Directors' report covers the year ending 31 March 2015.

# Financial Review

## Overview

This section reports on our financial performance showing another successful year. This includes:

- A break even position (before asset impairments) with the Trust continuing to 'live within its means' despite the NHS facing significant financial challenges which has impacted a number of NHS organisations
- A high level of capital investment, particularly in new and upgraded service user and staff facilities
- The financial support of our commissioners in delivering our service transformation programme
- A further year of significant efficiency gains.

It is important over a sustained period that the Trust achieves financial surpluses both to strengthen its resilience and provide cash to continue investment in the provision of high quality care.

However, this is difficult given the current financial challenges facing the NHS with recent projections forecasting the need to make £30bn of savings across the NHS in England by 2021. This is before any additional public funding.

As a result, all Trusts were again set a 4% efficiency target in 2014/15 applied through a reduction to the value of its contract income (circa £6-7 million per annum).

In addition our Trust faced significant cost pressures both in delivering the transformation programme and in areas such as commissioning bed placements and in agency pay costs.

The Trust has achieved a break even position while continuing to deliver high quality services. This is testament to the hard work and dedication of staff who have responded to these challenges.

# Analysis of Financial Performance

## Summary of Key Results from the Financial Statements

Headline information on the key results from the Financial Statements is set out in the table below and explained in further detail later in this section.

	2014/15 £M	2013/14 £M
Income	201.3	198.4
Expenditure-Pay Costs	128.7	121.8
Expenditure-Non- Pay Costs (excluding impairments)	72.6	74.3
Surplus for the Year (excluding Impairments)	0	2.3
Impairment charged to expenses in the SOCI	9.9	3.0
Deficit for the Year	-9.9	-0.7
Cash flow from Operations	16.4	8.2
Capital Spend (net of proceeds)	18.7	30.5
Loan Finance from Foundation Trust Financing facility	10.2	9.0
Closing Cash Position	27.7	25.5

## Income

Our income is earned largely from contracts with other NHS organisations for activities relating to the provision of health and social care services.

In the financial year 2014/15 we generated income totalling £201.3m of which the majority relates to income from activities as illustrated below:

	2014/15		2013/14	
	£M	%	£M	%
Income from Activities	191.7	95.2	184.7	92.9
Other Income	9.6	4.8	13.7	7.1

The *Income from Activities* arises principally from the contract we have through the Hertfordshire Integrated Health and Care Commissioning Team on behalf of the Clinical Commissioning Groups of Herts Valley CCG and East & North Hertfordshire CCG and Hertfordshire County Council. This accounts for around 80% of the total income.

The other main contracts are with NHS England (covering a number of specialist mental health and learning disability services), NHS West Essex CCG (relating to specialist learning disability services in North Essex and Norfolk County Council (relating to specialist learning disability services in Norfolk).

The contract with each of our commissioners sets out a number of requirements that we must comply with including a range of performance targets. We meet with our commissioners regularly

to review our performance against these targets and also to discuss areas of future development. In line with the National Commissioning for Quality and Innovation (CQUIN) payment framework we agree each year a schedule of CQUIN goals with each commissioner.

The CQUIN payment framework enables commissioners to reward excellence linking a proportion of a provider income to the achievement of local quality improvement goals.

In relation to its contract through the Hertfordshire Joint Commissioning Team 92% of the CQUIN target is estimated as being achieved and for all other contracts 100% is estimated as being achieved.

*Other Income* comprises various amounts including regular sources of income such as national funding supporting training of medical staff as well as items such as the non- recurrent funding provided by commissioners to support costs associated with service design.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires 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 has met this requirement in full.

## **Expenditure**

In common with other Trusts, the most significant area of spending is on pay costs. The total pay costs reported for the year is £128.7m and represents 62.4% of the total Operating Expenses. The comparative figures for 2013/14 are £121.8m and 62.5%

However, as a Partnership Trust with delegated secondary commissioning responsibilities and operating from more than 100 sites in Hertfordshire, Norfolk and North Essex, there are other significant categories of cost to manage. Further detail of expenditure for the financial year can be found under note 5 (page 20) of the financial statements.

## **Surplus**

The financial statements show a deficit for the period of £9.9m compared to a deficit of £0.7m last year. This is calculated by taking the income earned in the period and deducting the related expenditure.

However this calculation includes a non-cash technical accounting item of £9.9m relating to property impairments which is not considered by the Trust to be part of its normal activities. Adjusting for this leaves the Trust at broadly break even excluding impairments of £29k.

## **Cash flow from Operations**

The management of our cash balances is a critical aspect of our performance particularly as we continue with our major Capital Investment Programme (see below).

Additionally, the Continuity of Service Risk Rating which is applied by Monitor as part of its regulatory oversight measures two factors:

- The Trust's liquidity
- Its ability to meet its debt obligations.

Both measures are similarly determined by the implementation of effective Treasury Management policies.

The Statement of Cash Flows includes details of our cash flow from operations and the other sources and uses of cash generated during the financial year.

This strong position has enabled us to manage our cash flow without recourse to the working capital facility we had in place for part of the year (the facility was not renewed on its renewal date of October 1st 2013). This also meant that we borrowed less than we had planned.

Cash balances were prudently invested during the year in accordance with the Treasury Policy approved by the Directors. Security and liquidity of funds was paramount.

## **Capital Programme**

In 2014/15, we continued our major investment programme both investing in various service developments as well as continuing to implement the major transformation programme.

This comprised a series of work streams focused on service improvement. Key highlights during 2014/15 include:

- A new 86 bed inpatient facility at Kingfisher Court, Kingsley Green, which sets a new benchmark for mental health provision in the UK reflecting the Trust's 'recovery' model.'
- A new Learning and Development Centre (The Colonnades)
- Implementation of a new Electronic Patient Record (PARIS)
- Completion of a new mother and baby (perinatal) unit, Kingsley Green
- Refurbishment of Community Hubs for service users and staff at Borehamwood Civic Centre, Rosanne House, Welwyn Green, and Oxford House, Bishops Stortford.

## **Closing Cash Position**

We continued to proactively manage our cash balances and working capital and ended the year with a strong cash position of £27.7. We have an approved 25 year term loan facility to support our continuing investment programme and a short term loan of £6.9M. £10.2m was drawn on the available facilities in the year and £0.232m repaid.

## **Financial Risk Rating**

We have achieved a Monitor Continuity of Service Risk Rating of 4 at March 31 2015 reflecting the strong financial position of the Trust. Detailed and comparative data and an explanation of the regulatory rating framework are set out on page 147 of this report (Regulatory Ratings).

## **Looking forward**

2015/16 will be another challenging year as the Trust continues to grapple with the financial constraints affecting the whole health economy.

Our contract income - described above is our principal source of funding - has been agreed in line with the national Enhanced Tariff Option reduction which will see a reduction in funding of 3.5% offset by an allowance of 1.93% for generic uplifts to cover pay awards, and cost inflation.

The comprehensive Transformation Programme will reach its finalisation and the emphasis will be embedding the changes made in our community service and inpatient provision and utilising the benefits from the investment in estates and information systems.

Our strong financial position will help meet the challenge of continuing to deliver improved high quality services and improving waiting times whilst needing to make significant efficiency and productivity savings.

## Other Financial Information

### Financial Investments

We do not have any investments in subsidiaries or joint ventures or significant exposure to interest rate or exchange rate risks and therefore do not hold any complicated financial instruments to hedge against such risks.

### Financial Statements and Accounting Policies

The full set of financial statements and details of the accounting policies applied, are set out within this report. These have been prepared in accordance with International Financial Reporting Standards (IFRS), and the directions given by Monitor showing a true and fair view of our financial activities during the period.

The detailed accounting policies comply with the NHS Foundation Trust Annual Reporting Manual and form the basis on which the financial statements have been compiled. The Financial Statements are presented as follows:

Financial Statement	Annual Accounts ref.
Statement of Comprehensive Income (SOCl)	page 2
Statement of Financial Position	page 3
Statement of Changes in Taxpayers Equity	page 4
Statement of Cash Flows	page 5

There is a requirement for the Trust Board to review its accounting policies annually, which we have done. There are no changes to our accounting policies as a result of that review.

### Going Concern

The accounts have been prepared on the basis that the Trust continues to operate as a 'going concern', reflecting the ongoing nature of its activities.

The Directors have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the accounts.

### External Audit

The annual accounts were reviewed by our independent external auditors, Deloitte LLP, who issued an unqualified opinion. The Directors are aware there is no relevant audit information of which the auditors are unaware. The Directors have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



Deloitte LLP has been approved as the Trust's external auditors by the Council of Governors through to 2014/15. The Audit Partner is Matthew Hall and Kari Smith is the Audit Senior Manager. 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 Monitor.

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 Deloitte LLP has been requested on the basis of the agreed protocol and the cost of any non-audit work is shown separately in the accounts and in the table below.

The total external audit fee for 2014/15 was £73k comprising:

Audit Area	Audit Fee £K
Statutory Audit Work	62
Other work	11

## Counter Fraud Activities

In order to counter fraud and corruption, the Trust has a dedicated local counter fraud specialist (LCFS) through Baker Tilly.

We have an anti-fraud and corruption policy and work plan approved by the Board of Directors' Audit Committee, reflecting the NHS Counter Fraud and Security Management Services framework, with regular reports received throughout the year by the Audit Committee.

The Trust has adopted a Standards of Business Conduct Policy. Both policies are accessible through the Trust website.

## Related Parties

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 Trust. Details of other related party disclosures are set out in the financial statements under note 25 on page 40.

## Charitable Funds

As an NHS Foundation Trust we make no political or charitable donations. However, we do continue to benefit from the receipt of charitable funds arising from donations and fund raising activities and is extremely grateful to fundraisers and members of the public for this continued support.

The Trust Board act as Trustees ensuring appropriate stewardship for these funds which are used for the purchase of equipment or services according to the purpose of the funds.

Where funds are for 'general purpose', these are used more widely for the benefit of service users and staff.

Further financial information on our charitable funds for the financial year 2013/14 is available on request from the Director of Finance. There is no charge for the provision of this.

The Hertfordshire Partnership University NHS FT Charitable Funds fall within the definition of a subsidiary. 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.

## **Cost Allocation and Charging Requirements**

We have complied with the cost allocation and charging requirements set out in the HM Treasury and Office of Public Sector Information Guidance.

## **Strategic report**

The Trust's vision is *'to be the leading provider of mental health and specialist learning disability services'*.

The heart of this vision is a commitment to growth and the continual improvement of mental health and learning disability services across Hertfordshire, Norfolk and North Essex.

The Trust wants to make both a positive and practical difference to the lives of its service users and their carers. This includes promoting greater independence and recovery in a safe and compassionate environment.

Its vision is underpinned by eight goals sitting within three strategic themes:

### **1. Customers and Communities**

- Delivering high quality integrated health and social care services in accordance with recovery principles
- Be the provider of choice for service users, carers, the community and commissioners
- Work in partnership with the community to promote the wellbeing of others, while making a positive contribution to the environment.

### **2. People**

- Be the employer of choice where staff are highly valued, well supported and rewarded
- Create a dynamic and flexible working environment where staff are motivated and committed to providing high quality health care
- To embed a learning culture where staff develop their full potential and deliver excellent care.

### **3. Sustainability**

- To ensure a sustainable future through income growth and efficient use of resources
- To be an innovative and learning organisation that embraces new and modern approaches to health and social care.

## Living our values

The Trust's work is underpinned by a set of values that the organisation agreed after lengthy consultation with staff, service users and carers.

A series of 'listening' events collectively described the ideal health and social care professional as someone who was kind, respectful and professional.

This feedback helped the Trust forge its values and behaviours framework providing a collective focus for how the organisation conducts itself on a day-to-day business.

This is represented by five key values:

- **Welcoming** - so you feel valued as an individual
- **Kind** - so you can feel cared for
- **Positive** - so you can feel supportive and included
- **Respectful** - so you can feel listened to and heard
- **Professional** - so you can feel safe and confident.

The Trust embraced smart phone technology with the launch its own 'Our Values' App in 2014.

The App offers service users, families and staff the opportunity to send their thoughts and comments directly to the Trust at the touch of a button.

Responses go into a database which are collated, reviewed and analysed to pick up any emerging themes or issues requiring action.

The Trust assesses potential job candidates through a variety of traditional metrics but employs value based recruitment and Living our values training has now been delivered to 75% of existing staff.

## The Director's report includes:

- a fair review of the foundation trust's business
- the main trends and factors likely to affect the foundation trust's future
- a brief history of the foundation trust and its statutory background
- a statement regarding the concern basis and an explanation of the adoption of the going concern
- the development and performance of the trust during the financial year; and the position of the Trust at the end of the financial year can be found under Analysis of Financial performance

## The Annual Governance statements includes

- a description of the principal risks and uncertainties facing the Trust
- a description of the Trust's strategy

An analysis of key performance of the Trust and information on environmental matters (including the impact of the Trust's business on the environment) the Trust's employees and social, community and human rights can be found in the following sections:

- The Quality Account
- Sustainability Reporting
- Equality and Diversity
- Our Staff
- Regulatory Ratings
- Service User and Carer Involvement
- Membership
- Council of Governors.

Information regarding the number of male and female directors, senior managers and employees at year end can be found in Our Staff section.

Part two the full statutory accounts contains a note explaining that the accounts have been prepared under a direction issue by Monitor under the National Health Service Act 2006.



Tom Cahill,  
Chief Executive

Date: 27/05/2015

# NHS Foundation Trust Code of Governance

## Board of Directors statement on corporate governance arrangements

The Trust applies the principles of the NHS Foundation Trust Code of Governance. The NHS Foundation Trust Code of Governance, which was revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust complied throughout the review period with the main and supporting principles of the Code of Governance with the following exceptions:

## Appointments and terms of office

- **Appointments to the Board and Council**

**B.2.4** Two committees have been established. One was for the nomination of Executive Directors chaired by the Chair of the Board of Directors. The second was for the appointment and remuneration of Non-Executive Directors. This committee is chaired by a Governor, as it was felt more appropriate. The Chair also attends the committee. The Annual Report includes a section concerning their work.

- **Appraisal of the Chair**

**B.6.3** 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. This was felt appropriate due to the role of the Governors in the appointment and remuneration of the Chair.

## The Board of Directors, Chair and Executive

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

## Chair and Chief Executive

The Board of Directors has agreed on 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.

# Board of Directors

## Non-Executive Director Appointments

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

A representative from Hertfordshire County Council receives all Board papers and is invited to attend key Board meetings to support partnership arrangements.

The NHS Foundation Trust Code of Governance specifies that Non-Executive Directors, including the Chairman, 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. The details of appointments are set out below:

Christopher Lawrence	Chair	1.7.2014 – 31.7.2017	– (1 term)
Colin Sheppard		1.8.2007 – 31.7.2015	– (2 terms plus)
Steve Marsden		1.8.2009 – 30.06.2014	– (2 terms)
Manjeet Gill		1.8.2009 – 31.7.2016	– (2 terms)
Peter Baynham		1.8.2013 – 31.7.2016	– (1 term)
Simon Barter		1.8.2013 – 13.7.2016	– (1 term)
Sarah Betteley		1.8.2014 – 31.7.2017	– (1 term)
Loyola Weeks		1.8.2014- 31.7.2017	– (1 term)

Colin Sheppard was reappointed by the Council of Governors to serve a further one year from 1.8.2014 and Manjeet Gill was reappointed for a further year from 1.8.2015. Chris Lawrence was appointed Chair from 1.07.2014 following a period as a Non-Executive Director.

## Executive Director Appointments

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. There are seven Executive Directors including the Chief Executive. The additional posts are:

- Executive Director – Quality and Medical Leadership
- Executive Director – Strategy and Commercial Development
- Executive Director – Finance and Performance Improvement
- Executive Director – Integration and community Services
- Executive Director – Quality and Safety/Deputy Chief Executive
- Executive Director – Workforce and Organisational Development

The Board of Directors is responsible for all operational issues, the management of which is delegated to the Trust's operational staff in accordance with its Standing Orders, Standing Financial Instructions and Scheme of Delegated Authority. It also sets the strategic direction of the Trust with input from the Council of Governors.



## Board Committees

The effectiveness of the five Board committees - Audit, Finance and Investment, Remuneration and Nomination, Integrated Governance and Mental Health Act Managers - is considered on an ongoing basis via the regular reports presented at Board meetings.

The Board has taken account of the quality governance framework issued by Monitor and tested how far its systems of performance, internal control and assurance framework meet the standards set out in the framework through its committees and governance structures.

Further details are included in the Quality Account of this document.

Each committee and the Board of Directors is appraised annually. Membership of the committees is set out in the relevant terms of reference which are reviewed on a regular basis. Reports from the committees are publicly available.

There is no relevant audit information of which the Auditor is unaware and the Directors have taken all of the necessary steps to make themselves aware of any relevant audit information and establish that the auditor is aware of that information.

There were 11 Board of Directors meetings between 1 April 2014 and 31 March 2015. This includes the Annual General Meeting for members.

The individual attendance of each Board member is indicated in brackets below along with a brief bullet point resume of their relevant skills and responsibilities.

### **Chris Lawrence, Trust Chair**

*(11 out of a possible 11)*

- The Chair is responsible for leadership of the Board of Directors which is collectively responsible for the exercise of the powers and performance of the Trust
- Chris is also Chair of the Council of Governors
- He has 35 years experience in world class organisations including PwC, Credit Commercial de France, NM Rothschild and Citicorp
- His career has included specialisation in post acquisition integration, global cost reduction programmes, development of strategy and international experience of restructuring and issues resolution
- Chair of Trustees Horstead Residential Activity Centre.

### **Tom Cahill, Chief Executive**

*(11 out of a possible 11)*

- Accountable for the overall clinical and financial management performance of the Trust.
- Accountable means accountable to the Secretary of State and the Trust Board through the Chair
- Leads in driving the Trust towards continued improvement in service provision, managing external relationships and developing partnerships with stakeholder organisations, service users and the community at large
- Ensures the Trust's services are culturally sensitive, relevant and accessible to meet the diverse needs of the communities we serve

- Drives the Trust's commercial approach, preparing and implementing business strategies for marketing and business development in order to win business within a competitive health market place
- Tom has a Masters degree in Business Administration.

### **Iain Eaves, Executive Director Strategy and Commercial Development**

*(11 out of a possible 11)*

- Leads on strategic and business planning for the organisation
- Responsible for developing partnerships
- Leads on identification and development of new and existing business opportunities and new income streams
- Oversees communications and marketing for the Trust.

### **Jinjer Kandola, Executive Director Workforce and Organisational Development**

*(4 out of a possible 4 – appointed to the Board 1 December 2014)*

- Worked within Human Resources for over 20 years
- Her qualifications include an MSC in Human Resource Leadership. She is also a Qualified Member of the Chartered Institute of Personnel and Development (MCIPD)
- She sits on the Remuneration and Nomination Committee and Integrated Governance Committee
- Her specialist interests include change management and organisational development.

### **Geraldine O'Sullivan, Executive Director Quality and Medical Leadership**

*(10 out of a possible 11)*

- Provides advice and guidance on professional issues relating to doctors and is the Responsible Officer for revalidation of doctors. Geraldine oversees the training of trainee doctors
- Oversees clinical risk in the organisation and leads on the accessibility of clinically effective care across the organization. She is also responsible for medicines management and Research & Development
- Takes an overview of issues around quality of clinical care and the impact of cost improvement plans on quality
- Oversees the Information Management and Technology (IM&T) within the Trust and is the Trust's Senior Information Responsible Officer
- A Consultant Psychiatrist and continues to practice clinically one day/week.

### **Keith Loveman, Executive Director Finance and Performance Improvement**

*(10 out of a possible 11)*

- Responsible for ensuring that the Trust meets all its financial targets and makes best use of its funding
- Leads on ensuring the Trust continues to provide good performance and meets statutory targets
- Qualified accountant
- Responsible for performance improvements
- Responsible for contracts, estates and facilities.

**Dr Oliver Shanley, Executive Director Quality and Safety/Deputy Chief Executive**

*(9 out of a possible 11)*

- Is Executive/Board lead for Nursing, Social Care, Allied Health Professionals and Psychology
- Responsible for risk management, patient safety, equality and diversity, Care Quality Commission and regulation, Involvement, Safeguarding and Health and Safety
- Caldicott Guardian for the Trust.

**Karen Taylor, Chief Operating Officer (to 31 Jan 2015) /**

**Executive Director Community Services and Integration (from 1 February 2015)**

*(10 out of a possible 11)*

- Responsible for all operational service delivery
- Responsible for customer experience and complaints
- Board lead and ensures compliance with the Mental Health Act. Karen also ensures the Trust continues to provide services in the event of a major incident within Hertfordshire.
- Karen became responsible for all integrated projects and services and community services provision from February 1.

**Manjeet Gill, Non-Executive Director**

*(10 out of a possible 11)*

- Has been a Chief Executive of a local authority and is a Non-Executive Director in a social investment business
- Has a Masters in Business Administration as well as diplomas in health and safety and environmental health.

**Stephen Marsden, Non-Executive Director (resigned effective from 23 June 2014)**

*(2 out of a possible 2)*

- Experience as a global manager and international business leader within a consultancy organisation
- Non-executive Director for a charitable housing association

**Colin Sheppard, Non-Executive Director**

*(7 out of possible 11)*

- Vice Chair on 1 March 2014 and Interim Chair on 19 March 2014 handing over to Chris Lawrence on his appointment on 1 July 2014.
- A chartered surveyor who has spent 32 years with substantial property organisations including MEPC Plc which was the second largest property company in the UK and a FTSE 100 company
- Wide board level, corporate, non-executive director and property experience with companies including Arlington Securities, Chesterton, Barnardos, Centrepont, Family Mosaic Housing Group and National Counties Building Society. He also offers consultancy advice to several property-owning bodies as well as running his own portfolio.

**Simon Barter, Non-Executive Director**

*(10 out of a possible 11)*

- Global pharmaceutical professional with ten years reporting to Executive Team in a FTSE top 20 company
- Ran FTSE programme through the London 2012 Olympic Games, leading the development and delivery of the Legacy Plan
- Responsible for global marketing with budget of \$45m for Astra Zeneca
- Advisor to various businesses in pharmaceutical industry
- Trustee of RYA Foundation that aims to promote boating for the disabled and disadvantaged.

**Peter Baynham, Non-Executive Director**

*(11 out of a possible 11)*

- 35 years business experience in major commercial organisations
- Wide business experience at board level including FTSE 100 subsidiaries
- Broad experience in financial and operating officer roles including Strategic and Commercial Director, Operations Director and Director of Financial Control
- Fellow of Institute of Chartered Accountants
- Holds three other Non-Executive Director appointments
- Trustee of the charity Home Start Norwich and Committee Member of the ABF (Army Benevolent Fund)
- Fellow of the Institute of Chartered Accountants
- NED of five other organisations.

**Sarah Betteley, Non-Executive Director**

*(5 out of a possible 7 appointed to the Board 1 August 2014)*

- A lawyer
- Senior executive commercial roles within BT over a period of ten years
- Acted in a consultant capacity with small businesses.

**Loyola Weeks, Non-Executive Director**

*(7 out of a possible 7 appointed to the Board 1 August 2014)*

- Clinical and Executive Nurse for over 30 years
- Worked within NHS in provider and commissioner roles within community and LD services
- Coach and mentor for aspiring directors
- Reviewer for national audits with health and social care.
- Director O' Donovan Weeks Ltd, clinical consultancy

**Register of interests:**

The register of Directors' interests is available from the Company Secretary at:  
Hertfordshire Partnership University NHS Foundation Trust, 99 Waverley Road, St Albans,  
Hertfordshire AL3 5TL – Tel: 01727 804642

There are no Company Directorships held by the Directors where companies are likely to do business with, or are seeking to do business with, the Trust.

# Committees 2014/15

## Audit Committee

The Audit Committee provides assurance to the Board through oversight of the probity and internal financial control of the Trust, working 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 reviews accounting policies and draft Annual Accounts prior to submission to the Board of Directors.

During the year the committee completed a self-assessment exercise to evaluate its effectiveness, reviewed and updated its terms of reference and conducted private discussions with both sets of auditors.

We are in the second year of our contract with Deloitte, our external auditors, who were appointed as external auditors to the Trust from 2012 by our Council of Governors following a competitive tendering exercise. The primary duty of our external auditors is to audit the financial statements of the Trust and the Audit Committee approves the External Audit Plan in advance of the work commencing and receives regular updates on the progress of work.

The Audit committee also receives 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:

- Transformation funding and development costs
- Continuing Care Obligations
- Level and nature of Provisions.

Anybody concerned about a matter of corporate governance or probity can contact any member of the Audit Committee in confidence.

There were four meetings of the committee during the financial period and members' attendance is shown below

- Peter Baynham, Non-Executive Director Chair (4 of 4)
- Manjeet Gill, Non-Executive Director (3 of 4)
- Simon Barter, Non-executive Director (1 of 1)
- Steve Marsden, Non-Executive Director (1 of 1)

The Executive Director of Finance, Executive Director of Quality & Safety, the Company Secretary and appropriate internal and external audit representatives normally attend meetings. Other Executive Directors are invited to attend when the Committee is discussing areas of risk or operation that are their responsibility. The Chief Executive is invited to attend at least annually to discuss with the Committee the process for assurance that supports the Statement on Internal Control.

## Finance and Investment Committee

The Finance and Investment Committee provides assurance to the Board that all Board members have an adequate understanding of key financial issues. In particular it reviews investment decisions and policy, financial plans and reports and approves the development of financial reporting, strategy and financial policies, consistent with the Foundation Trust regime.

All members of the Board of Directors are members of the Finance and Investment Committee.

There were six meetings of the committee during the financial period and members' attendance is shown below.

Finance and Investment Committee Members	Attended
• Colin Sheppard (Chair from 1 July 2014)	(5 of 6)
• Manjeet Gill, Non-Executive Director	(3 of 6)
• Steve Marsden, Non-Executive Director	(2 of 2)
• Chris Lawrence (Chair to 1 July 2014), Non-Executive Director	(0 of 6)
• Peter Baynham, Non-Executive Director	(4 of 6)
• Simon Barter, Non-Executive Director	(4 of 6)
• Sarah Betteley, Non-executive Director	(2 of 4)
• Loyola Weeks, Non-executive Director	(1 of 4)
• Tom Cahill, Chief Executive	(5 of 6)
• Iain Eaves, Executive Director Strategy & Commercial Development	(6 of 6)
• Jinjer Kandola, Executive Director Workforce & Organisational Development	(3 of 3)
• Keith Loveman, Executive Director Finance & Performance Improvement	(6 of 6)
• Geraldine O'Sullivan, Executive Director Quality & Medical Leadership	(3 of 6)
• Oliver Shanley, Executive Director Quality & Patient Safety	(3 of 6)
• Karen Taylor, Chief Operating Officer/Executive Director Integration	(4 of 6)

### In attendance

The Company Secretary is usually in attendance.

## Integrated Governance Committee (IGC)

The key role and function of the IGC is to lead on the development and monitoring of quality and risk systems within the Trust to ensure that quality, patient safety and risk management are key components of all activities of the Trust.

The Committee ensures that appropriate risk management processes are in place to assure the Board that action is taken to identify and manage risks within the Trust.

It is also responsible for the development of systems and processes to ensure that the Trust implements and monitors compliance with the registration requirements of the Care Quality Commission.



The Committee makes sure that treatments and services provided are appropriate, reflect best practice, represent best value for money and are responsive to service user needs and that the views and experiences of service users and carers are reflected in service delivery.

The Annual Governance Statement includes a description of the key risks currently faced by the Trust and as the rest of this report makes clear the Trust is still in implementation phase of a major transformation programme. All risks are monitored and managed through the Board's committees and by the Board.

There were five meetings of the committee during the financial period and members' attendance is shown below:

	<b>Attended</b>
• Chris Lawrence, Non-Executive Director	(1 of 2)
• Peter Baynham, Non-Executive Director	(3 of 5)
• Simon Barter, Non-executive Director	(3 of 5)
• Sarah Betteley, Non-executive Director	(1 of 3)
• Loyola Weeks, Non-executive Director	(3 of 3)
• Tom Cahill, Chief Executive (Chair to 1 March 2015)	(5 of 5)
• Iain Eaves, Executive Director Strategy and Commercial Development	(3 of 5)
• Jinjer Kandola, Executive Director Workforce & Organisational Development	(2 of 2)
• Keith Loveman, Executive Director Finance and Performance Improvement	(4 of 5)
• Geraldine O'Sullivan, Executive Director Quality and Medical Leadership	(4 of 5)
• Oliver Shanley, Executive Director Quality and Safety	(4 of 5)
• Karen Taylor, Chief Operating Officer/Executive Director Integration	(5 of 5)

In attendance at the meeting are the Company Secretary, Chair of Medical Staff Committee and other nominated directors.

# Remuneration and Nomination Report

## Board of Directors Nomination 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.

All Non-Executive Directors are members of the committee and the Chief Executive, Company Secretary and the Executive Director of Workforce and Organisational Development are normally in attendance.

There were three meetings of the committee during the financial period and members' attendance is shown below:

- |  |          |
|--|----------|
| • Manjeet Gill, Non-Executive Director   | (3 of 3) |
| • Steve Marsden, Non-Executive Director  | (1 of 1) |
| • Colin Sheppard, Non-Executive Director | (1 of 3) |
| • Christopher Lawrence, Chair            | (3 of 3) |
| • Peter Baynham, Non-Executive Director  | (2 of 3) |
| • Simon Barter, Non-Executive Director   | (3 of 3) |
| • Loyola Weeks, Non-Executive Director   | (2 of 3) |

## Board of Governors Appointments and Remuneration Committee

The committee is responsible for making recommendations to the Council of Governors on the following:

- Appointment and remuneration of Chair and Non-Executive Directors
- Appraisal of Chair
- Approval of appointment of 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 6 Governors: 4 public, 1 staff and 1 appointed. The Chair, Company Secretary and the Chief Executive are usually in attendance.

There were five meetings of the committee during this financial period, and members attendance is shown below:

- |   |          |
|---|----------|
| • Eddie Veale (Appointed Governor)          | (4 of 5) |
| • Stuart Asher (Public Governor)            | (4 of 5) |
| • Chris Brearley (Chair and Lead Governor ) | (5 of 5) |
| • Caroline Bowes Lyon (Public Governor)     | (5 of 5) |
| • John Lavelle (Staff Governor)             | (4 of 5) |
| • Sarah Hamilton (Public Governor)          | (2 of 5) |

## Annual Statement on Remuneration

The full remuneration report of salary, allowances and benefits of senior managers are included on pages 22 and 23 of the Full Statutory Accounts, which form section 2 of this document. The senior managers' remuneration policy is periodically reviewed by an independent external pay specialist who provides expert advice to the Nominations and Remuneration Committee. The loss of office payment policy is in accordance with national NHS terms and conditions, as defined by Agenda for Change.

Remuneration for Non-Executive Directors is set out on page 22 of the Full Statutory Accounts. No additional fees are payable in the role of Non-Executive Director.

During the accounting period the major decision for the Nominations and Remuneration Committee relates to performance related pay for Executive Directors. For 2014/15 the performance targets set at the beginning of the year and actual performance against those targets is set out in the following section. The resultant performance payment payable is set out in the annual accounts at note 5.4. For 2014/15 any award remains subject to consideration of the performance of the Executive Team by the Nominations and Remuneration Committee.

### Performance related pay

The remuneration for the Executive Team includes a deferred performance pay scheme, based on a two year cycle. The principles of the performance framework focus on reinforcing the collective performance of the organisation rather than that of individual director's.

The scheme has a threshold performance level which has to be achieved before the scheme becomes applicable. These include factors such as CQC requirements, quality indicators and financial performance to ensure that basic performance is achieved before consideration of any performance related payment can be made. There are a number of stretching objectives which focus on the advancement of the Trust against both its strategic objectives and annual plan.

The Nominations and Remuneration Committee annually review and determine the threshold/gateway parameters that will apply for performance pay and agree in conjunction with the Chief Executive the performance scheme measures and weighting for each measure at the commencement of the annual cycle. Typically these measures are five or six stretching objectives with a number of sub components.

On achievement of the entry threshold the Nominations and Remuneration Committee will consider performance against the stretch objectives and will award the percentage amount available to be paid as performance pay to the Team. The value of the payment can be up to a maximum of 15% of an individual executive team member's salary. The percentage awarded will be moderated by the Chief Executive through the annual performance review cycle to reflect the performance of individual directors; the Chair making the award in respect of the Chief Executive. Based on this an individual director will receive a sum individual to them and reflective of their performance, but limited to the overall collective performance of the organisation.

For an individual director the award is subsequently moderated as a percentage of the eligible payment as follows:

- 100% for excellent performance
- 75% for very good performance,

- 50% for average performance,
- 25% of eligible payment available for a director at a development stage or with adequate performance.

Where performance is deemed below an adequate level or there are issues of conduct and capability there will be a no entitlement to performance payment. Only 50% of the payment/award will be paid in any one year for that year's performance, whilst the remaining 50% will be deferred to the following year.

For 2013/14 the performance targets set at the beginning of the year and actual performance against those targets is set out in the following table. The resultant performance payment payable is set out in the annual accounts at note 5.4. For 2013/14 whilst the maximum amount payable is indicated, this remains subject to award by the Remuneration and Nominations.

### Performance Related Pay – Performance Measures

Objective	Outcome	Success Measure	Value	Target (100%)	Q4	Value achieved
<b>We will deliver safe and effective services (20%)</b>	Service users will progress positively through our services in line with the principles of Recovery	Community Services users saying the services they receive have helped them look to the future more confidently increase to 60% in Q4.	10%	60%	65%	10%
	Service users will feel safe and be protected from avoidable harm	The proportion of inpatients reporting feeling safe will be maintained at or above 85%	10%	85%	80%	0%
<b>Service users, carers, referrers and commissioners will have a good experience of our services (10%)</b>	Service users will report a positive experience of a compassionate and caring services	By year end 73% of service users will report that they would recommend trust services to family or friends if they needed it.	5%	73%	78%	5%
	Carers will feel supported and valued in their role	75% of carers will report feeling valued by staff in line with our performance in 2012/13***	5%	75%	75%	5%
<b>We will secure the financial sustainability of our services (25%)</b>	Cash releasing efficiency savings (CRES) delivered	CRES delivered - 70% of FYE.	15%	70%	73%	15%
	Will secure growth of £5 million	Additional income of £5 million secured	10%	£ 5 million	£5 million IAPT. Over the life time of the contract	0%

Objective	Outcome	Success Measure	Value	Target (100%)	Q4	Value achieved
<b>We will embed the transformational changes to services, putting the needs of service users and carers at the centre (20%)</b>	Community Services Review	Ensuring the delivery of the new model is embedded within all sector of Hertfordshire	5%	Model successful implemented and embedded – community services delivering effective services	Achieved	5%
	Kingsley Green	Ensure that safe, efficient services are run from the new inpatient units.	5%	Both phases of Kingsley Green open. Efficient and safe services provided – high level of SU satisfaction.	Achieved	5%
	Paris	Will be in operation in parts of the Trust. Users of the system will report increased rates of satisfaction with the system.	5%	Paris, operating throughout the Trust.	Achieved	5%
	CAMHS	Ensure the transformation is implemented and embedded.	5%	Achieved	Achieved	5%
<b>Staff will have a positive experience of work (25%)</b>	Staff will report feeling engaged and motivated, and recommend the Trust as a place to work	50% of staff will report that they would recommend the Trust as a place to work	5%	50%	45%	0%
<b>We will have a productive and high performing workforce</b>	Staff will be equipped with the skills and knowledge to provide high quality care	≥95% of staff will have a had an appraisal and PDP put in place within the last 12 months, up from 87% at the end of 2012/13	5%	95%	83%	0%
	Productivity levels will increase across the organisation	By year end the average sickness rate across the Trust will have fallen below 4.03%.	5%	4.03%	4.34% Average sickness for 12 month period	0%

Objective	Outcome	Success Measure	Value	Target (100%)	Q4	Value achieved
<b>We will embed a culture that promotes our values</b>	Staff will be clear about our values and behaviours that we want to encourage and those that we do not expect.	75% of the workforce will have undergone customer care training “living our values” by end of Q4.	5%	75%	78%	5%
		80% of staff will report they understand the values and behaviours.	5%	80%	78%	0%
<b>Total (100%)</b>			100%			60%



## Off-payroll engagements

Details of the Trust's highly paid and/or senior off-payroll engagements are detailed in the tables below.

**Table 1: For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last for longer than six months**

No. of existing engagements as of 31 March 2015	1
---	---

Of which....

No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	1
No. that have existed for four or more years at time of reporting	0

The existing off-payroll engagements, as outlined above, have 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.

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015, for more than £220 per day and that last for longer than six months**

No. of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0

Of which....

No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received	0

**Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2014 and 31 March 2015**

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	1
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	8

## Council of Governors

The Council of Governors includes 21 Public Governors elected by the members of the Foundation Trust.

There are two public constituencies: one for Hertfordshire and one for the Rest of England and Wales. The Council also has five Staff Governors elected by the Trust staff and nine nominated representatives from our partner organisations.

An election to the seats falling vacant as a result of Governors reaching their end of term was held under the auspices of the UK Engage during July 2014.

The Public Governors elected for Hertfordshire were:

- Caroline Bowes-Lyon
- John Allen
- Rachel Devonshire
- Masood Moghul
- Chris Brearley
- Stuart Campbell

For the Rest of England and Wales

- Colin Stevenson was elected unopposed.

There are no company directorships held by the Governors where companies are likely to do business or are seeking to do business with the Trust.

Four seats remain vacant at for appointed governors. One was formally for PCTs and has been offered to the CCG as agreed in a recent revision of the Constitution.

The second seat is for Carers in Herts who are still unable to nominate a Governor. The third seat one is for Herts County Council to represent Children's Services and the fourth seat is held by MENCAP.

We also have one public vacancy following the resignation of a governor due to a conflict of interest. During the coming year we will be revising the constitution to take account of new services we will be delivering outside of Hertfordshire.

We thank all of the Governors for their valuable contribution to the Trust and in particular those who have served with us for two terms of appointment.

Their expertise and knowledge will be missed and we hope they will continue their involvement with the Trust through acting as mentors to new Governors.

The Council of Governors and the Board of Directors have a good working relationship. Both are chaired by the Trust Chair, and hold joint meetings annually, one of which is the AGM.

In addition, the Board of Directors have an open invitation to attend all of the Council of Governors meetings.

The Chair and the 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 Council and the Board have written into the Constitution the process for the settling any disagreements between the Council and the Board of Directors.

The Council of Governors have dealt with a range of issues as part of their statutory duties, including the recruitment of two Non-executive Directors, one of whom was formally a Governor – Loyola Weeks and Sarah Betteley.

They have also been involved in the Trust's Annual Members' Day and several Members' workshops focusing on Trust Services, as well as undertaking the performance appraisal of the Chair.

Five Council of Governors meetings were held during the past year (including the Annual Members' Meeting), each Governor's attendance is shown in the constituency table below. The Chair attended all meetings of the Governors.

### Board of Governors

		Attendance	Appointment
John Allan	Public	3/3	01/08/14 – 31/07/17
Stuart Asher	Public	2/5	01/08/13 – 31/07/16
Tap Bali	Public	4/5	01/08/12 – 31/07/15
Caroline Bowes-Lyon	Public	4/5	01/08/11 – 31/07/17
Michael Bradley*	Public	0/5	01/08/12 - 31/07/15
Chris Brearley (Lead)	Public	5/5	01/08/11 – 31/07/14
Stuart Campbell	Public	3/3	01/08/14 – 31/07/17
Barry Canterford	Public	5/5	01/08/13 – 31/07/16
Rachel Devonshire	Public	2/3	01/08/14 – 31/07/17
Mark Edgar	Public	4/5	01/08/13 – 31/07/16
Jake Griffiths	Public	1/5	01/08/13 – 31/07/16
Meredith Griffiths	Public	4/5	01/08/12 – 31/07/15
Sarah Hamilton	Public	3/5	01/08/12 – 31/07/15
John Ingram	Public	4/5	01/08/12 – 31/07/15
Dr Masood Moghual	Public	2/3	01/08/14 – 31/07/17
Kwasi Opoku	Public	3/5	01/08/13 – 31/07/16
Carole Osterweil	Public	4/5	01/08/12 – 31/07/15
Richard Pleydell- Bouverie	Public	3/5	01/08/13 – 31/07/16
Angelina Sclafani-Murphy	Public	3/5	01/08/13 – 31/07/16
Colin Stevenson	Public	2/3	01/08/14 – 31/07/17
Mel Wood	Public	4/5	01/08/13 – 31/07/16
Tara Gouldthorpe	Staff	2/5	01/08/12 – 31/07/15
John Lavelle	Staff	2/5	01/08/13 – 31/07/16
Janice Lepori	Staff	3/5	01/08/13 – 31/07/16
Beke Tshuma	Staff	1/5	01/08/12 – 31/07/15
Andrew Wellings	Staff	2/5	01/08/12 – 31/07/15

		<b>Attendance</b>	<b>Appointment</b>
Gayl Staines (Alzheimer's Society)	Appointed	1/5	01/08/13 - 31/07/16
Leslie Billy (Viewpoint)	Appointed	2/5	01/08/13 – 31/07/16
Fran Deschampsneufs (MIND)	Appointed	3/5	01/08/12 – 31/07/15
David Andrews (Herts County Council)	Appointed	0/5	01/08/13 – 31/07/16
Jackie Knight (University of Hertfordshire)	Appointed	1/5	01/08/13 – 31/07/15
Eddie Veale (Chamber of Commerce)	Appointed	1/5	01/08/13 – 31/07/16
Deborah Fenton (Housing Association)	Appointed	1/1	01/02/15 – 01/02/18
Allan Charles (HVCCG)	Appointed	0/2	01/09/14 – 01/09/17
Rosemary Farmer (St Albans City and District Council)	Appointed	1/1	01/12/14 – 01/12/17

*\*Michael Bradley resigned in August 2014*

The three working groups of the Council have continued to meet regularly to take forward work plans on behalf of the Governors, and provide a full report at each of the Council of Governors meetings.

Group meetings have been attended by Board members and senior managers to support information sharing and engagement with Governors.

### **The areas which the groups worked on last year were:**

#### **Engagement:**

- The group delivered a successful members' day and increased the number of attendees
- Updated membership information packs for future use.

#### **Performance:**

- The group received performance reports and worked alongside a Non-Executive Director to develop future improvements
- The group was involved with the development of the new Performance Framework for the organization.

#### **Quality and Effectiveness:**

- Quality Accounts – the group contributed to the process of choosing priorities for the year ahead
- The group has received reports concerning workforce issues and the impact of these on the quality of service delivery and the action being taken to recruit and retain high quality staff.

## Register of interests:

The register of Governors' interests is available from the Company Secretary at Hertfordshire Partnership University NHS Foundation Trust, 99 Waverley Road, St Albans, Hertfordshire AL3 5TL. - Tel: 01727 804642

There are no company directorships held by the Governors where companies are likely to do business or are seeking to do business with the Trust.

## Expenses

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.

## Membership

Public membership declined to 10,661 due to a data cleansing project. A large number of members have moved without any forwarding addresses, and therefore have been removed from our database.

Over the past 12 months we have been working closely with our new services in North East and Mid Essex to raise awareness of the Trust and build our membership numbers in these areas. Looking ahead we have been awarded the contract to provide IAPT services in West Essex, and would be looking to encourage Governor representation in North Essex.

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

Be employed by the Trust and:

- have a permanent contract
- a short term contract of 12 months or more
- although not directly employed by the Trust, have been employed in excess of 12 months by another organisation that is providing core services to the Trust
- seconded to the Trust to provide core services

During the year the staff constituencies were amended to reflect the new operational management structure following consultation with the Staff Governors and staff. Staff membership at the end of the year breaks down as follows:

• <b>SBU MH East &amp; North Herts</b>	<b>1,042</b>
• <b>SBU MH West Herts</b>	<b>662</b>
• <b>SBU Learning Disability and Forensic Services</b>	<b>714</b>
• <b>Corporate Services</b>	<b>313</b>

Engaging a diverse and representative membership, which reflect the population and communities we serve, continues to be a focus for the Trust and the Governors.

Public members receive 'News from HPFT' and an 'e-zine' twice per year; they also have access to further information about the Trust and the work of the Council of Governors and Board of Directors through the website. We are continuing with developments to highlight information of particular interest to members and enable them to take part in workshops and discussions around issues such as wellbeing and anti-stigma campaigns.

We are looking to grow and maintain an active membership which represents the communities in which we serve. Planned action to increase membership includes attendance at local public events; joint working with other stakeholders to promote mental health awareness days, recruiting together with other local Trusts such as the acute services, and actively recruiting through members of staff and the Council of Governors.

Members are encouraged through the public website and 'News from HPFT' to communicate with Governors via the Membership Office.



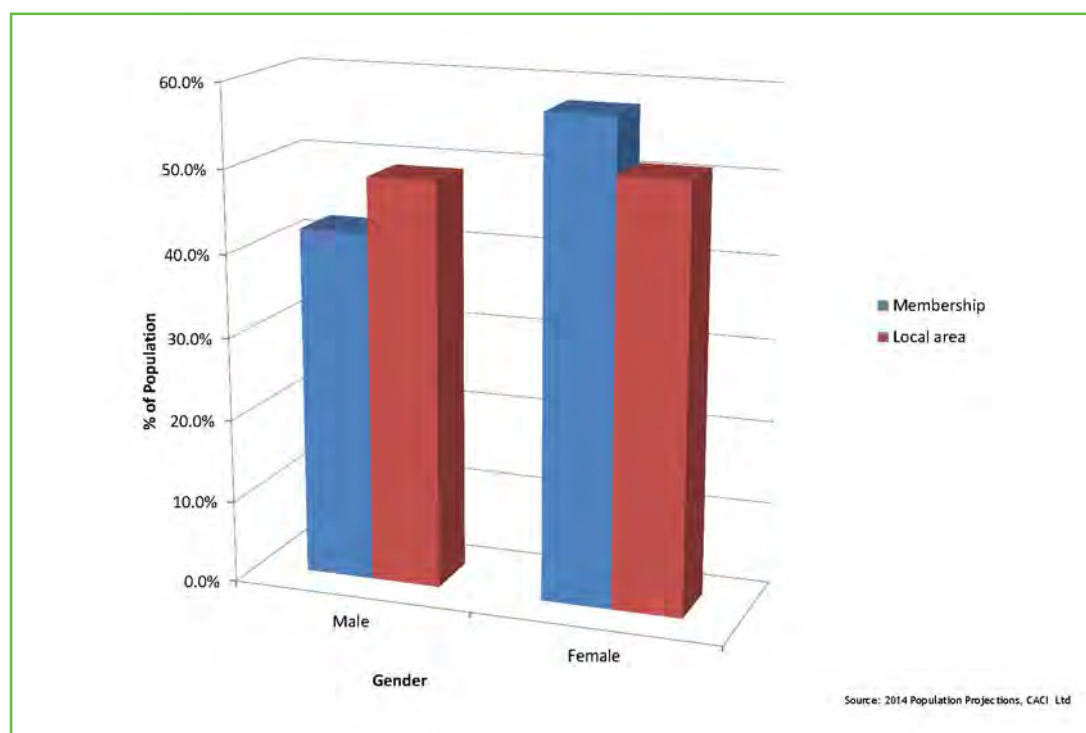
## Membership size and movements

Public constituency (Hertfordshire)	Last year (2014/15)	Next year (estimated) (2015/16)
At year start (April 1)	10502	10192
New members	27	30
Members leaving	337	50
At year end (March 31)	10192	10172

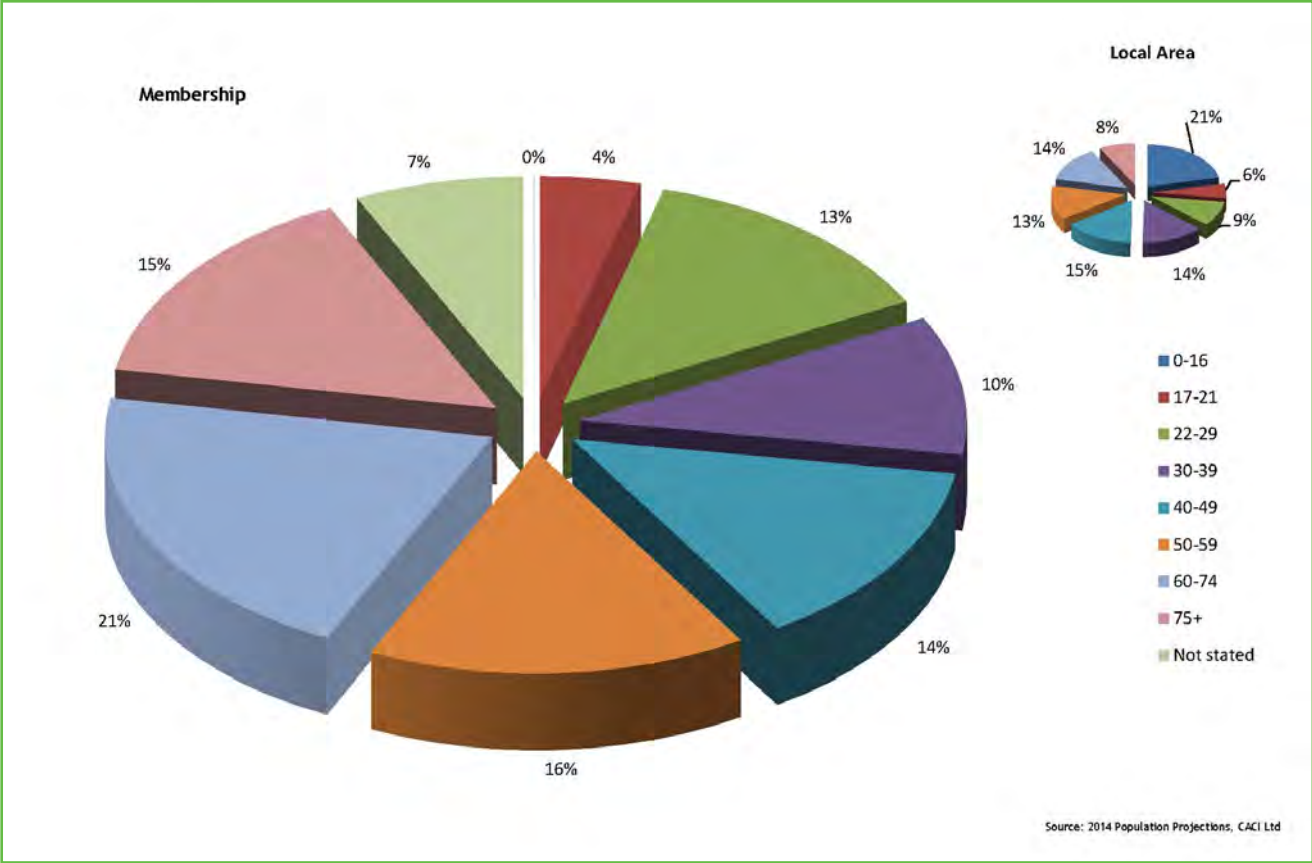
Public constituency (England & Wales)	Last year (2014/15)	Next year (estimated) (2015/16)
At year start (April 1)	646	469
New members	12	15
Members leaving	189	10
At year end (March 31)	469	474

Staff constituency	Last year (2014/15)	Next year (estimated) (2015/16)
At year start (April 1)	2737	2723
New members	498	400
Members leaving	512	350
At year end (March 31)	2723	2773

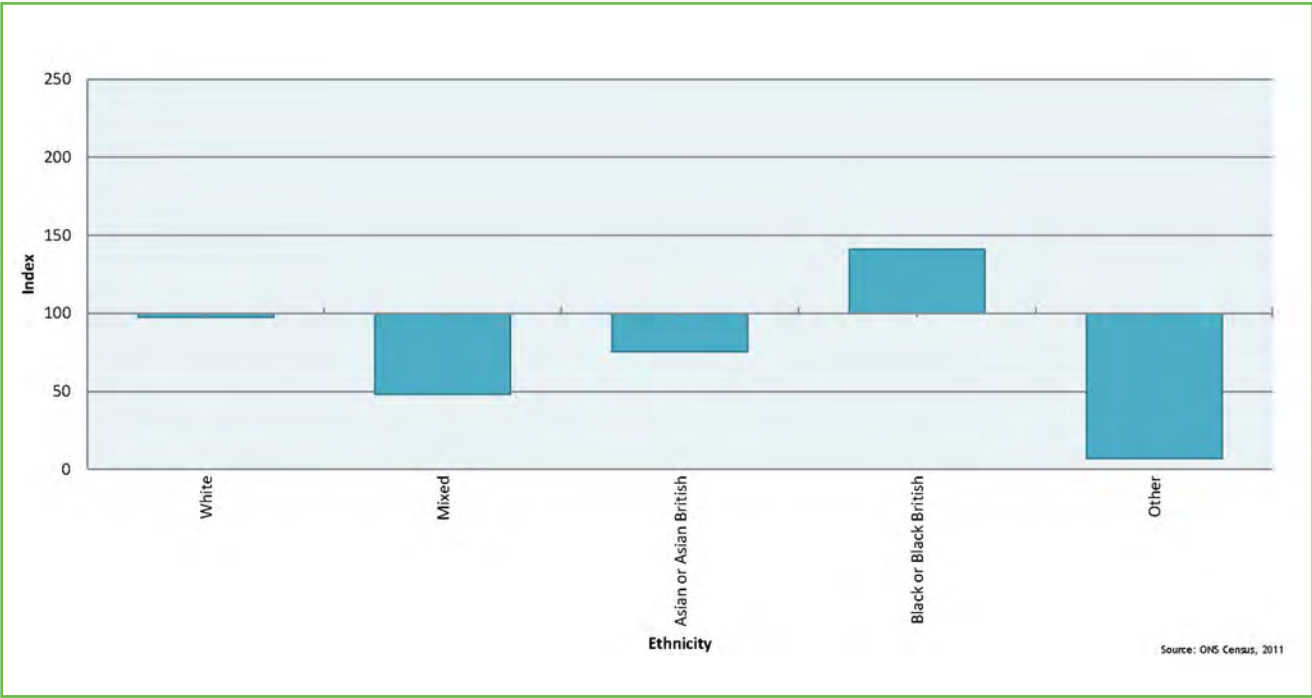
## Gender Distribution



# Age Distribution



# Ethnicity Distribution



# Quality Account

## Part 1 – Statement by the Chief Executive

I am delighted to have the chance to introduce you to the 2014/2015 Quality Account, where we offer all those who have an interest the chance to find out more about what we do.

As usual, this report tries to describe in a balanced and accessible way how we have approached the challenges of improving quality of care across all our services last year.

The fourth year of major savings being necessary in the Trust - reflecting the acute pressures on NHS budgets locally and nationally – has meant that services have needed to continue to change radically if they are to remain efficient and clinically effective. Inevitably at times, such pressures have been felt negatively – by service users carers and staff.

And yet I believe this has also been the year when our changes and robust financial management have begun to bear fruit.

We have used our status as a Foundation Trust to enable us to invest £42 Million capital to build Kingfisher Court at Kingsley Green – a major Inpatient Service for 86 people to be formally opened this summer by Simon Stevens Chief Executive Officer of NHS England.

Again, our new Learning and Development Centre at The Colonnades, Hatfield which opened in June 2014, has been widely appreciated by staff and all our partners who have visited for meetings or conferences.

I know that the experience of service users and carers can still be varied, and this account includes some frank acknowledgments of where we need to improve.

But it seems to me that this year's developments – alongside the many examples of service users progressing to recovery and recognising how we have helped them on that journey – are the early signs of true "parity of esteem" for mental health care.

### In this report:

**Part 2** introduces the Trust and the services we provide.

**Part 3** describes how we plan to improve quality of care in the coming year and where we will focus our efforts.

**Part 4** provides many details of how we have performed in 2014/2015 – on our chosen quality priorities and also the wider aspects of quality in a mental health and specialist learning disabilities NHS Trust.

**Part 5** rounds off the account with some final pieces of information.

**Appendix 1** provides a glossary.

**Appendix 2** presents details of performance against quality priorities in a table.

**Appendix 3** contains stakeholder responses to the draft report.

**Appendix 4** is the statement of directors' responsibilities

As required by Monitor, with regard to data accuracy, I would ask readers to note that there are a number of inherent limitations in the preparation of Quality Accounts which may impact the reliability or accuracy of the data reported. These include:

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits' programme of work each year.
- Data is collected by a large number of teams across the Trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably have classified a case differently.
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ.
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.

The Executive Team and Board have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognise that it is nonetheless subject to the inherent limitations noted above. Following these steps, to my knowledge, the information in the document is accurate.

Please use this account to publicise and raise awareness of what we are doing – across Hertfordshire and in Essex and Norfolk.

If you have comments on anything we have said, or simply want to know about HPFT, please do not hesitate to contact Jonathan Wells Head of Practice Governance via:  
[jonathan.wells@hpft.nhs.uk](mailto:jonathan.wells@hpft.nhs.uk)

The Quality Account will be published before 1st July 2015 on the NHS Choices website and on ours [www.hpft.nhs.uk](http://www.hpft.nhs.uk)

Paper versions and other formats are available from our Communications team on 01727 804459.



Tom Cahill  
Chief Executive

Date: 27/05/2015

## Part 2 – Introduction

In November 2014 our Board of Directors joined hundreds of staff from across the NHS at the prestigious Health Service Journal awards ceremony. The Board won the award for Board Leadership.

Judges commended our Board for its vision and dedication to ensuring individuals suffering mental ill health are treated equally to those with physical illnesses. They were also impressed by the Board's *“strong commitment to equality and diversity that is having a real impact on service delivery”* as well as *“excellent use of feedback.”*

This year the Board renewed its commitment to quality and our vision to be:

*“..the leading provider of mental health and specialist learning disability services in the country.”*

For us, to be “leading” means to deliver sustainable services of the highest quality.

To make sure we keep on track, we agreed eight overarching objectives as part of our five year strategic plan (2014/15 to 2018/19).

These are:

- **Quality and Service Development**

1. We will deliver safe and effective services.
2. Service users, carers, referrers and commissioners will have a positive experience of our services.
3. We will transform services, putting the needs of service users and carers at the centre.

- **Workforce**

4. Staff will have a positive experience of work
5. We will have a productive and high performing workforce
6. We will embed a culture that promotes our values

- **Sustainability**

7. We will secure the financial sustainability of our services
8. We will develop an enviable reputation for quality and innovation, and strong relationships with commissioners, GPs and our key partners

Many of these objectives will be met if we make sufficient progress each year as reported in the Quality Accounts.

In 2014/2015 we continued to provide:

- The full range of mental health care and treatment for people in Hertfordshire with mental health difficulties, including a comprehensive primary care service for those with common mental health problems alongside GPs
- Inpatient and specialist community health care for adults with learning disabilities in Hertfordshire and North Essex



- Secure inpatient services for adults with learning disabilities and challenging behaviour in Hertfordshire and Norfolk
- Specialist services for adolescents who need mental health inpatient care, for peri-natal care and for the treatment of severe obsessional-compulsive disorder

From 1st April 2015 we have begun to provide (in partnership with MIND) enhanced primary care mental health services in West Essex.

In the year we employed 2,900 staff based at 60 sites (fewer than before), and our services cost £197, 000,000.

We received around 30,000 referrals through our Single Point of Access service.

We provided 391,444 clinical contacts during the year, of which 100,306 were with people using our primary care mental health services.

This account attempts to explain the quality of all this activity, and the extent to which we are meeting the needs of those who very much rely on our help.



## Part 3 – Priorities for Quality Improvement 2015/2016

### 3.1. Consultation

We were busy in the first three months of 2015 developing our plans and thinking about where we needed to concentrate our efforts in the coming year. Internally this is done through our three Strategic Business Units agreeing their priorities for improvement which are aligned with the Trust's overall annual plan reported to Monitor our regulator.

Led by our three Clinical Directors, practitioners from psychiatrists and psychologists to nurses, social workers and Occupational Therapists contribute their ideas.

Through the Service User and Carer Councils we have heard that:

- Community mental health services are taking a long time to settle down after their major reorganisation and there are too many temporary staff
- Whilst our two acute day treatment units are highly valued, this can contrast with the pressurised atmosphere on acute inpatient units at times and the lower levels of support in community services
- It can still be too complicated to access care and treatment for children and young people with mental health difficulties

Through ongoing dialogue over the year with local commissioners – the Clinical Commissioning Groups – we have a common understanding of the areas requiring improvement. The Hertfordshire commissioners have especially emphasized:

- better management of the acute care pathway, so that those who are acutely unwell get good help at home where appropriate, and if admitted to inpatient care receive well planned treatment leading to well organised discharge arrangements
- in community mental health services, the need for high quality risk management in every case, and reduced staff turnover
- better communication with GPs so that physical and mental health needs are met together for each individual
- maintenance of the improvements made in access to CAMHS services – for urgent, semi-urgent and routine referrals – together with a clearer message about the place of Trust CAMHS as part of mental health services for children and young people overall

Healthwatch Hertfordshire have continued to take a close interest in Trust services and in discussion they echoed many of the views outlined above. They also raised questions about continuity of care and prompt access to a care co-ordinator being problematic at times in community mental health services, reflecting the Trust's challenges with regard to retention and recruitment of permanent staff.

### 3.2. Selection and Monitoring.

This year we remain very clear that our priorities should cover all three domains of quality.

This means:

**Safety:** avoidance of preventable incidents from serious incidents such as suicides to more low level incidents such as slips trips and falls; helping inpatients feel safer, reducing actual or threatened assaults on inpatient units, planning services so that they are as safe as possible; assessing and managing each service user's risks with them effectively.

**Clinical effectiveness:** making sure that access to services is good – both urgent and routine; enabling service users to move on when they are ready, (whether from units for people with learning disabilities, community services or from older people's inpatient units); providing interventions that work.

**Service user and carer experience:** recognising that a service is not good unless it is experienced as good; having flexible ways of hearing from service users and carers and acting on what is said; using the Friends and Family Test questions to measure quality

On the basis of our consultation and planning we will also retain some workforce priorities, as it is clear that good staff are essential for provision of good services.

Therefore, our proposed quality priority areas for 2015/2016 are as shown below.

Domain	Number	Area
<b>Safety</b>	1.	<p>We have begun a major programme of work to increase the skills and resources of staff so that inpatients are kept safe. Numbers of incidents of actual or threatened violence on wards continue to decrease, but there is more to be done.</p> <p>We plan to have an indicator which measures full achievement of this programme which is entitled Making our Services Safer</p>
	2.	<p>We know that the service user experience of acute inpatient care is sometimes disjointed, with acute bed pressures occasionally leading to care being found in the private sector.</p> <p>A major project to improve the movement of service users through acute inpatient care – strengthening arrangements for admission, care and treatment and discharge – is underway.</p> <p>We plan to use an indicator which measures whether this project achieves its aims and improves acute inpatient safety.</p>
	3.	<p>Last year in community mental health services, we were successful in reaching a position where nearly 90% community service users had had a risk assessment within the past year.</p> <p>It is important now to maintain this level of performance and also ensure that the quality of these assessments is good.</p> <p>We plan to use an indicator which measures maintenance of a consistently high rate of service users with an effective and up to date risk assessment.</p>

Domain	Number	Area
<b>Clinical Effectiveness</b>	4.	<p>Last year in Child and Adolescent Mental Health major reductions in waiting times were achieved for routine and urgent first appointments.</p> <p>Again, it is important now to maintain this level of performance and ensure the quality of these Choice appointments is good.</p> <p>We plan to make further use of the access data to measure that good performance is maintained.</p>
	5.	<p>We are developing our mental health services for older people, with newly configured community teams and re-organised inpatient care in modernised units.</p> <p>We want to make sure that the aims of the transformation of these services, which have to do with more effective and more accessible community services, are achieved.</p> <p>We plan to use an indicator for this which reflects improved performance of community and inpatient services; this is likely to be around maintenance of good movement through assessment and treatment inpatient units, measured via length of stay data.</p>
	6.	<p>In response to Winterbourne View and the Transforming Care Programme (Improving the Lives of People with a Learning Disability), move on plans for people with learning disabilities at our Specialist Residential Services at Kingsley Green are crucial this year.</p> <p>We want to make more rapid progress in working with the relevant local authorities to enable these service users to fulfil their aspirations in the community.</p> <p>We plan to adopt a set of measures which will show whether these aims are achieved.</p>
	7.	<p>The numbers of people in any population who might benefit from Improving Access to Psychological Therapies (IAPT) Services remain high, and in our Essex services we need to continue last year's progress in engaging with the required numbers of people.</p> <p>Because our performance on recovery rates (eg. effective psychological treatment) is good, we want to focus on access in the coming year.</p> <p>We plan to use current performance indicators to show whether we achieve our targets.</p>
	8.	<p>We have made considerable progress last year in improving our identification of the physical health needs of our service users, but more remains to be done.</p> <p>We will have a set of Commissioning for Quality and Innovation (CQUIN) goals for this again this year around physical health checks and interventions for inpatients with psychosis and those with first episode of psychosis, and better communication with GPs about physical health needs.</p> <p>We plan to use aspects of the CQUIN measures to measure whether these aims are achieved.</p>

Domain	Number	Area
<b>Service User and Staff Experience</b>	<b>9.</b>	<p>We will continue to use our wide range of service user and carer feedback mechanisms to make adjustments to the care we provide.</p> <p>We want to see improvements in several aspects of the service user experience as shown in the national service user survey.</p> <p>We plan to identify an indicator which covers many aspects of this experience; this is likely to be the Service User Friends and Family Test (FFT).</p>
	<b>10.</b>	<p>We recognise that staff experience is also a key quality priority for us, and have a range of initiatives in place to support staff and help them work as therapeutically as possible.</p> <p>We plan to identify an indicator which covers many aspects of the staff experience; this is likely to be the Staff Friends and Family Test (FFT) (would recommend as a place to receive care).</p>
	<b>11.</b>	<p>Improving recruitment and retention of staff has been identified as a key priority area if good care is to be guaranteed. Many initiatives are already underway.</p> <p>We will agree the best overall indicator of progress in this area. This is likely to focus on community mental health services where pressures are greatest.</p>

In June at Board precise numerical targets for each of these areas will be signed off.

Monitoring of progress – as previously – will be by the Board and the Integrated Governance Committee. As many of the indicators are also part of CQUIN goals (reflecting the close alignment this year between commissioner and provider priorities), there will also be robust scrutiny of progress by local commissioners.

## Part 4 – Review of Quality Performance

### 4.1. Background

We are very much aware that each of the 20 000 or more service users working with us at any given time is a unique individual, with a unique experience of HPFT. For each, there is a complex and subtle relationship between their mental health difficulties, their past experience and their current circumstances, and Trust services may make a limited impact on many of these factors. But at HPFT we believe firmly in the recovery model of mental health, which – if it is about anything – is about understanding what is important to each individual we work with and working in such ways that we really do make a difference in what matters most to them.

Some of our staff – as well as some service users and carers – say that the things they do that cannot be measured are often the most important; this can range from the receptionist who remembers each service user from one appointment to the other, to the social worker who knows how important a pet is to an individual each time she or he is admitted and makes the necessary arrangements, to the healthcare assistant who understands why some of the older people on her ward do not like to be addressed by their first name.

In this section, we first state how we have performed in each of the indicators selected as priorities for the year.

We then show how we have done against a range of indicators that are reported on by every Mental Health NHS Trust – offering information on how our performance compares to others and to our own previous record.

Thirdly, we provide information on some other aspects of quality, aiming to get beyond the numbers and offer some other perspectives on what we do. We provide statements of assurance as prescribed by Monitor where necessary using the specified wording.

We very much hope this together will give a picture of HPFT in 2014/2015 that is recognisable to those who know and at times rely on us.

### 4.2. Local Quality Indicators – Results

For each of our chosen indicators for 2014/2015 we present our results below.

First we give the definition of the indicator.

Then we explain the rationale of why it was selected as a measure.

We go on to state the source of the data and finally we describe our performance using simple graphs and some narrative.

In summary, our performance was as follows:

Achieved	8	
Partially achieved	2	
Not achieved	3	
<b>Total</b>	<b>13</b>	

Partial achievement is defined as where the data shows performance within a 5% tolerance interval of the target.

The full data set is included in Appendix 2.

### A. Rate of service users with a completed up to date risk assessment.

**Definition:** The proportion of all service users (excluding those under primary care mental health services) who have had a risk assessment properly recorded on our electronic patient record within the past 12 months of their care – shown as a percentage.

We set a trajectory aiming for steady improvement by quarter through the year

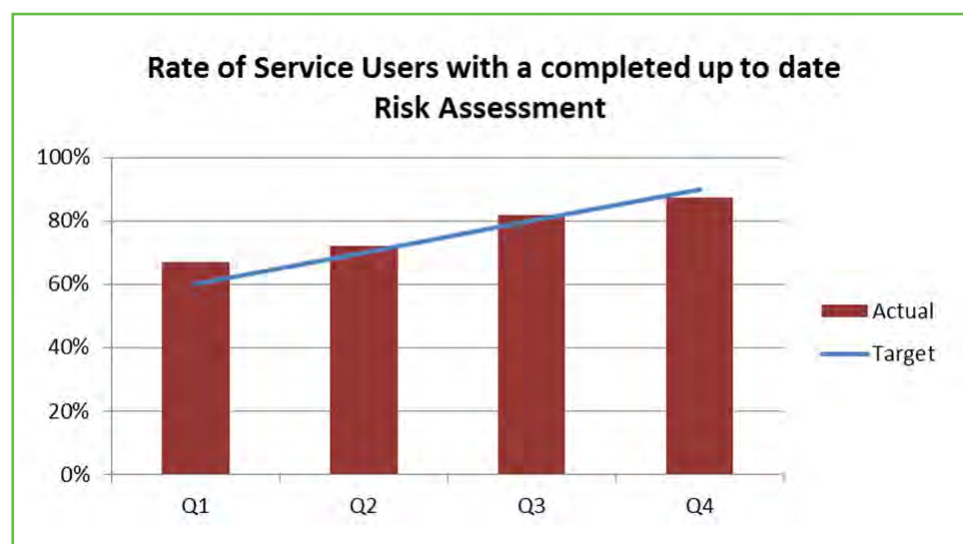
**Rationale:** In choosing some of our priorities last year we unashamedly went back and checked some fundamental aspects of good traditional mental health care. Those receiving our services are often vulnerable and may be at risk from others as well as needing help to look after themselves and safely manage thoughts of self-harm or suicide.

The starting point for this crucial work is often a thorough, evidence-based and well recorded discussion about risks which can be seen to inform the care plan that is then agreed with the service user.

Last year we became aware that risk assessments were not being completed as they should in a significant number of cases. It has been a focus of attention throughout the year for managers to achieve improvement in this area.

**Data source:** Our electronic patient record (Paris).

**Result:** This goal was **partially achieved**.



The target was 90% to be achieved in Q4 and we achieved 87.2%.

It can be seen that performance steadily improved through the year and narrowly failed to reach the final target. Our performance falls within a 5% tolerance interval and therefore is rated as “partially achieved”.

We are now determined to reach at least 90% and maintain that level in future, which is why this remains a quality priority for 2015/2016. In addition it is appreciated that this metric does not prove that all such risk assessments are of good quality. We are therefore going to be undertaking further work to examine the sensitivity and thoroughness of risk assessments and drive up their quality through audit and re-audit.

## B. Rate of inpatients reporting feeling safe.

**Definition:** The proportion of all service users answering this question in Having Your Say who say that they have not found the inpatient environment safe.

NB: the wording of this question was slightly altered when the Having Your Say questionnaires were revised in mid-year.

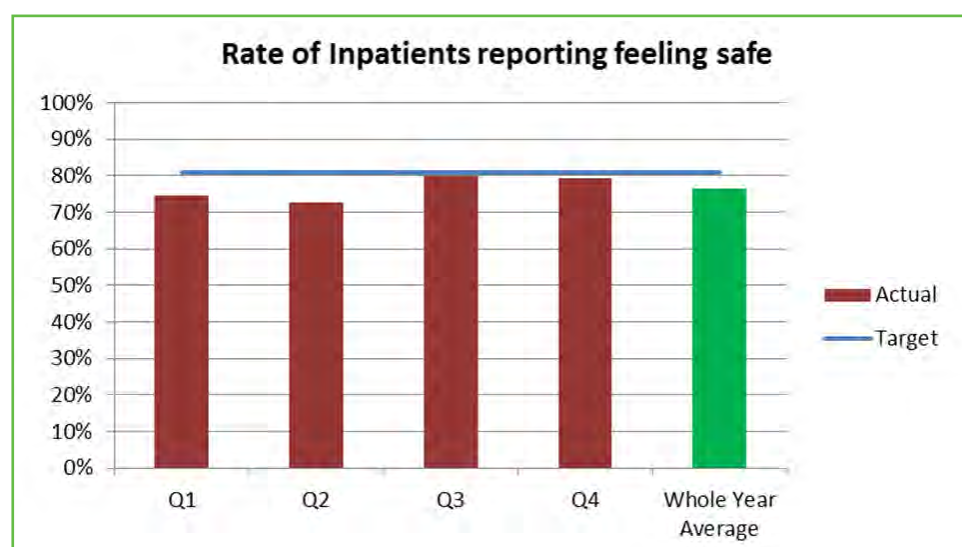
As an indicator this is vulnerable to variations in response rate and response source (eg. a higher response rate in one quarter by acute inpatient service users may lower the satisfaction rate). Because of this limited validity, we took our baseline from a whole year average and set the target of an improvement measured again as a whole year average.

**Rationale:** We have asked this question for several years and last year's overall figure of 81% was our highest yet. It felt right to continue to aim for better at a time when we were about to open our new Inpatient Services at Kingfisher Court.

We believe that this indicator has remained a very powerful source of information for us, especially when backed up with descriptions from service users about what has helped them feel safe and what has unsettled them at times.

**Data source:** Having Your Say (HYS), our well established set of questionnaires that service users and carers can complete on paper, on line or over the phone.

**Result:** this goal was **not achieved**.



The target was 81% over the year and we achieved 76.3%.



We are disappointed not to have achieved this goal. Our analysis indicates that the physical environments in which we provide care – especially Kingfisher Court - have had a positive impact, but this has been more evident in the second half of 2014/2015.

There have been considerable pressures on acute inpatient care for most of the year, with service users sometimes having to move from one unit to another during an inpatient episode, and occasionally having to be admitted to a non-HPFT bed.

Such bed pressures are not confined to HPFT and have been hard to avoid at a time of ongoing savings required in mental health services. Our alternatives to admission such as host families and the two acute day treatment units have been very well received and we have plans to make further improvements to the acute care pathway so that there is a consistent threshold for inpatient admission 24/7 and more attention paid to housing solutions.

### C. Delivery of Making Our Services Safer CQUIN Goal.

**Definition:** Our commissioners set us a CQUIN goal to make sure we made the maximum use of our new project to make services safer. In May they will confirm whether we have provided strong evidence throughout the year of the impact of the project and their judgment will decide if this indicator has been achieved.

**Rationale:** Particularly because we provide inpatient care for adults with learning disabilities in Hertfordshire, Essex and Norfolk, we tend to report high levels of actual or threatened violence on inpatient units – whether between service users or from service users towards staff. Staff also reported last year that a significant minority had experienced such incidents and inevitably this at times was having a negative effect on staff morale and sickness rates.

This coincided with a range of national initiatives to support better practice in making inpatient care safe. Our Deputy Chief Executive Dr Oliver Shanley decided to bring this together and set up a major new programme entitled Making Our Services Safer (MoSS).

Key elements of MoSS include:

- Compliance with the Department of Health's "Positive and Safe: Two Year Plan"
- Staff better trained in de-escalation and restraint through the RESPECT programme leading to the phasing out of seclusion as a way of controlling disturbed behaviour
- Adoption of the Institute of Psychiatry's Safe Wards initiative – so far on two wards (Oak Psychiatric Intensive Care Unit at Kingsley Green and Aston Acute Inpatient Unit at The Lister Hospital, Stevenage)

**Data source:** We have a MoSS strategy and provide reports each quarter with evidence of its implementation. For the first three quarters these reports have been accepted by commissioners. Commissioners' verdict on the end of year report in May will decide if this goal is achieved.

**Result:** This goal was **achieved**.

## D. Achievement of Child and Adolescent Mental Health Services (CAMHS) Waiting Time Targets

**Definition:** We had a CQUIN Goal for 2014/2015 which required us to assess all urgent referrals within 4 hours, 75% of all semi-urgent referrals within 7 days and 75% of all routine referrals within 28 days by the final quarter of the year.

Achievement of this CQUIN goal will constitute achievement of the quality priority.

**Rationale:** Both locally and nationally it has sometimes taken too long for children, young people and their families to get the mental health care and treatment they may desperately need. This has been exacerbated at times by unclear arrangements where different organisations provide CAMHS services for different “tiers” of referrals. A further factor – the dramatic increase of mental health difficulties amongst young people reported both locally and nationally – has put further pressure on access.

The Trust therefore welcomed the challenge from commissioners to make major improvements in the accessibility of its services in the course of the year. We are committed to providing timely and responsive services to children and young people in need and recognise that such early interventions can be pivotal in young people’s lives.

**Data source:** The electronic patient record (Paris).

**Result:** This goal was **achieved**.

## E. Rate of community service users saying the services they receive have helped them look to the future more confidently.

**Definition:** The proportion of all community service users who completed a HYS questionnaire each quarter who said the services they receive have helped them look to the future more confidently

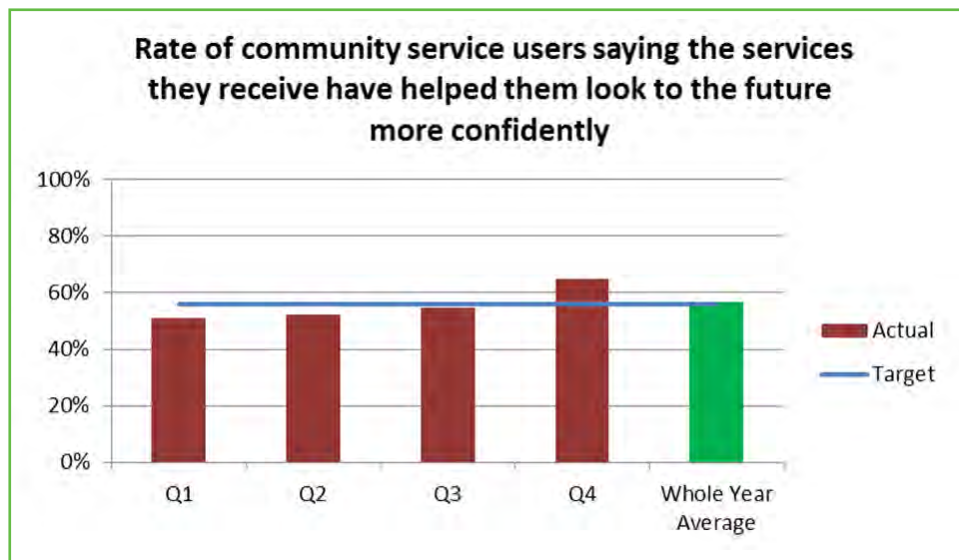
As an indicator this is vulnerable to variations in response rate and response source. Response rates vary by quarter which affects the validity of the results and makes quarter-on-quarter comparisons hazardous. Because of this, we took our baseline from a whole year average and set the target measured again as a whole year average.

**Rationale:** We like this indicator as a powerful measure of whether our services are truly recovery-oriented. Hope and optimism are important ingredients of good mental health, and the positivity of staff - one of the key values and behaviours that we have all adopted – can rub off on those with whom we work.

This indicator gives us some hard evidence about whether these approaches are having the desired effect.

**Data source:** HYS

**Result:** This goal was **achieved**.



The target was 56% over the year and we achieved 56.6%. Because of strong performance in Q4, it was possible to achieve the target as it was based on a whole year average.

This year we have made progress in reducing the bureaucratic burden on practitioners and have co-produced with service users a statement about what makes a really good care plan. Motivated by the Care Act, we have stressed the importance of engaging with service users as individuals and as whole people; alongside this, we have concentrated on seeing the strengths of each service user and understanding their hopes and aspirations.

This indicator offers evidence of achieving something based on the subtleties of all the human relationships between service users, carers and our staff. We are very encouraged to have achieved this goal.

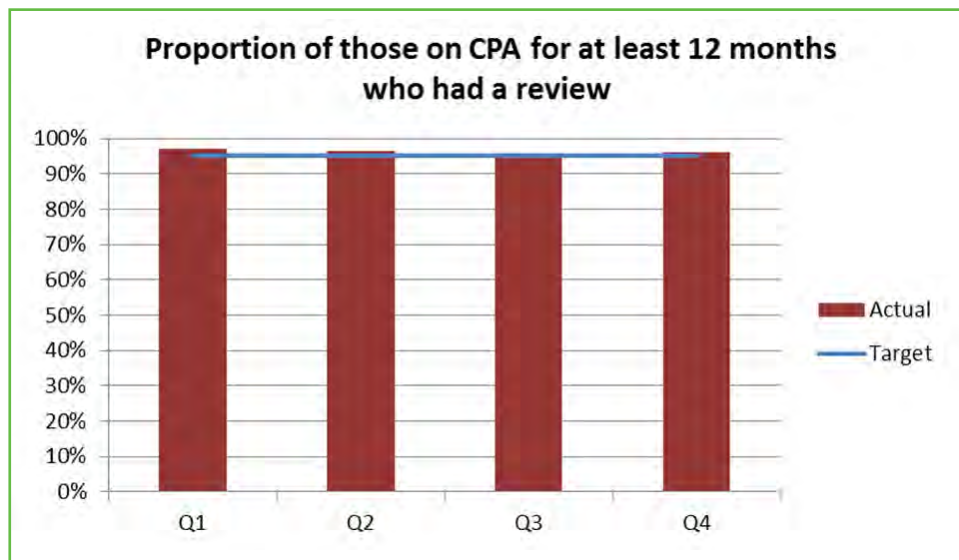
#### **F. Proportion of those on CPA for at least 12 months who had a review within the last 12 months.**

**Definition:** The percentage of all those receiving care under the Care Programme Approach (CPA) who have had a correctly documented review of their care plan within 12 months.

**Rationale:** Service users and carers had told us that some essential aspects of community mental health care had suffered from the major re-organisation of services a year ago. Those who receive care under CPA are the 20% most at risk and with the most complex needs. A key element of the support they receive is that their care co-ordinator makes sure that those involved in their care (including their family as agreed), get together at least annually to consider what other help in each person's recovery journey might be needed.

**Data source:** The electronic patient record (Paris).

**Result:** This goal was **achieved**.



The graph indicates that a consistently high standard was maintained as would be expected by Monitor, for whom this is a mandatory target. The target was to exceed 95.0% in each quarter and we did this.

### G. Friends and Family Test (FFT) asking whether the service user would recommend the service to friends and family.

**Definition:** This year this indicator became mandatory for Mental Health Trusts with wording and calculation of results being the same for all NHS Trusts.

It is defined as: “... as a proportion of all service users responding in a given period, the percentage of service users saying “Extremely Likely” or “Likely” in answer to the question:

“How likely are you to recommend our service to family or friends if they needed similar care or treatment?”

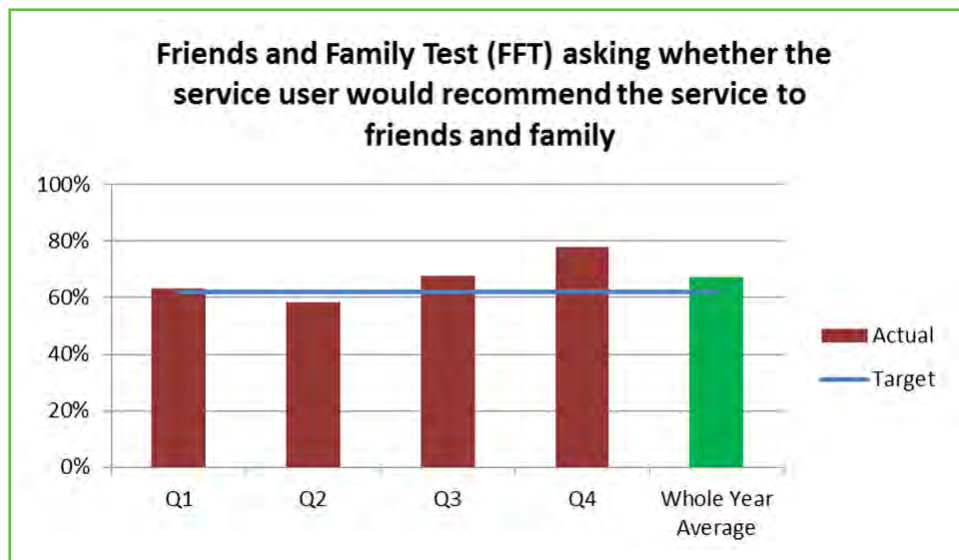
**Rationale:** We have a strong tradition of putting this and other key questions to service users over the past eight or nine years. Since 1st January it has been mandatory in all our services and before then we asked it in most services and with slightly different wording.

As one figure its significance is limited, but when considered alongside the two FFT questions for staff it can give a powerful impression of quality of care as a whole.

The national question also gives service users an immediate opportunity to say what helps or hinders the provision of good care; we find that the more negative comments are often very precise and we have evidence of many teams each quarter telling us and the respondents themselves what they have done about the issue.

**Data source:** Having Your Say.

**Result:** This goal was **achieved**.



Because of some internal changes to the wording of the question we took a baseline from the results in the first two quarters which was 61.8%. Our target was to make sure we maintained this over the full year and we achieved this clearly with a whole year average of 67.5%.

Having agreed our core values and behaviours with staff in 2013/2014 we ran team sessions with over 2 000 staff between August 2014 and March 2015 to help staff think through how their behaviours could help them be more effective and therapeutic in all that they do, whether receptionists or Consultant Psychiatrists. At the same time, we co-produced with service users and carers strong clear statements about care planning and true engagement with service users and we jointly ran sessions with acute inpatient staff.

We recognise there is more to do, but we believe such initiatives have enabled us to achieve this important goal.

#### H. Rate of carers that feel valued by staff.

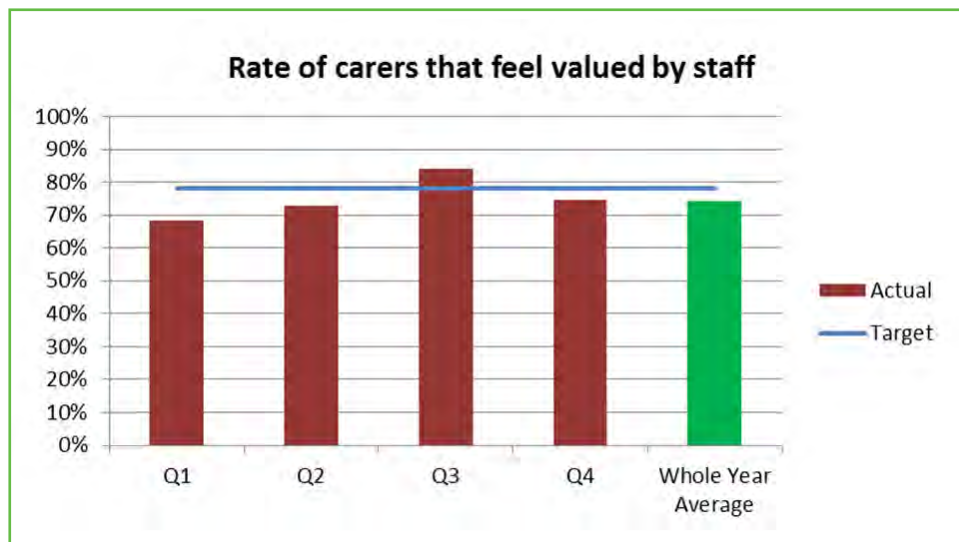
**Definition:** As a proportion of all those responding, the percentage of carers who say they feel valued by staff.

**Rationale:** The Trust very much appreciates the partnerships our staff are able to form with carers, in working together to provide the best for their loved ones and in addressing the widespread needs of carers in their own right.

This question gives an indication of how well carers actually feel supported by Trust staff.

**Data source:** Having Your Say.

**Result:** This goal was **partially achieved**.



We aimed to maintain a level of carer satisfaction on this question of 78.0%. We achieved 74.3%. This is defined as “partially achieved” as performance falls within the 5% tolerance interval.

Whilst we receive many compliments from carers that give us great encouragement, we also know that sometimes carers still feel unsupported and at worst excluded from the care that is being provided.

In the past year we have recruited to new peer support worker posts in community mental health services. More recently, we have also been training staff on the wider duties towards carers that are introduced from 1st April 2015 by the Care Act. Especially in community mental health services it has been difficult at times this year to make full use of the new posts because of the wide range of service pressures.

### I: Staff Friends and Family Test (FFT) -staff saying they would recommend Trust services to friends and family if they needed care and treatment.

**Definition:** The proportion of staff answering a given questionnaire who say “Extremely Likely” or “Likely” in response to the question:

*“How likely are you to recommend HPFT to family or friends if they needed care or treatment?”*

**Rationale:** This has become a mandatory question for Mental Health Trusts such as HPFT in the past year. It is one of several indicators which pay attention to the staff perspective, because we know that after a year in which over one quarter of all staff have been going through changes to their job at any one time, the levels of disruption - for staff and for service users and carers - have taken some time to reduce.

This is the first of two FFT questions for staff which combine well with the service user FFT question to give a strong message about quality of care.

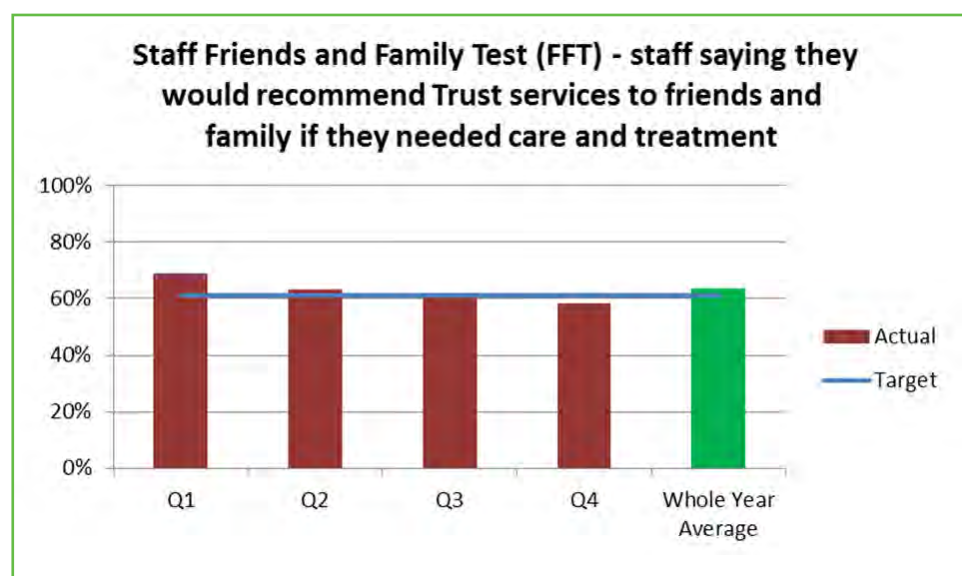
The Trust very much appreciates the partnerships our staff are able to form with carers, in working together to provide the best for their loved ones and in addressing the widespread needs of carers in their own right.

This question gives an indication of how well carers actually feel supported by Trust staff.



**Data source:** Internal staff surveys (Pulse surveys) and the National Staff Survey.

**Result:** This goal was **achieved**.



We set out to improve our baseline (derived from earlier versions of the question) of 57.8% to a whole year average this year of 61.0%. We achieved 63.5%.

We have been implementing our Customer Care Strategy and Workforce and Organisational Development Strategy this year and our Board has paid close attention to several indicators of staff engagement and effectiveness throughout the year.

Staff say they are glad to have been involved in making explicit our values and behaviours and to see the Trust investing in the Living Our Values team sessions to help them reflect. The monthly staff awards and the annual glitzy Awards Ceremony are also well received by staff – with over 150 staff taking the trouble to nominate colleagues for the 12 annual awards. However, we recognise that there is more to do to maintain and improve this score.

## **J: Staff Friends and Family Test (FFT) – Staff saying they would recommend the Trust as a place to work.**

**Definition:** The proportion of staff respondents to internal Pulse surveys who say “Extremely Likely” or “Likely” in response to the question:

*“How likely are you to recommend HPFT to family or friends as a place to work?”*

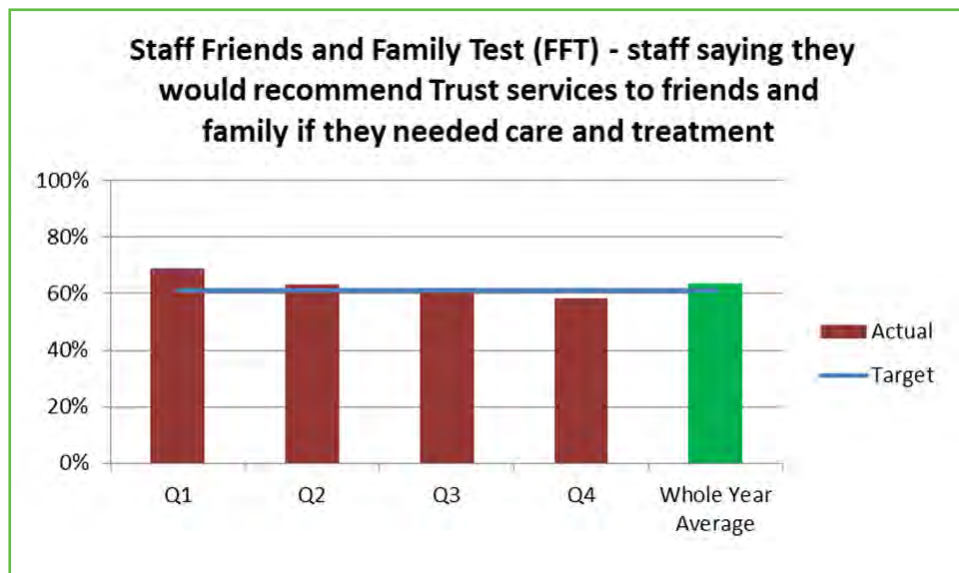
**Rationale:** This question is closely paired with the one above, although focussing on the staff experience.

Like the other, over time it will generate important data which can increasingly be used to examine staff morale in specific services, as well as benchmarking our position with other Mental Health Trusts.

**Data source:** Internal staff surveys (Pulse surveys) and the National Staff Survey.

**Result:** This goal was **achieved**.





We set out to improve our baseline (derived from earlier versions of the question) of 57.8% to a whole year average this year of 61.0%. We achieved 63.5%.

We have been implementing our Customer Care Strategy and Workforce and Organisational Development Strategy this year and our Board has paid close attention to several indicators of staff engagement and effectiveness throughout the year.

Staff say they are glad to have been involved in making explicit our values and behaviours and to see the Trust investing in the Living Our Values team sessions to help them reflect. The monthly staff awards and the annual glitzy Awards Ceremony are also well received by staff – with over 150 staff taking the trouble to nominate colleagues for the 12 annual awards. However, we recognise that there is more to do to maintain and improve this score.

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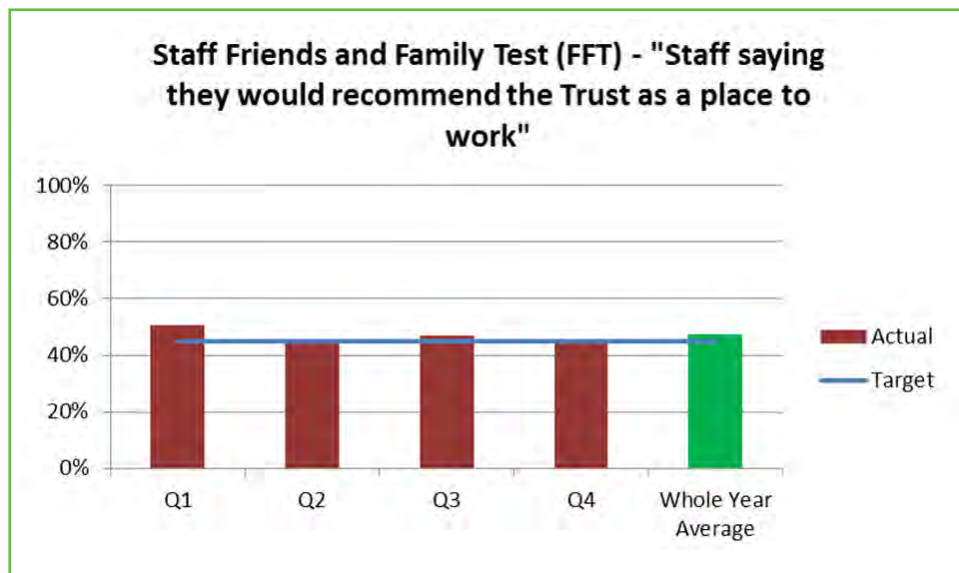
*“How likely are you to recommend HPFT to family or friends as a place to work?”*

**Rationale:** This question is closely paired with the one above, although focussing on the staff experience.

Like the other, over time it will generate important data which can increasingly be used to examine staff morale in specific services, as well as benchmarking our position with other Mental Health Trusts.

**Data source:** Internal staff surveys (Pulse surveys) and the National Staff Survey.

**Result:** This goal was **achieved**.



We derived a baseline of 43.2% from last year's performance. We set ourselves an improvement target of 45.0%. We achieved a score of 47.2% (year average).

This result is gratifying and indicates the positive impact of many workforce initiatives during the year. Our leadership programmes such as the Mary Seacole Programme at the Leadership Academy have enabled our staff – from team leaders to senior clinicians - to support staff sensitively through change and energise them thereafter.

We are keen to make further improvements in the coming year, through offering more flexible working arrangements, providing a wider range of training in change management to managers, harnessing the views of staff to reduce experiences of bullying or harassment and bringing in colleagues from the King's Fund to help us shift our organisational culture.

### **K: Rate of staff reporting feeling engaged and motivated at work.**

**Definition:** The proportion of staff respondents to internal Pulse surveys who say they feel engaged and motivated at work.

**Rationale:** This question is specifically about staff engagement. Whilst most staff say they identify strongly and positively with their team, they are less likely to relate closely to the Executive Team and Board and our stated objectives. Our Board believe that there is a strong relationship between staff feeling engaged and as one as a Trust, and their ability to provide the highest quality of care according to our values and behaviours.

**Data source:** Internal staff surveys (Pulse surveys).

**Result:** This goal was **not achieved**.

We aimed to maintain last year's satisfaction rate of 49.5% but our year average for 2014/2015 was 46.2%.

Our workforce indicators have shown inconsistent performance this year, with several proving harder to shift than we would like. Our initiatives to support staff in what they do have been widespread this year and have included:

- Monthly and annual awards
- Greater visibility of the Executive Team and the Strategic Business Units' Senior Management Teams – through visits, blogs and events
- Showcasing Events for teams in SBU West
- Monthly briefings in SBU Learning Disabilities and Forensic Services
- Cascade Briefings “from top to bottom of the Trust and up again”
- Big Listen events at The Colonnades and team breakfasts with Tom Cahill
- A new confidential staff counselling service, supplemented by stress management sessions and advice via the Organisational Development Team
- Practical changes in response to staff issues - such as the project led by Geraldine O’Sullivan Executive Director - Medical Leadership and Quality to reduce bureaucracy (Creating Time to Care)

Increasingly we are finding ways of using the ideas of staff in many services to support them in what they do. This work inevitably will continue in 2015/2016.



### **L: Rate of staff that report experiencing physical violence from service users.**

**Definition:** The proportion of staff respondents to internal Pulse surveys who say they have experienced physical violence from service users.

**Rationale:** This indicator links closely with the earlier one around implementing the programme Making our Services Safer.

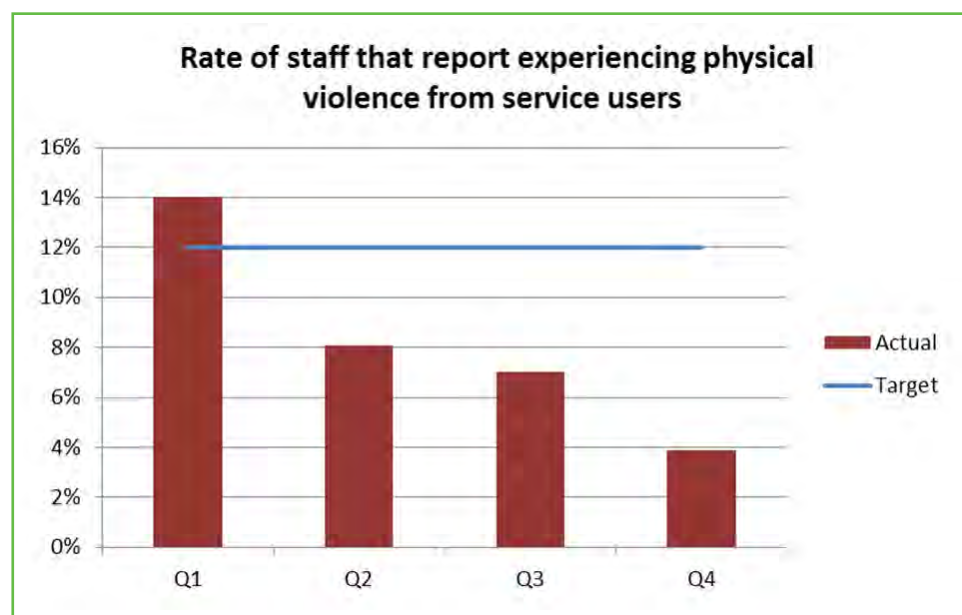
Both became important in response to the high rates of incidents of actual or threatened violence on inpatient units being reported in HPFT compared to other Mental Health Trusts.

We were clear that one reason for this was the fact that we are a major provider of inpatient care for adults with learning disabilities and challenging behaviour in Hertfordshire, Essex and Norfolk. But there was also a relationship between these traumatic experiences and staff morale, motivation and sickness levels.

We were convinced that we owed it to staff and service users to do more to introduce best practice in restraint skills, and to do more to learn across units about how to design the safest care environments and engage therapeutically with people who are inpatients.

**Data source:** Internal staff surveys (Pulse surveys).

**Result:** This goal has been **achieved**.



The target has been to reduce from last year's 13.4% baseline to 12% in Quarter 4. We have achieved it consistently and easily.

Factors that we have used to do this include the Making Our Services Safer project, the project at Lexden Hospital, Colchester to understand and reduce seclusion, new inpatient environments (above all, Kingfisher Court), and the more explicit attention paid to safe staffing levels.

Our commitment to staff and service user safety is illustrated by Dennis Hunt, Health, Safety and Security Manager who was named winner in the award for 'Keeping Staff Safe at Work' category (sponsored by NHS Protect), at the National Patient Safety Awards. This award is for an inspiring individual who has demonstrated commitment, and dedication to protecting NHS lone workers from violence, abuse and aggression.

### **M: Rate of staff that report having access to relevant training and development.**

**Definition:** The proportion of staff responding to Pulse surveys who say each quarter that they do not have sufficient access to relevant training and development.

**Rationale:** This final workforce indicator refers to another area which we have been keen to improve. We want to make sure that all staff – temporary or permanent, employees or agency staff - are equipped and supported to provide the best possible care.

We were convinced that we owed it to staff and service users to do more to introduce best practice in restraint skills, and to do more to learn across units about how to design the safest care environments and engage therapeutically with people who are inpatients.

**Data source:** Internal staff surveys (Pulse surveys).

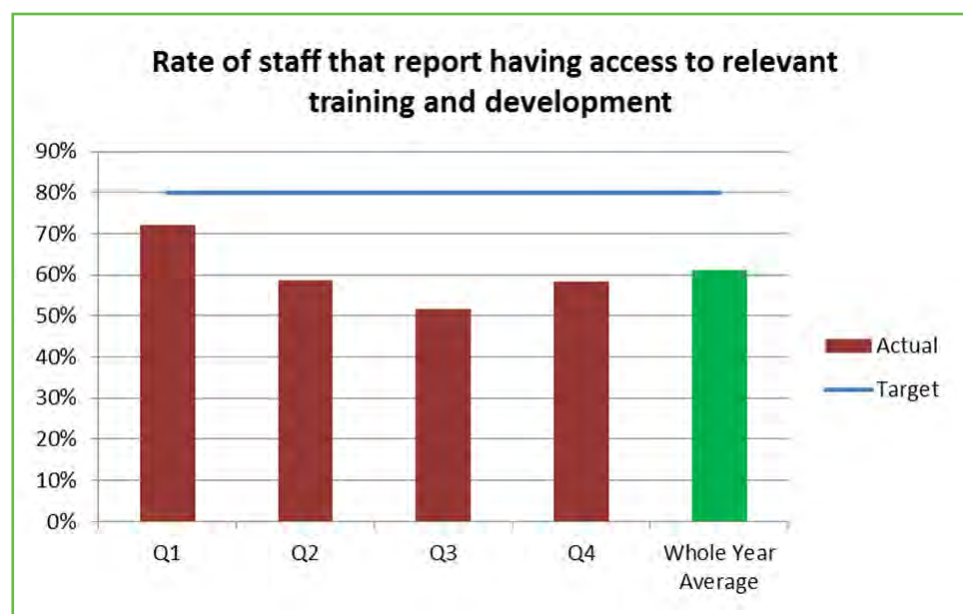
**Result:** This goal was **not achieved**.

We set out to maintain our average last year of 79.8% satisfaction as a whole year average this year. But our performance declined to 61.1%.

The possible reasons for this include:

- An inevitably strong focus on mandatory training completion which is not directly about clinical skills and so may not be seen as relevant (90% of staff were up to date with their mandatory training at the end of the year)
- Difficulties in releasing staff for clinical training because of pressures on staffing levels in community as well as inpatient teams
- The Trust-wide learning and development manager post remaining unfilled through the year
- Movement of many staff between posts, teams and locations with changes of manager and delays in settling into new roles
- The focus on major training projects such as over 2000 staff having Living our Values sessions in eight months, which may have led to a neglect of bespoke clinical training

Our workforce directorate have developed plans to ensure that this situation is remedied in 2015, with a fuller training needs analysis leading to opportunities that better match the requirements of individuals and services.







### 4.3. National Quality Indicators

Foundation Trusts are required by Monitor to report performance against a set of indicators using data made available by the Health and Social Care Information Centre.

A second list is required to be reported for all Mental Health Trusts.

measure	target	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	
Adults on CPA receiving annual care review	95%	94.9%	95.2%	97.9%	96.5%	95.7%	96.3%	

<b>Delayed transfers of care</b>	<7.5%	5.05%	5.46%	5.98%	6.35%	5.02%	4.26%	
<b>Early Intervention in Psychosis Service – 150 new cases by end of year</b>	150	41	63	51	48	34	44	
<b>MHMDS data completeness - identifiers</b>	97%	99.6%	99.5%	99.6%	99.7%	99.5%	99.6%	
<b>MHMDS data completeness - outcomes</b>	50%	83.6%	86.9%	74.7%	89.2%	57.3%	55.7%	

The set of indicators shown above is that required by Monitor. It includes performance for the last two quarters of the previous year. The first is described in more detail in F above.

Whilst we plan to do more work to improve discharge arrangements from inpatient care (especially acute units), the low figures for Delayed Transfer of Care show that we have been managing these pressures well.


This very good set of results provides assurance that several key aspects of the care we provide remain well managed.

The 5 indicators that need to be included by all Mental Health Trusts are shown below in turn.

### 1. Seven Day Follow Up.

This refers to the percentage of patients on the Care Programme Approach (CPA) who were followed up within 7 days after discharge from mental health inpatient care during the reporting period.

#### *Results:*

	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	target	
<b>score</b>	98.9%	97.8%	98.7%	98.6%	97.3%	98.3%	100%	98.7%	95%	

We consider that this data is as described for the following reasons:

- It has been subject to external audit in the past, and we have acted on the advice from such audits
- We have internal data quality controls with random checks by the responsible manager
- We have taken the following actions to improve this score – and so the quality of our services
  - Performance continues to be closely monitored by our Managing Directors
  - Individual cases are highlighted by the performance team to the relevant service whose manager takes the necessary actions to ensure follow up




We are happy with our performance in this area which shows consistent achievement of the standard of 95%. We see this area as extremely important in terms of patient safety, including prevention of suicides – knowing that these days are crucial for those who have felt depressed and possibly suicidal.

## 2. Crisis Resolution and Home Treatment.

This refers to the percentage of admissions to acute wards for which the Crisis Team, (known in this Trust as the Crisis Assessment and Treatment Team – CATT), acts as a gatekeeper. Gatekeeping by the RAID (Rapid Assessment Interface and Discharge) Service, which assesses people with mental health problems in Hertfordshire's two Acute Hospitals, is also included in this definition.

### Results:

	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	target	
<b>score</b>	100%	100%	100%	100%	100%	99.6%	100%	99.5%	95%	

We consider that this data is as described for the following reasons:

- It has been subject to external audit in the past, and we have acted on the advice from such audits
- We have internal data quality controls with random checks by the responsible manager

We have taken the following actions to improve this score and so the quality of our services:

- Performance continues to be closely monitored by Managing Directors


Performance has been consistently good with complete achievement of the standard of 95%. We see this as another key area of acute care, making sure that our crisis teams do good assessments of individual risks and provide care and treatment at home to those for whom this is clinically appropriate.

## 3. Readmission Rates

This refers to the percentage of patients readmitted to a hospital that forms part of the Trust within 28 days of being discharged from a hospital that forms part of the Trust.

In HPFT we concentrate on using our own data to track readmission rates for acute inpatient units only. We measure readmission within 30 days.

### Results:

	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	target	
<b>score</b>	4.4%	6.3%	10.7%	6.0%	6.8%	4.8%	7.5%	

Overall we achieved a rate of 7.12%, so were successful in keeping below the target figure of 7.5%. It is very important to us to support people well in the early days and weeks after discharge so that they can progress at home; but because we provide an acute care pathway which offers



more than inpatient care, we do not always see it is a failure if someone moves for a short period from acute day treatment to inpatient care and back again as long as that is what they need and want.

We consider that this data is as described for the following reasons:

- It has been subject to internal audit in the past, and we have acted on the advice from such audits
- We have internal data quality controls with random checks by the responsible manager

We have taken the following actions to improve this score and so the quality of our services:

- Performance is closely monitored by senior managers especially those responsible for acute inpatient care where length of stay tends to be the shortest
- On acute units we have introduced daily checks with regard to the readiness for discharge of each inpatient, and new posts to facilitate and support service users in making this move; this remains a priority area in 2015/2016.

#### 4. Service User Experience of Community Mental Health Services.

This refers to our score provided by the Care Quality Commission (CQC) with regard to a service user's experience of contact with a health or social care worker during the reporting period.

It is about whether the member of staff is felt by the service users responding to the national survey to listen carefully, take their views into account, and give them enough time. It also covers whether the service user has trust and confidence in staff and feels they are treated with respect and dignity.

It is taken from the National Service User Survey 2014 in which all Mental Health Trusts participated.

*Results:*

2012	2013	2014
8.6	8.5	7.6

This compares with the lowest 2014 score nationally by a Mental Health Trust of 7.3 and the highest of 8.4 and is rated as average.

A lower score indicates a lower level of service user satisfaction.

We consider that this data is as described for the following reasons:

- It derives from the national NHS community mental health service user survey which is administered independently of the Trust to national standards. This includes data collection and reporting.

The survey was sent to a sample of 850 people who had used our community services in summer 2013. There were 272 responses (a rate of 32%), with the Trust scoring in the "average" range for 7 of the 8 overall sections. Most of those responding were users of working age community mental health services, where disruption to services because of the major transformation in 2013/2014 had been considerable.

Steps to support the new ways of working – where there are fewer separate teams, fewer bases, and a different mixture of staff – have included:

- Sessions from staff with expertise in change management to enable new teams to develop effective teamwork
- Concentration on the screening role of the Single Point of Access service and on enabling service users to move on from Trust care when they are ready, so that the demand for services is better managed
- Introduction of an extra tier of managers to support the teams
- A range of initiatives to improve recruitment with new Recruitment Fairs, better publicity about HPFT and more support for new staff

## 5. Safety Incidents involving serious harm or death as a proportion of all patient safety incidents.

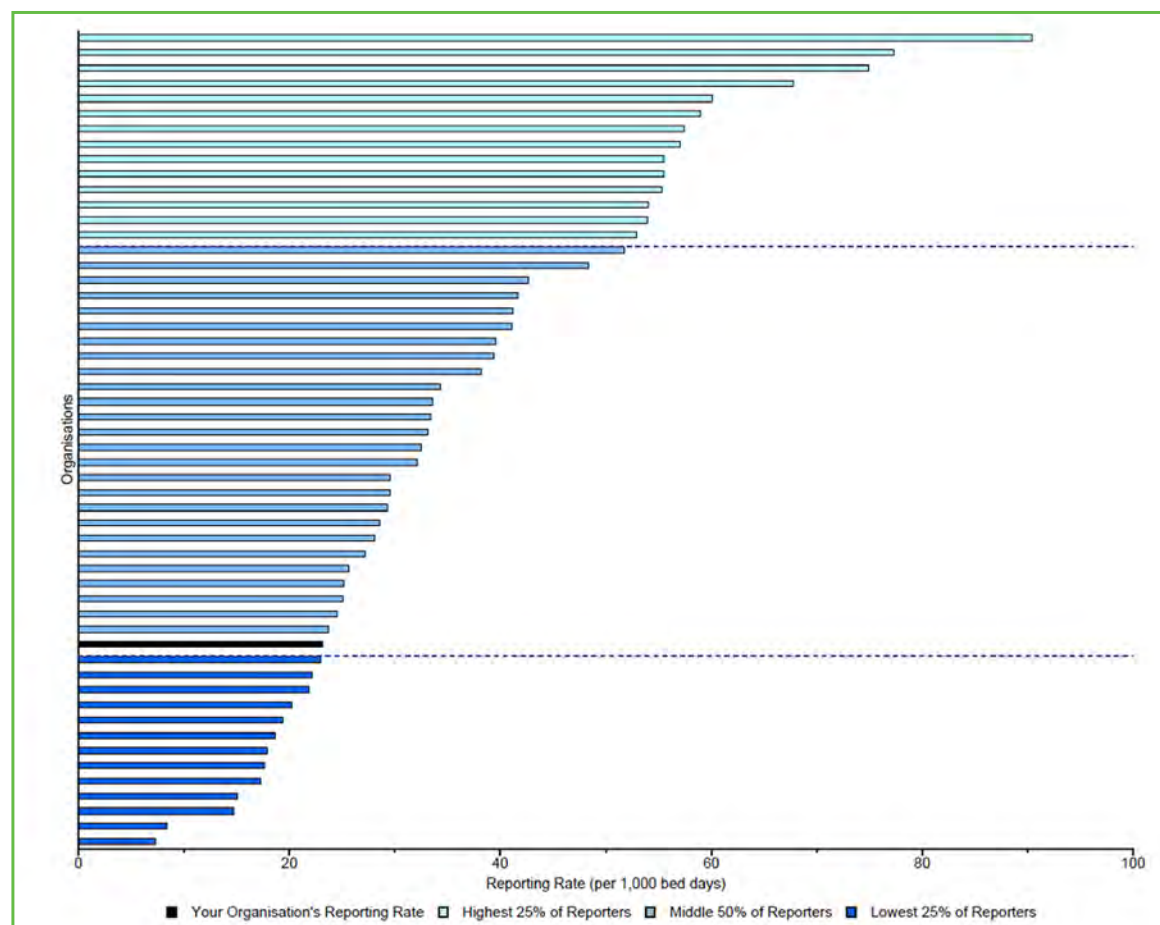
The information below is presented as required. It gives an overview of this Trust's number and type of reported incidents in the past year.

### A. April 2014 - September 2014

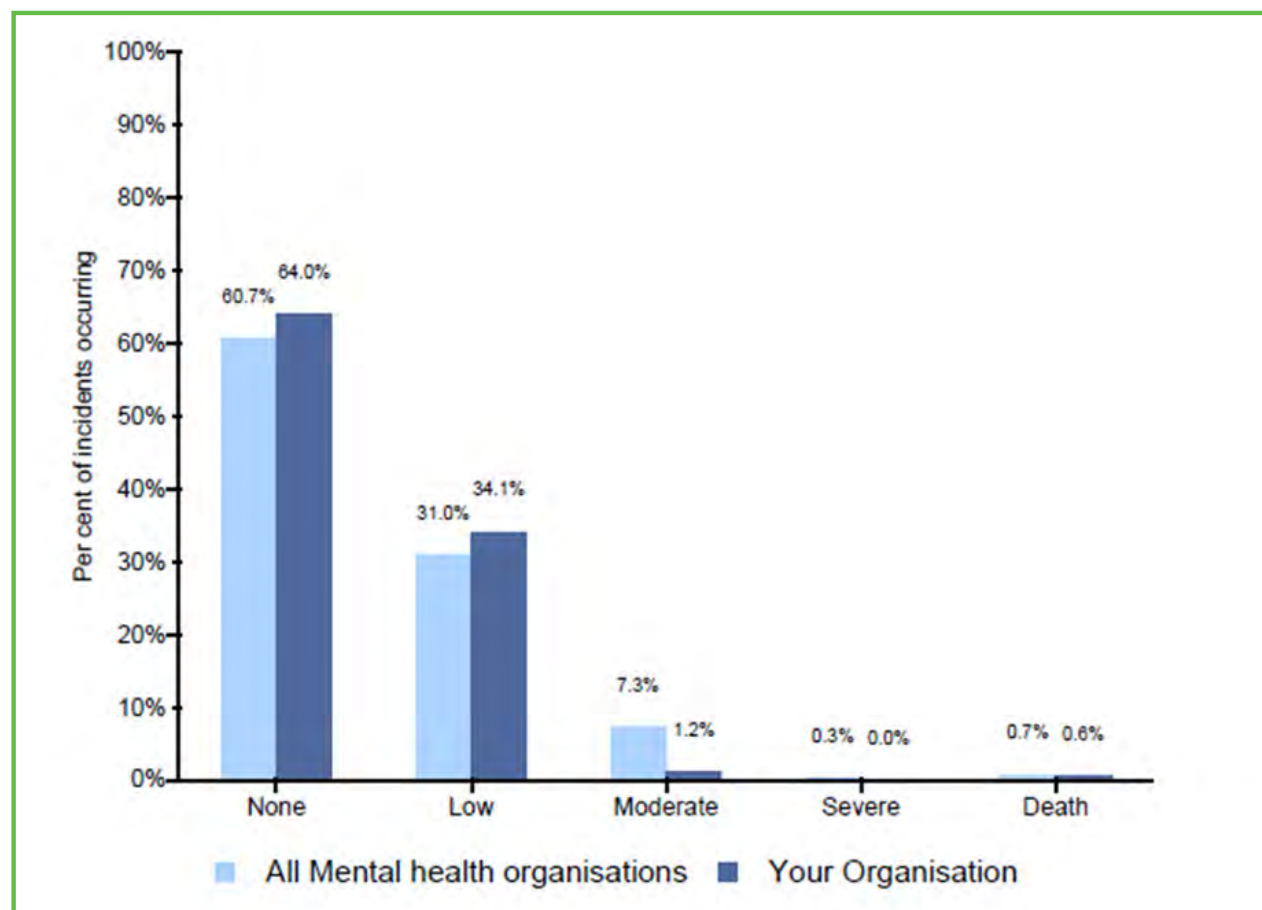
- 2,086 incidents reported by the Trust
- Rate per 1,000 bed days – 23.1
- Severe Harm – 1 incident reported
- Death - 12 incidents reported

The comparative reporting rate per 1,000 bed days for 57 mental health organisations during this period is shown below.

Figure 1: Comparative reporting rate, per 1000 bed days, for 56 Mental Health organisations.



For the same period, the incidents reported by degree of harm for mental health organisations is shown below.



- Highest reporting MH Trust – 5,852 incidents
- Lowest reporting MH Trust - 4 incidents
- Highest number of incidents resulting in Severe Harm - 41 incidents
- Lowest number of incidents resulting in Severe Harm - 7 Trusts reported no Severe Harm incidents
- Highest number of Deaths reported - 61 incidents
- Lowest number of Deaths reported - 3 Trusts reported no Deaths

It can be seen that we were a relatively low reporter of severe harm incidents and deaths in this period. The considerable variations in reporting between Trusts suggest that comparisons are hazardous as we may not be comparing like with like.

## B. October 2014 to March 2015

The following information is provided on a provisional basis only, and should be treated with caution as it has not yet been validated by the National Reporting and Learning System (NRLS).

- 1,752 incidents reported by the Trust (as at 14/04/2015)
- Safety incidents involving severe harm (as a percentage of all patient safety incidents reported) – 0 (0%).
- Safety incidents involving death (as a percentage of all patient safety incidents reported) – 11 (0.6%).

### Summary:

	April 14 to Sept 14	Oct 14 to Mar 15
<b>Total patient safety incidents</b>	2,086	1,752
<b>Rate per 1000 bed days</b>	23.1	Not yet available
<b>Severe harm incidents as % of all</b>	1 (0.05%)	0 (0%)
<b>Deaths as % of all</b>	12 (0.6%)	11 (0.6%)

Overall, the Trust's reporting rate is generally within the middle 50% of Mental Health services reporters. This provides some assurance that our systems are consistent and reliable and that the Trust has an open reporting culture.

The NRLS system is about certain types of incident only; it does not include many of the Trust's incidents which occur in community settings.

Our overall aim remains to be a good reporter of all incidents (from which we can always learn), whilst reducing serious incidents with an aspiration to reach zero suicides per year.

To that end, we are involved in two key patient safety projects; Sign up to Safety a NHS England safety initiative which aims to deliver harm free care for every patient and supports staff to improve the safety of patients and Safer Care Pathways in Mental Health a two year project to support clinical teams with care pathway improvement in mental health care, funded by the Health Foundation.

We are also co-ordinating another project -Spot the Signs: Save a Life – funded by East and North Herts CCG, where we have organised training for over 100 primary care staff including GPs this winter in detection of depression and suicidal thoughts, as part of an initiative to raise awareness of suicide in Hertfordshire, especially among males aged 40 to 65.

It can be seen that our approach to patient safety in all its forms is to combine staff with expertise in assessing and managing clinical risks when they find them, with systems that are safe and supportive to operate within – for staff, service users and carers alike.

## 4.4. Statements of Assurance

### 4.4.1. Review of Services

During 2014/2015 the Trust provided 18 services with their own specification in the contract with commissioners.

In compiling this quality account, the Trust has reviewed all the data available to it about quality of care across all services. This has been done in terms of the three domains of quality – safety, clinical effectiveness and service user and carer experience – but also with a focus on staff measures. There was enough information for this to be done across the whole Trust.

The income generated by the NHS services reviewed in 2013/2014 represents 100% of the total income generated from the provision of services by the Trust in this period.

## 4.4.2. Clinical Audits

### National Audits

During the year, three national clinical audits and one national confidential enquiry covered the services that we provide.

In this period, we participated in 66% (2 of 3) of relevant national audits and 100% (1 of 1) of relevant national confidential enquiries.

The audits and enquiries that we were eligible to participate in during the year are as follows:

- POMH UK Topic 14a: Prescribing for Substance Misuse (Alcohol Detoxification)
- POMH UK Topic 12b: Prescribing for Personality Disorder
- POMH UK Topic 9c: Prescribing for People with a Learning Disability
- National Confidential Enquiry into Suicides and Homicides

The audits and enquiries that we did participate in during the year are as follows:

- POMH UK Topic 12b: Prescribing for Personality Disorder
- POMH UK Topic 9c: Prescribing for People with a Learning Disability
- National Confidential Enquiry into Suicides and Homicides

We did not participate in the national audit of prescribing for substance misuse because we no longer provide stand alone substance misuse services.

This year, as previously, we have made sure we contribute data fully to the National Confidential Inquiry into Suicides and Homicides and have received our own report which allows us to compare our performance with other Trusts.

In most respects we are close to average, but we are different from the average on two points:

Indicator	HPFT	National average
Proportion of suicides by those under care of the mental health service	15%	27%
Proportion of suicides under mental health service where last contact was within 7 days	53%	49%

This information can be interpreted in various ways. We are encouraged that we seem to have a good record in keeping Hertfordshire residents safe. We also share the second figure with staff, telling them that they seem to be focussing their efforts on those who are most at risk, whilst reminding them of the privileged opportunity they have to intervene to prevent a suicide in many cases because they are so closely involved.

It should be noted that this information refers to the period 2002 to 2012 so does not reflect the position now.

## Prescribing Observatory for Mental Health – UK (POMH – UK)

Our participation in these audits is shown below.

The Topic 12b report findings have been reviewed by us during the year and we will take the following actions:

- Ensure that good results are widely shared so that all teams achieve equally high standard
- Examine whether prescribing is complementing psychological therapies effectively so that admissions to acute inpatient care are prevented wherever possible

Our results were above the national average as shown below:

	HPFT compliance rate	National compliance rate
<b>Audit standard 1</b>	80%	70%
<b>Audit standard 2</b>	85%	80%

This means that our prescribing of benzodiazepines and sedatives was more controlled and clinically appropriate than the national average.

Topic 9c data is still being analysed nationally.

Topic	Trust Participation		National Participation	
	Teams	Submissions	Teams	Submissions
<b>Topic 14a: Prescribing for Substance Misuse (Alcohol Detoxification)</b>	0 Teams	0 Submissions	174 Teams	1197 Submissions
<b>Topic 12b: Prescribing for Personality Disorder</b>	12 Teams	136 Submissions	522 Teams	4014 Submissions
<b>Topic 9c: Prescribing for People with a Learning Disability</b>	19 Teams	359 Submissions	TBC	TBC

## National Audit of Schizophrenia

Although we participated in this audit in 2013/2014, we received the results in late 2014 and have since published our action plan.

This assessed the quality of care for people with schizophrenia across a number of domains including service provision and experience, physical health and prescribing practice.

**Findings:** Monitoring of physical health risk factors was above average. Availability and uptake of psychological therapies, as well as prescribing practice were average. Reports from service users saying they received a psychological intervention were below average.

Some more detailed results are shown below:

NAS standard	HPFT	national
<b>S14</b>		
a) CBT has been offered to all Service Users	45-50% (above average)	40%
b) Family intervention has been offered to all Service Users who are in close contact with their families	25-30% (above average)	20%
<b>S15</b>		
Each Service User has a current care plan	100% (above average)	95%
<b>S16</b>		
Each Service User knows how to contact services if in crisis	80-85% (above average)	70-75%

#### **Actions:**

- Educate patients on what psychological therapies are available. The psychology lead for the targeted treatment teams will ensure all patients in contact with the team will receive a leaflet outlining what psychological services are available by June 2015
- An HPFT psychologist will deliver training to community teams in the Trust on psychological interventions for psychosis by June 2015.
- Physical health training for nursing staff – a series of training sessions have been organised by the training department.
- The medicines management department will organise training for community teams in HPFT on obtaining medicines information by June 2015.

#### **Local Audits**

The formal Clinical Effectiveness Programme which contains 40 audits completed 37, with three being withdrawn in the year.

A further approximately 40 local audits have been completed during the year.

The reports of these 77 audits were reviewed by the Trust during the year. Examples of actions taken are shown below.

Audits both local and wider have produced examples of excellent practice which have given considerable assurance to senior clinicians and managers with regard to the quality of services.



Positive results have been found in areas as diverse as timely and accurate GP letters after psychiatric outpatients appointments, use of the nutrition and dysphagia screening tool on inpatient units, NICE compliant practice with regard to the treatment of epilepsy in adults with learning disability, and high quality care in the Specialist OCD Clinic.

Audits have often been effective as a quality improvement tool; for example audit confirmed a concerning position with regard to completion of risk assessments last Autumn, this led to a major project which has achieved a rate of 87% completion at the end of the year

All – whether local or on the programme – are subjected to the same scrutiny at the Practice Audit Implementation Group– where each audit is approved if it reaches an acceptable standard and then decisions are made about who needs to know about the results.

We ensure that local audits have areas of priority for the Trust as their subject; this year this has meant a good range of audit evidence around topics such as timeliness of GP letters, physical health checks and discharge notifications and summaries

The following audit reports caused some concern during the year and results were shared with commissioners:

- **CAMHS Response to Missed Appointments.**

In 2013 the Trust audited practice around the responses of CAMHS clinic staff when children and young people do not attend appointments. Results were uneven and were shared with commissioners because of the potential patient safety issues. It was agreed to complete the audit cycle by making some changes in policy and practice and then re-auditing this year.

The Trust policy was duly revised with acknowledgment of the sensitive confidentiality issues for your people and the need to take further steps only where current clinical risks had been identified. CAMHS staff were made aware of the revised procedures, and their importance.

The re-audit did not show significant improvement. The Senior Management Team was engaged in agreeing a stronger set of actions which included reducing DNAs through “assertive calling” in SPA once a first appointment has been sent.

- **Discharge Notifications and Discharge Summaries.**

Good communication of key clinical information for each service users discharged from inpatient care is an essential aspect of discharge planning and support to GPs.

The 2014 re-audit found improvement in all areas compared to the previous audit, but room for more. The relevant Clinical Directors were involved in agreeing actions for improvement and it is expected that this will be included in a CQUIN Goal in 2015/2016 so that improvements are first made and then sustained.

## **National Accreditations and Quality Networks**

Our record is reported here by HQUIP. We very much value these chances to share our practice with others and to adopt these nationally recognised quality standards in several of our services.

Often there is considerable preparatory work before formal accreditation begins. This is the case for us with ECT Accreditation, where now that our whole ECT service is on one site at Kingfisher Court we are undertaking our own audit before applying for accreditation.

	Trust Participation	National Participation
<b>Service Accreditation Programmes and Quality Improvement Networks</b>		
<b>Eating Disorder Inpatient Wards</b>	0 wards	36 wards
<b>Forensic Mental Health Units</b>	3 services	110 services
<b>Inpatient Child and Adolescent Wards</b>	1 wards	120 wards
<b>Inpatient Rehabilitation Units</b>	0 wards	45 wards
<b>Learning Disability Inpatient Wards</b>	0 wards	20 wards
<b>Mother and Baby Units</b>	1 units	15 units
<b>Older Peoples' Inpatient Wards</b>	1 wards	54 wards
<b>Psychiatric Intensive Care Wards</b>	2 wards	37 wards
<b>Working Age Inpatient Wards</b>	0 wards	163 wards
<b>Child and Adolescent Community Mental Health Teams</b>	0 teams	56 teams
<b>Crisis Resolution and Home Treatment Teams</b>	0 teams	36 teams
<b>Electroconvulsive Therapy Clinics</b>	0 clinics	82 clinics
<b>Memory Clinics</b>	4 clinics	91 clinics
<b>Perinatal Community Mental Health Teams</b>	0 teams	20 teams
<b>Psychiatric Liaison Teams</b>	2 teams	57 teams

In a recent article for her SBU's Sharing Good Practice newsletter Dr Ann Roberts Consultant Psychiatrist wrote about her experience of accreditation at the Mother and Baby Unit:

"Thumbswood is currently accredited by the Royal College Perinatal Quality Network and is due a re-accreditation visit on 17 April 2015. Re-accreditation visits occur every three years and peer review visits occur annually between the accreditation visits.

We would not exist without accreditation since we are dependent on national Specialist Commissioning which in turn is dependent on us being accredited.

The Perinatal Quality Network has over 300 national standards against which Thumbswood Mother and Baby Unit and all other MBUs in the UK are assessed.

The standards are in the areas of access and admission, environment and facilities, staffing, care and treatment, information confidentiality and consent, rights and safeguarding, audit and policy and discharge. Prior to the visit we provide information on all these aspects of care and then the whole day visit takes place.

While some people may view this process as challenging and critical, we have embraced it and used it to continually review and improve our service and the care we provide. As a result, we have improved our staffing ratios, recruited a psychologist, nursery nurse and music therapist and improved the environment. We have encouraged ex and current service users and their partners and relatives to be part of the process.

Being part of the Perinatal Quality Network enables all senior staff to visit other Mother and Baby units as part of their peer review and accreditation process. We learn a huge amount from these visits which we can embed in our own practice to improve the care for our mothers and babies.

Thumbswood firmly believes in the principle of 'Doing the Basics Well'. This includes having an open, honest, collaborative approach to care, involving partners and family as much as possible and respecting each person's role and expertise. Everything leads from this resulting in a ladder to excellence. Here are a few examples of what we have done to provide better care for our mothers and babies. Most of these are very simple and simply require organisation and a will to implement rather than more staff or money.

All this has helped us to feel very proud of what we do and privileged to be able to care for women at a most vulnerable and challenging time of their life. I hope we remain humble enough to realise that we sometimes get things wrong and can still do better. Our accreditation visit will inform us of the areas in which we have to improve."

#### **4.4.3. Research and Development.**

The Trust R&D Department has expanded over the last year as a result of increased network funding and several successes with grant applications.

In April 2014 HPFT moved from the Hertfordshire and Essex Comprehensive Local Research Network (CLRN), to the much larger Eastern Clinical Research Network (CRN). CRN Eastern is funding 3 consultant research sessions (one in Old Age Psychiatry, one in Learning Disability and one in Obsessive Compulsive Disorder) and also provides a full-time Clinical Studies Officer to the Trust R&D Department to facilitate recruitment of HPFT service users into UK CRN portfolio studies. These are the research studies that are recognised as being of national priority within the NHS.

The number of service users receiving Trust services provided by us during the year that were recruited during this period to participate in research approved by a research ethic committee was approximately 190. Many of the studies are quite complex and involve long-term interventions and follow-up. This is an increase on our previous year's recruitment to portfolio research and means that we will retain the current level of CRN support and funding into 2015/16.

We also had a number of smaller-scale studies running, including projects that have been carried out as part of clinical doctorates and other post-graduate qualifications. Some of these smaller studies involve service users but many involve Trust staff and services. All research studies involving our service users have full ethics and R&D approval, and are routinely monitored by the Trust R&D Department and R&D Committee.

HPFT has a strong track record of success with National Institute of Health Research (NIHR) Research for Patient Benefit (RfPB) grants. In the past year we have just completed an NIHR-RfPB funded Evidence Synthesis Project on behavioural problems associated with dementia.

This was a collaborative study with colleagues at The University of Hertfordshire and involved an extensive literature review, and multi-stage consultation with our staff, service users and carers. We expect the results to be published in the forthcoming year.

We also began work on 3 new NIHR-RfPB funded studies, all in which HPFT is the sponsor and lead clinical site. The first one (OTO) is a feasibility study comparing pharmacological and psychological approaches, both separately and in combination, in the treatment of Obsessive Compulsive Disorder in adults. The second (EBI-LD) is a randomized controlled trial of a personalised psychological intervention for people with learning disability who would benefit from reducing their alcohol intake. The third (WIELD) is a randomized controlled study of a new educational aid (Books Beyond Words) which is targetted at service users with learning disability who suffer from epilepsy. Recruitment to all three studies is still open and much more detailed information about them can be found on the Trust website or by contacting the Trust R&D Department.

We are also very pleased to announce that two new funding applications to NIHR-RfPB have also been successful and we are finalising details of these before the funding contracts are signed. The first of these will look at the relationship between autism and forensic mental health problems, with particular emphasis on the relationship between subtypes of autistic spectrum disorder, care pathways and outcomes. The second will be a randomized controlled trial of a new mentalisation-based family support therapy for foster carers and looked-after children within CAMHS. Being the sponsor for these NIHR-funded studies generates additional Research Capability Funding for the Trust R&D Department and brings prestige to the Trust.

A recent research initiative in Older Peoples Services, which has led to the development and feasibility assessment of a first aid course for carers of people with dementia, has been shortlisted for a BMJ Award. We will be undertaking more extensive work to look at the longer term benefits to carers who attend such a course over the coming year.

In HPFT we are keen that all staff interest themselves in evidence-based practice and in understanding better the nature of the psychiatric disorders that trouble service users. R & D is seen as playing a small but significant role in promoting this culture, as well as providing staff with the opportunity to stretch the frontiers of knowledge themselves.

#### 4.4.4. Commissioning for Quality and Innovation (CQUIN).

2.5% of our income in 2014/2015 was conditional on achieving quality improvement and innovation goals agreed between us and our commissioners, through the CQUIN payment framework.

We have CQUIN goals with all our commissioners – local and specialist – but the one with our two Hertfordshire CCGs is the most significant. Details of this are shown below.

#### CQUIN Table: Summary of goals

	Name	Description	Weighting (% of CQUIN scheme available)	Expected financial value of Goal (£)	Quality Domain (Safety, Effectiveness, Patient Experience or Innovation)
1	Friends and Family Test	mandatory	15%	£448,650	Patient Experience
2	NHS Safety Thermometer	mandatory	5%	£149,550	Safety

3	Improving diagnosis in mental health	mandatory	20%	£598,200	Effectiveness
4	Dementia	Use of the dementia challenge toolkit to improve quality of care	15%	£448,650	Patient Experience
5	CAMHS	Improving access to CAMHS services	15%	£448,650	Patient Experience
6	Green Light toolkit (2 years)	Improved access to mental health services for people with learning disabilities	15%	£448,650	Patient Experience
7	Values and Behaviours	Developing a workforce whose values and behaviours ensure the highest quality of care	15%	£448,650	Innovation
<b>Totals:</b>			100.00%	£2,991,000	

Achievement of all these goals has been a high priority; several also feature as Quality Account indicators.

Income conditional on achievement of these goals is £2,991,000. We achieved £2,739,008 – 92% of the total available.

#### 4.4.5. Care Quality Commission

We are required to register with the Care Quality Commission and our current registration status is “fully registered without conditions”. This has been the case throughout the year.

The CQC has not taken enforcement action against us throughout the year.

We have not participated in any special reviews or investigations by the CQC during this period.

We have continued to receive Mental Health Act Commission inspection visits and have a robust process in place for responding to any recommendations that are made.

At the end of April we will have a full CQC inspection following the new comprehensive model. In the latter months of 2014/2015 this gave us an added incentive and framework to check the quality of care we provide using the Key Lines of Enquiry headings of “Safe, Effective, Caring, Responsive, and Well-led”.

We have also made careful use of the Quality and Risk Profiles and more recently the Intelligent Monitoring Reports to test out our internal view of the quality of services.

#### 4.4.6. Information Governance

We submitted records during the year to the Secondary Uses service for inclusion in the Hospital Episodes Statistics which are shown in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 99.3% for admitted patient care
- 99.9% for outpatients

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 98.2% for admitted patient care
- 100% for outpatients

Our overall score for the Information Governance Assessment Report 2014/2015 was 79%. We attained Level 2 or above on all requirements.

We were not subject to the Payment by Results clinical coding audit during the year by the Audit Commission. We were audited in November 2014 by the London Clinical Coding Academy:

The results were:

- Primary Diagnosis Correct - 100%
- Secondary Diagnosis Correct – 97.65%

We will take action to improve data quality and clinical coding as follows:

- Continue to carry out regular clinical coding audits on the new electronic patient record system (PARIS).
- Continue to undertake an annual audit of clinical records keeping standards
- Continue to be involved in the development of PARIS to ensure clinical coding requirements are embedded.

### 4.5. Other Aspects of Quality




#### 4.5.1. Trust Services

In this section, further information is given about quality of care by service.

Child and Adolescent Mental Health Services have had a very busy year. In the Specialist CAMHS Clinics there has been a particular push this year to improve access (see D. above).

Results were as follows:



	Target (proportion of referrals to which we respond in the given time)	Q4	Result
<b>Access in crisis within 4 hours of referral</b>	90%	95.6%	
<b>Urgent access within 7 days of referral</b>	75%	92.1%	
<b>Routine access within 28 days of referral</b>	75%	87.9%	

NB: these results have not yet been confirmed by commissioners.

We feel strongly that there is no point having good services if they are not easily available when needed. We are very proud of these results which we believe are hard to beat on a national scale.

Our adolescent inpatient unit at Forest House, Kingsley Green has had a tough year now that it is subject to specialist commissioning, which means that it provides inpatient care to young people from much further afield than just Hertfordshire. The very worrying increases in demand for CAMHS care nationally, combined with a historical lack of investment in services and a national shortage of inpatient beds have been reflected in the pressures on Forest House.

We are grateful that local commissioners have recognised these pressures and provided some new funding which has enabled us to set up a new Crisis Service for those most urgently in need.

Mental Health Services for Older People have also seen a great deal of change. We now have fewer separate teams in the community services, but the same functions which are now operating more efficiently. For example our Intensive Outreach Teams have been disbanded, but we are now able to see older people in urgent need more quickly than before.

The Early Memory Diagnosis Assessment and Support Services (EMDASS) have experienced very high demand, which means that at the end of the year waiting times were too long with around 60% of those referred waiting more than 6 weeks. We have made proposals to GPs and commissioners about how this can be improved.

Our new Deputy Director of Nursing and Deputy Director Safer Care are having a significant impact on the quality of nursing care for older people on inpatient units. Care standards for falls and pressure ulcer prevention have been driven up through training and strong leadership.

Many aspects of community mental health services and acute mental health care have been noted elsewhere in this account. We are proud of the alternatives to admission that we can offer such as the Acute Day Treatment Units now based in Hemel and Stevenage, and the host families scheme. But for each month in 2014/2015 there was some non-HPFT bed usage, meaning that there was not always an inpatient place available for Hertfordshire residents when they needed it. This illustrates the pressures the service has been under. A range of initiatives are underway to improve the capacity and efficiency of the acute services so that everyone who needs it can access acute care in a timely fashion.

Kingfisher Court has taken more than four years of designing and planning by staff, service users and carers, an investment of £42million and is a fantastic achievement for the Trust. In November 2014, the final three wards, Owl, Robin and Dove, opened with service users being transferred from inpatient units in Watford and the QEII Hospital in Welwyn.

The design of Kingfisher Court drew upon international best practice to create a therapeutic environment to support people in their recovery from mental illness and people with a learning disability. The building has been highly praised by visitors, including leaders in mental health in England and overseas, and the former Deputy Prime Minister Nick Clegg who visited the facility after the first two wards had opened.

In community services, we have concentrated on core aspects of care such as completion of risk assessments and CPA reviews, in a year when the new model of care has needed to become fully established. At times, in the face of increased demand for services, our capacity has been greatly stretched and there have been some teams where recruitment difficulties have exacerbated the problem.

In response to challenges in community mental health services, we have brought in extra managers to support teams in their effectiveness and begun to use the peer support worker and employment and accommodation worker posts to their full effect to help service users take more control over their own lives.

From April 2014, we have also worked with Hertfordshire County Council's Money Advice Unit to bring this support closer to community service users. Money advisors have operated through the year at our community bases helping people with problems with benefits and debt. This project began because of a recognition of the vulnerability to depression and even suicide for those experiencing financial difficulties because of the recession.

Movements into the new purpose-built hubs – culminating in the NW services moving to Waverley Road in St Albans in April - have helped service users and staff alike appreciate the investment in their well-being and provided premises to be proud of.

In Learning Disabilities Services, as part of the National Transforming Care Programme (Improving the Lives of People with a Learning Disability), we have taken part in external care and treatment reviews to make sure that all those who are able to live outside a hospital campus are enabled to do so. The 23 reviews so far in the Specialist Residential Services at Kingsley Green have gone well. Services have been deemed to be providing good, safe care, although we have been challenged with our social care colleagues to show more positive risk taking and care planning in our practice.

This review also included Lexden Hospital, Colchester. The review team's feedback about the management of a particularly challenging individual including these comments:

*"Many thanks again for accommodating us for the Care and Treatment Review yesterday...The experience again was very positive and both the Independent Clinician and Expert by Experience asked me to feedback to the unit that the staff team should be commended for their commitment to the patient and the quality of support they provide. The Expert by Experience actually said "if my son had to go into hospital I would like him to go here!"*

In Hertfordshire the IAPT service (now known as the Well-being Service) achieved its access targets, meaning that 4,902 people entered treatment during the year. In Mid Essex and North East Essex access targets were also achieved (1,517 and 1,418 people respectively entering

treatment). This means that HPFT is now bringing psychological treatment to a considerable number of people each year who have not previously had a service.

Our reputation in this area helped us win the contract to branch out further and provide IAPT services from 1st April 2015 in West Essex also.

#### 4.5.2. Service User Experience

It seems fitting towards the end of this account to return to the service user experience and what we have done during the year to improve it. We know that each individual's experience of HPFT is different, and that there can be good and bad in each person's views of the Trust.

Our team that deals with complaints and Patient Advocacy and Liaison services (PALS) also leads on organising a range of other ways we can now hear from service users and carers about their experience – together called Having Your Say.

A short summary of this activity is as follows:

	Q1	Q2	Q3	Q4	total
<b>PALS contacts received</b>	138	138	148	138	562
<b>Compliments received</b>	304	308	267	383	1262
<b>Complaints received</b>	56	71	62	59	248
<b>Service User HYS completed</b>	821	906	719	713	3369
<b>Carer HYS completed</b>	111	96	72	137	416

IAPT services use the Patient Experience Questionnaire as their main source of feedback. For example, in Quarter 4 364 people completed the PEQ, with over 95% reporting that they were listened to and that their concerns were taken seriously at all times.

Through the year, the highest number of complaints were in the community mental health services. We know that historically this has not always been the case, even though they have the highest numbers of service users (apart from IAPT). Given the demand pressures on these services and the recruitment issues mentioned earlier, this complaints information confirmed our assessment that extra support was needed. Extra managers and practitioner posts have been created, alongside the other measures to help these services provide consistently good care.

HYS data is rich, with considerable numbers of responses and many comments made as well as boxes ticked. We are especially encouraged by the increase in carer responses in Q4.

Often we tend to use this feedback data alongside other quality indicators about clinical effectiveness, incidents or staffing, to understand both where services are operating very well and where there are particular problems. When there are problems, sometimes the solutions lie in the suggestions we receive.

In Quarter 3 many units told us and their service users what actions they had taken in response to HYS. We were then able to show that satisfaction rates in the following quarter as shown by HYS had improved considerably in those particular areas. Whilst we cannot prove a causal link, we see this as a very positive indicator of the value of service user feedback in directing us to where we can make further improvements in their experience.

Some examples are:

Team	Type	Action in response to HYS (Q3)	Change in score (Q4)	HYS question
<b>Beech Unit</b>	low secure mental health unit, Kingsley Green	Individual weekly cookery sessions introduced and table top activities and table tennis table bought	50% increase in satisfaction	Physical activities
<b>Broadlands Clinic</b>	Medium secure learning disabilities unit, Norfolk	Be more aware of need to use easy words as well as easy-read	83% increase	Do staff use easy words?
<b>Hampden House</b>	Inpatient rehabilitation unit, Hitchin	Use residents' meetings to encourage service users to engage in activities	14% increase	Physical activities
<b>Oak Unit</b>	Psychiatric intensive care unit, Kingsley Green	Ask individuals which activities they prefer.  Use community meetings to ask for group activity ideas.  Promote use of the gym.	21% increase	Physical activities
<b>Owl</b>	Acute inpatient unit, Kingfisher Court	Make best use of one to one time with service users  Have regular discussions about care plans and provide copies	23% increase	Staff explain the service and how it will help me
<b>Thumbswood Unit</b>	Mother and baby inpatient unit, Kingsley Green	We will make sure we explain the service and how it will help you	37% increase	Staff explain the service and how it will help me

## Part 5 – Final Notes

This report has been produced in accordance with the Quality Accounts Toolkit 2010-2011 (Department of Health 2010).

Other relevant documents are Quality Accounts: Reporting Arrangements for 2014/2015 (Department of Health 2015) and 2014/2015 Detailed Requirements for Quality Reports (Monitor, 2015).

The NHS Foundation Trust Annual Reporting Manual 2014/2015 and Monitor's 2014/2015 Detailed Guidance for external assurance on quality reports have also been sources of information.

The report is written to form the quality report section of the annual report and to be the Quality Account. We appreciate the feedback we have received from partner agencies shown in Appendix 3. We will show we have reflected this feedback in the final Quality Account when it is published in June.

Some acronyms are used, although they are avoided where possible. A glossary is to be found in Appendix 1.

# Appendix 1








## Glossary





ADHD	Attention Deficit Hyperactivity Disorder
AMH	Adult Mental Health
CAMHS	Child and Adolescent Mental Health Services
CATT	Crisis Assessment and Treatment Team
CBT	Cognitive Behavioural Therapy
CCG	Clinical Commissioning Group
CEDS	Community Eating Disorders Service
CMHT	Community Mental Health Team
CPA	Care Programme Approach
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
EDS	Equalities Delivery Scheme
EMDASS	Early Memory Diagnosis and Support Services
EPMHS	Enhanced Primary Mental Health Services (IAPT)
FFT	Friends and Family Test
HoNOS	Health of the Nation Outcome Scales
HPFT	Hertfordshire Partnership University NHS Foundation Trust
HQUIP	Healthcare Quality Improvement Partnership
HSCIC	Health and Social Care Information Centre
HYS	Having Your Say
IAPT	Improving Access to Psychological Therapies
JCT	Joint Commissioning Team
LD	Learning Disabilities/Disability
MH	Mental Health
MHMDS	Mental Health Minimum Data Set
NICE	National Institute for Health and Clinical Excellence
NIHR	National Institute for Health Research
NRLS	National Reporting and Learning System
OCD	Obsessive Compulsive Disorder
POMH UK	Prescribing Observatory for Mental Health – UK



Q	Quarter (3 month period)
PBR	Payment by Results
R and D	Research and Development
RAID	Rapid Assessment Interface and Discharge
RfPB	Research for Patient Benefit
SBU	Strategic Business Unit
SPA	Single Point of Access
SSRI	Selective Serotonin Reuptake Inhibitor ( a type of anti-depressant medication)
UK CRN	UK Clinical Research Network

## Appendix 2: Quality Indicators Data Set 2014/2015

Area	Indicator	Result	Baseline	Target	Q1	Q2	Q3	Q4
Safety	1 Rate of Service Users with a completed up to date Risk Assessment		60.0%	90% in Q4	66.9%	72.0%	81.7%	87.2%
	2 Rate of inpatients reporting feeling safe		81.0% (year average)	81.0% (year average)	74.5%	72.8%	79.8%	
	3 Delivery against 'Making Our Services Safer' CQUIN target		n/a	Achievement of CQUIN goal	n/a	n/a	n/a	achieved
	4 Waiting time targets as contractually defined for CAMHS		n/a	Achievement of CQUIN goal	n/a	n/a	n/a	achieved
Effectiveness	5 Rate of community service users saying the services they receive have helped them look to the future more confidently		56.0% (year average)	56.0% (year average)	50.9%	52.4%	54.8%	15
	6 Proportion of those on CPA for at least 12 months who had a CPA review within the last 12 months		n/a	95.0% in all quarters	97.1%	96.5%	95.6%	96.0%
Experience	7 Friends and Family Test (FFT) asking whether the service user would recommend the service to friends and family		n/a	61.8% (year average)	63.1%	58.2%	67.9%	78.0%
	8 Rate of carers that feel valued by staff		78.0% (year average)	78.0% (year average)	68.3%	72.8%	84.1%	74.7%

Area	Indicator	Result	Baseline	Target	Q1	Q2	Q3	Q4
Staff	9 Staff Friends and Family Test (FFT) -staff saying they would recommend Trust services to friends and family if they needed care and treatment		57.8% (year average)	61.0% (year average)	68.9%	63.2%	60.0%	58.3%
	10 Staff Friends and Family Test (FFT) – “Staff saying they would recommend the Trust as a place to work”		43.2% (year average)	45.0% (year average)	50.7%	45.2%	47.0%	44.9%
	11 Rate of staff reporting feeling engaged and motivated at work		49.5% (year average)	49.5% (year average)	49.3%	44.2%	45.0%	46.6%
	12 Rate of staff that report experiencing physical violence from service users		13.4%	less than 12%	14.0%	8.1%	7.0%	3.9%
	13 Rate of staff that report having access to relevant training and development		79.8%	79.8%	72.0%	58.7%	52.0%	58.3%

## Appendix 3: Statements from Partner Agencies

### 3.1. Lead Commissioners

#### Hertfordshire Partnership University Foundation NHS Trust Quality Account Statement from Herts Valleys CCG & East and North Herts CCG

Both Herts Valleys Clinical Commissioning Group (HVCCG) and East and North Herts Clinical Commissioning Group (ENCCG) have considered the information provided in the Quality Account. We believe the information is a true reflection of the Trust's performance during 2014/15, based on the data submitted during the year as part of the on-going quality monitoring process.

Firstly we acknowledge the positive achievement of the Trust in achieving six of the local Quality Indicators in 2014/15. The three areas not achieved (concerning inpatients feeling safe, staff feeling engaged and motivated at work and staff accessing relevant training and development) echo some of the areas where commissioners consider more work is required. In addition the Hertfordshire target for service users with an up to date risk assessment is 95%, higher than the overall target of 90% set out in the quality account and so this target was not met for Hertfordshire. The reduction in the rate of carers who feel valued by staff is also a concern and we expect this to be a key area of attention in the coming year. Whilst we support the Trust ambition to make improvements across a broad range of quality areas we would recommend a focus on fewer areas to ensure there is sufficient focus for these to be achieved.

The opening of Kingfisher Court in 2014 has dramatically improved the environment for people accessing inpatient care and we welcome the Trust's continued investment in other sites around Hertfordshire as well. We look forward to seeing the full year impact of this investment on service user and carer experience, on indicators such as the Friends and Family test and more inpatients feeling safe. As set out in the report one key area for commissioners is for HPFT to improve the physical health of people experiencing mental ill health and whilst considerable progress was made in completing physical health checks in 2014/15, there is more to do in 2015/16.

The lack of avoidable pressure ulcers reported during the year is extremely pleasing. We have been impressed by the work within the Trust on reducing physical violence against staff and the reduction seen is to be commended, as evidenced by Trusts' success at the National Patient Safety Awards.

In mental health community services the Trust has made extensive changes to team structures in the year and there have been some implementation issues which the Trust has shared with commissioners promptly. Recruitment and retention within these teams is a concern we share with the Trust due to the impact on service users and carers and we welcome the acknowledgement of these issues in the Quality Account. These issues are reflected in the Trust's feedback from staff in the National Staff Survey and Staff Friends and Family test where commissioners share HPFT's view that improvement is essential.

The results of the CQC Community Mental Health survey were also disappointing. We continue to work with the Trust to mitigate these issues and this is a CQUIN goal for the Trust in the coming year. The initiatives the Trust have developed to reduce suicides are also valued, particularly as these come against a backdrop of an increase in suspected suicide rates, albeit from a low base.

We are pleased that the Trust has made considerable progress in delivering IAPT to substantially more people across Hertfordshire than in previous years and will continue to work closely with the

Trust to focus on both maintaining this progress and in delivering excellent recovery rates and we would expect a focus on Hertfordshire within quality priority 7, as well as the Trust's Essex services. Consistent achievement of targets for initial contact and treatment starts will assist this.

Within Learning Disability services we appreciate the Trusts plans to develop measures to monitor progress against Transforming Care.

Across Hertfordshire the Health and Wellbeing Board has commissioned a review of Child and Adolescent Mental Health services. The outcomes of the reviews will be considered by the Trust, along with other stakeholders early in 2015/16. Support for children and young people with mental health issues is a concern for all Health and Wellbeing Board partners and will require more work across all organisations. We acknowledge the Trust's improvement in initial waiting times within CAMHS in 2014/15 and the commitment to continuing to improve these, alongside a need to reduce waiting times for treatment after the initial assessment.

The Trust's Patient Safety team have been through a period of change but as the year has gone on commissioners have seen a noteworthy improvement in Root Cause Analysis reports with more robust Action Plans and greater sharing of learning across the whole organisation, however there is further improvements to make. The section in the report on Patient Safety would be strengthened by greater detail on the types of Serious Incidents reported by the Trust and the key actions and learning resulting from these. Reporting on the NRLS system remains within the middle 50% of Trusts but has declined from 2013/14 so should be monitored closely within the Trust in the coming year.

We welcome the summary of audits provided in the Quality Account and the learning from these. We are disappointed that a similar summary of feedback from complaints and compliments and the changes the Trust has made as a result of the learning from both these elements of feedback has not been included as this is key information. Whilst we know the outcomes of the Francis and Berwick reports have been considered by the Trust the actions taken as a result are not specifically mentioned in the Quality Account and a section on this would strengthen the report.

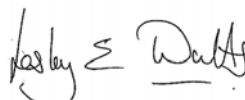
The Quality Account would be strengthened further if, where a quality priority was not met, the Trust provided more detail on the reasons for this and the actions being taken to deal with this. More benchmarking data and greater triangulation of data would also strengthen the report. Detail on areas where the Trust has experienced difficulties in year would be welcomed in order to provide a totally balanced picture.

Commissioners would also have expected to see sections in the Quality Account on safeguarding both children and adults as both continue to be areas where the Trust has experienced challenges in the year. For children in particular a summary of the Trust's response to the whole system CQC inspection published in March 2014 should have been included. The impact of the Cheshire West ruling on Deprivation of Liberty Safeguards (DoLS) has also been significant for the Trust and many other organisations and a summary of the Trust's response to this would be valuable.

We look forward to continuing to work closely with HPFT to further improve the quality and safety of the vital services they provide for the people of Hertfordshire over the coming year.



*Nicola Bell*  
Accountable Officer  
Herts Valleys CCG



*Lesley Watts*  
Chief Executive  
East & North Herts CCG

## 3.2. Hertfordshire Healthwatch

### Healthwatch Hertfordshire's Response to Hertfordshire Partnership University NHS Foundation Trust (HPFT) Quality Account 2015

Healthwatch Hertfordshire (HwH) is pleased to submit a response to HPFT's Quality Account which is a clear and accessible report. It is evident that the Trust has used its extensive consultation methods and outcomes of last year's priorities to identify priorities for the coming year.

In general the most relevant aspects have been identified, though we feel that more emphasis should be placed on the Child and Adolescent Mental Health Services (CAMHS) as a whole, in response to the current major national and local reviews of this service and the need for substantial improvement all round in its effectiveness.

CAMHS has been subject to a major review this year, led by Hertfordshire County Council (HCC) Public Health, and has shown some impressive improvements already as a result of previous Scrutiny and reviews, specifically in terms of access times post-referral. However, this whole service requires a major focus in the coming year to provide the full range of reorganised and service-user focused services needed for this age cohort.

The reports on last year's performance are appropriately reflected in the selection of priorities for this year. The progress on Kingsley Green and Kingfisher Court within it are commendable, although the challenging issue of public transport services to it is still not resolved. There is also no further information on the proposed development of general housing on the site to support the original concept of the facility being located in a community rather than on a separate specialist site, which would provide a much better and more normalising environment for resident and visiting service users.

Staff morale, recruitment, training and retention is clearly a vital aspect of overall performance. It is still a priority, but needs to be very high on the list of matters requiring resolution and improvement this year.

Tier 4 provision at Forest House is a concern, not so much for performance, but because of its becoming a nationally commissioned resource, rather than a local one. This reduces the capacity to provide for increased Tier 4 need locally. We await the outcomes of the National and local reviews of CAMHS on this issue.

HPFT has demonstrated that they have involved a wide variety of people and organisations to produce the Quality Account. Consultation with the Service User Council, Carer Council, Healthwatch Hertfordshire and the Transformation Stakeholder Group is robust, open, regular and respected. Their members are consistently communicated with and HPFT Governors meet regularly and communicate with members.

The Equalities Unit liaises well with representatives from all these groups to help meet equalities targets. Representatives are members of the HwH Mental Health and Learning Disabilities Service Watch Group and attend regularly.

There has been considerable development in services for older people and, in particular, the collaboration between HPFT, HCC, the Clinical Commissioning Groups, community organisations



and the Alzheimer's Society and its Dementia Friends initiative, has begun to enhance and broaden the range of provision and community support for this age group.

We are also pleased to see that the lives of people with learning disabilities have benefited from the scheme to enable them to live well in the community, rather than in residential care.

We congratulate the Board for winning the Board Leadership Award at the Health Service Journal awards ceremony. HwH is also pleased to have supported HPFT with the Patient Led Assessment of the Care Environment (PLACE) audits in 2014 (and currently in 2015) and commended the Trust on the way it carried out the 2014 assessments and the improvements resulting from these inspections.

HwH is pleased that the Trust meets with us on a regular basis and keeps us informed of developments and issues. HwH looks forward to working with HPFT in the coming year to support further quality improvements.

A handwritten signature in black ink, appearing to read 'M. Downing', with a stylized flourish at the end.

*Michael Downing, Chairman Healthwatch Hertfordshire, May 2015*

### 3.3. Hertfordshire County Council Health Scrutiny Committee



**Chairman  
Health Scrutiny Committee**

**Seamus Quilty  
County Councillor  
Bushey South**

County Hall  
Postal Point: CH0147  
Pegs Lane  
Hertford  
SG13 8DE

**Tel** 01992 556557  
**Fax** 01992 556575

**email:**  
seamus.quilty@hertfordshire.gov.uk

Dear Colleague

Unfortunately, due to purdah and Health Scrutiny Committee hosting the Budget café, the committee is unable to provide the resource needed to respond to the Quality Account. Despite this, regular communication between the Health Scrutiny Committee and the Trust over the past 12 months leaves us confident of continued support for the scrutiny process. The committee anticipates working with the Trust on future Quality Accounts.

Yours sincerely

Seamus Quilty  
Chair, Health Scrutiny Committee

## Appendix 4: Statement of Directors' Responsibilities in respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- The content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual
- The content of the quality report is not inconsistent with internal and external sources of information, including:
  - board minutes and papers for the period April 2014 to end of April 2015
  - papers relating to quality reported to the board and the Integrated Governance Committee over the period April 2014 to end of April 2015
  - feedback from the commissioners, dated 14th May 2015
  - feedback from governors, dated 12th February 2015
  - feedback from Hertfordshire Healthwatch, dated 11th May 2015
  - the Trust's draft annual complaints report, to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 14th May 2014
  - the 2014 national patient survey
  - the 2014 national staff survey
  - the Head of Internal Audit's annual opinion over the Trust's control environment, dated May 2015
  - Care Quality Commission quality and risk profiles and Intelligent Monitoring reports for the year
- The quality report presents a balanced picture of the NHS foundation trust's performance over the period covered
- The performance information reported in the quality report is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice

- The data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the quality report

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

By order of the board



Chair

date 27/05/2015



Chief Executive

date 27/05/2015



## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the council of governors of Hertfordshire Partnership University NHS Foundation Trust to perform an independent assurance engagement in respect of Hertfordshire Partnership University NHS Foundation Trust's quality report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Hertfordshire Partnership University NHS Foundation Trust as a body, to assist the council of governors in reporting Hertfordshire Partnership University NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Hertfordshire Partnership University NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Scope and subject matter**

The indicators for the year ended 31 March 2015 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 100% enhanced Care Programme Approach patients receiving follow-up contact within seven days of discharge from hospital; and
- admissions to inpatient services had access to crisis resolution home treatment teams.

We refer to these national priority indicators collectively as the 'indicators'.

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in the guidance; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.



We read the quality report and consider whether it addresses the content requirements of the '*NHS foundation trust annual reporting manual*', and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the specified documents in the guidance.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the '*NHS foundation trust annual reporting manual*' to the categories reported in the quality report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality



report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in the guidance; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.

*Deloitte LLP*

Deloitte LLP  
Chartered Accountants  
St Albans  
27 May 2015

# Hertfordshire Partnership University NHS Foundation Trust

Findings and Recommendations from the 2014/15  
NHS Quality Report External Assurance Review



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*This report sets out the findings from our work on the 2014/15 Quality Accounts.*

*We would like to take this opportunity to thank the management team for their assistance and co-operation during the course of our review*

Delivering informed challenge

Providing intelligent insight

Hertfordshire Partnership

University NHS Foundation Trust

NHS

Growing stakeholder confidence

Building trust in the profession

# Executive Summary

# Executive Summary

We have not identified any significant issues from our work.

<b>Status of our work</b>			Q3 Governance Risk Rating: <b>Green</b>		
<ul style="list-style-type: none"><li>We have completed our review, including validation of the reported indicators.</li><li>The scope of our work is to support a “limited assurance” opinion, which is based upon procedures specified by Monitor in their “Detailed Guidance for External Assurance on Quality Reports 2014/15”.</li><li>We have issued an unmodified opinion for inclusion in the 2014/15 Annual Report.</li></ul>					
				<b>2014/15</b>	<b>2013/14</b>
Length of Quality Report				<b>47 pages</b>	<b>49 pages</b>
Quality Priorities				<b>13</b>	<b>14</b>
Future year Quality Priorities				<b>11</b>	<b>11</b>

<b>Scope of work</b>	
We are required to:	
<ul style="list-style-type: none"><li>Review the content of the Quality Report for compliance with the requirements set out in Monitor’s Annual Reporting Manual (“ARM”).</li><li>Review the content of the Quality Report for consistency with various information sources specified in Monitor’s detailed guidance, such as Board papers, the Trust’s complaints report, staff and patients surveys and Care Quality Commission reports.</li><li>Perform sample testing of three indicators.<ul style="list-style-type: none"><li>The Trust has selected CPA 7 day follow up and Access to Crisis Resolution Teams as its publically reported indicators – the alternative was Delayed Transfers of Care.</li><li>For 2014/15, all Trusts are required to have testing performed on a local indicator selected by the Council of Governors. The Trust has selected “Rate of community service users saying the services they receive have helped them look to the future more confidently.”</li><li>The scope of testing includes an evaluation of the key processes and controls for managing and reporting the indicators; and sample testing of the data used to calculate the indicator back to supporting documentation.</li></ul></li><li>Provide a signed limited assurance report, covering whether:<ul style="list-style-type: none"><li>Anything has come to our attention that leads us to believe that the Quality Report has not been prepared in line with the requirements set out in the ARM; or is not consistent with the specified information sources; or</li><li>There is evidence to suggest that the CPA 7 day follow up and Access to Crisis Resolution Teams indicators have not been reasonably stated in all material respects in accordance with the ARM requirements.</li><li>Provide this report to the Council of Governors, setting out our findings and recommendations for improvements for the indicators tested: CPA 7 day follow up, Access to Crisis Resolution Teams and the local indicator – Positive Future survey question.</li></ul></li></ul>	

# Executive Summary (continued)

We have not identified any significant issues from our work.

## Content and consistency review



From our work, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015 the Quality Report is not prepared in all material respects in line with the criteria set out in the ARM.

Overall conclusion	
<b>Content</b>	<b>B</b>
Are the Quality Report contents in line with the requirements of the Annual Reporting Manual?	
<b>Consistency</b>	<b>G</b>
Are the contents of the Quality Report consistent with the other information sources we have reviewed (such as Internal Audit Reports and reports of regulators)?	

## Performance indicator testing



Monitor requires Auditors to undertake detailed data testing on a sample basis of three indicators. We perform our testing against the six dimensions of data quality that Monitor specifies in its guidance. From our work, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015, the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the ARM and the six dimensions of data quality set out in the “Detailed Guidance for External Assurance on Quality Reports 2014/15”.

	7 day follow up	Gatekeeping	Positive Future
<b>Accuracy</b>	<b>B</b>	<b>B</b>	<b>B</b>
Is data recorded correctly and is it in line with the methodology.			
<b>Validity</b>	<b>B</b>	<b>B</b>	<b>B</b>
Has the data been produced in compliance with relevant requirements.			
<b>Reliability</b>	<b>G</b>	<b>G</b>	<b>A</b>
Has data been collected using a stable process in a consistent manner over a period of time.			
<b>Timeliness</b>	<b>G</b>	<b>G</b>	<b>G</b>
Is data captured as close to the associated event as possible and available for use within a reasonable time period.			
<b>Relevance</b>	<b>B</b>	<b>B</b>	<b>B</b>
Does all data used generate the indicator meet eligibility requirements as defined by guidance.			
<b>Completeness</b>	<b>B</b>	<b>G</b>	<b>A</b>
Is all relevant information, as specific in the methodology, included in the calculation.			
<b>Recommendations identified?</b>	✓ <b>B</b>	✓ <b>B</b>	✓ <b>B</b>
<b>Overall Conclusion</b>	Unmodified Opinion	Unmodified Opinion	No opinion required

**G** No issues noted
**B** Satisfactory – minor issues only
**A** Requires improvement
**R** Significant improvement required



# Findings from our testing

# Content and consistency review findings

The quality report gives a representative picture of the Trust’s performance in the year

The Quality Report is intended to be a key part of how the Trust communicates with its stakeholders. Although our work is based around reviewing content against specified criteria and considering consistency against other documentation, we have also made recommendations to management through our work to assist in preparing a high quality document. We have summarised below our overall assessment of the Quality Report, based upon the points identified in our NHS Briefing on Quality Accounts.

Key questions	Assessment	Statistics
<ul style="list-style-type: none"><li>Is the length and balance of the content of the report appropriate?</li><li>Is there an introduction to the Quality Report that provides context?</li><li>Is there a glossary to the Quality Report?</li></ul>	<div>G</div> <div>G</div> <div>A</div>	Length: 47 pages
<ul style="list-style-type: none"><li>Is the number of priorities appropriate across all three domains of quality (Patient Safety, Clinical Effectiveness and Patient Experience)?</li><li>Has the Trust set itself SMART objectives which can be clearly assessed?</li><li>Does the Quality Report clearly present whether there has been improvement on selected priorities?</li><li>Is there appropriate use of graphics to clarify messages?</li><li>Does there appear to have been appropriate engagement with stakeholders (in both choosing priorities as well as getting feedback on the draft Quality Report)?</li><li>Does the Annual Governance Statement appropriately discuss risks to data quality?</li><li>Is the language used in the Quality Report at an appropriate readability level?</li></ul>	<div>G</div> <div>G</div> <div>G</div> <div>G</div> <div>A</div> <div>G</div> <div>G</div> <div>A</div>	<div>Patient Safety: 3</div> <div>Clinical Effectiveness: 5</div> <div>Patient Experience: 3</div> <div>Flesch reading score: 44.3</div>

G

 No issues noted

A

 Acceptable but could be improved

R

 Requires significant improvement

**Deloitte view**

We have used the Flesch Readability software to calculate a score of 44.3, which is at the lower end of the readability spectrum (1-100) with 60-70 range being ideal.

Particular areas of good practice are:

- List of indicators and clear explanations of the performance in the year against each one.

Possible areas for improvement next year include:

- Better use of graphs and other visual representation of the data to engage the readers more.
- Although the report contains a glossary, we recommend the Trust defines acronyms in the body of text first time they are mentioned.

# Care programme approach 7 day follow up

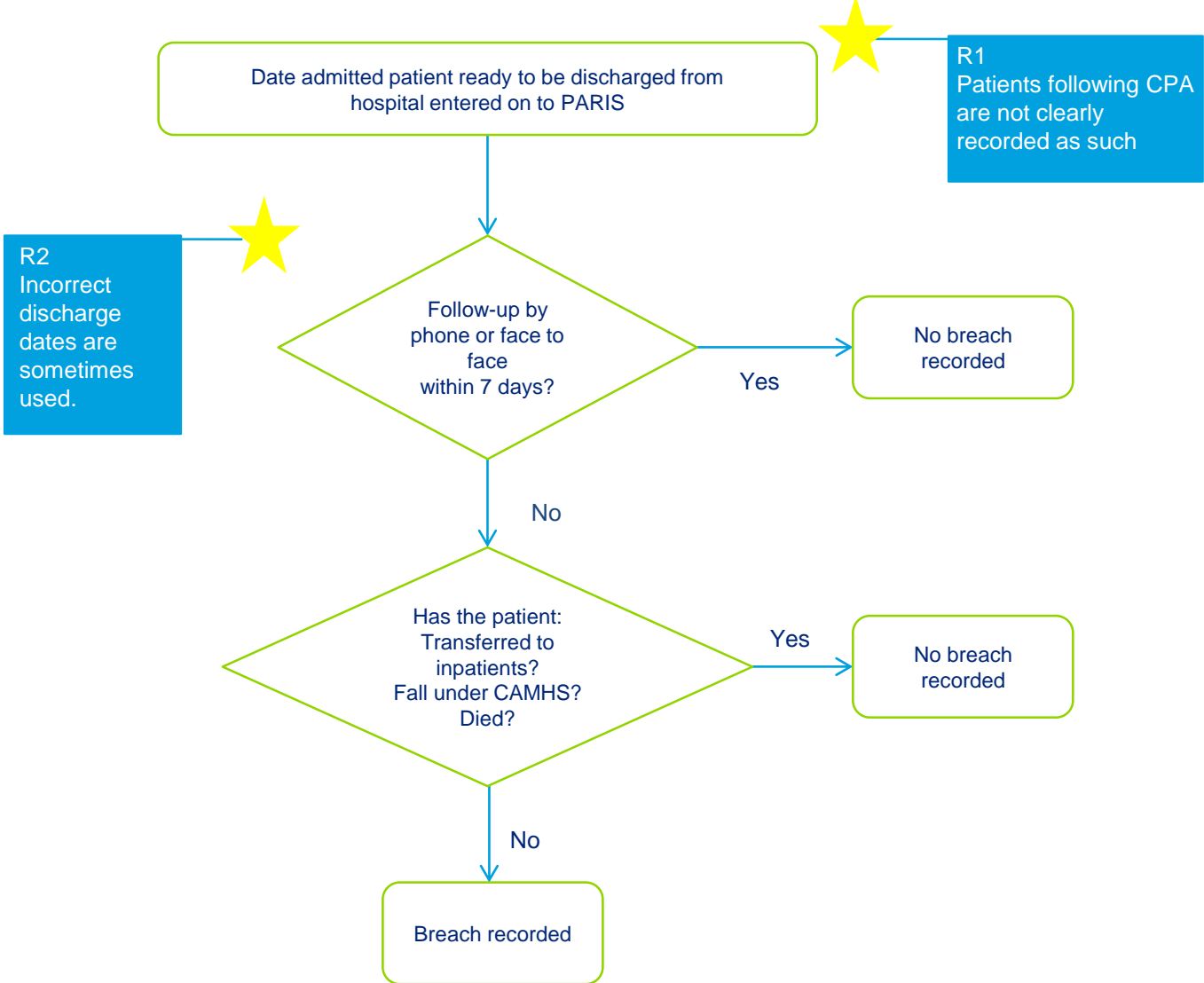
The Trust's process is unnecessarily manual

	Trust reported performance	Target	Overall evaluation
2014/15	Q1: 97.3% Q2:98.3% Q3: 100% Q4: 98.7%	95.0%/97.0%	B
2013/14	Q1: 98.9% Q2:97.8% Q3: 98.7% Q4: 98.6%	95.0%/ 97.0%	B
2012/13	Q1: 96.0% Q2: 97.0% Q3: 98.0% Q4: 99.0%	95.0%/ 97.0%	B

## Indicator definition and process

**Definition:** “The percentage of patients on Care Programme Approach who were followed up within 7 days after discharge from psychiatric in-patient care during the reporting period.”

Patients who are discharged from a mental health in-patient episode on a Care Programme Approach should receive a follow-up contact within seven days of the discharge. Relevant discharges include patients discharged to their place of residence, care home, residential accommodation, or to non-psychiatric care. All avenues must be exploited to ensure that the patients are followed up within seven days of discharge.

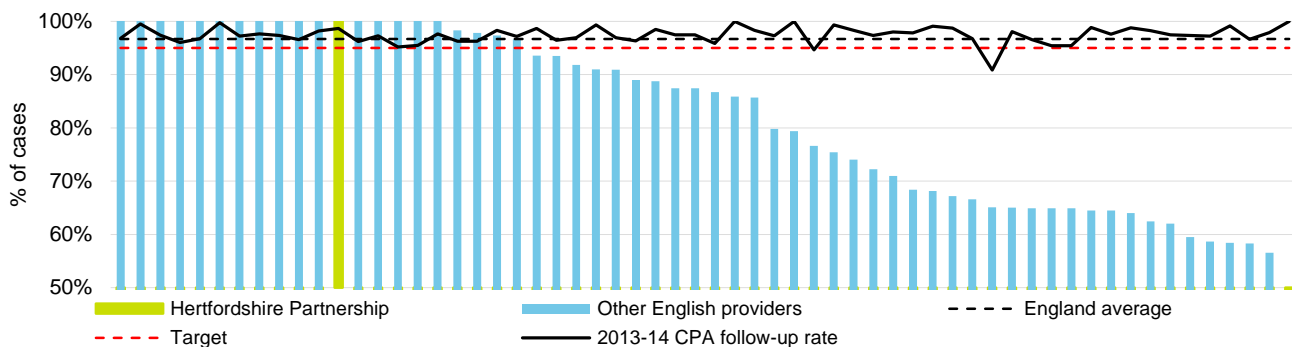


# Care programme approach 7 day follow up (continued)

## National context

The chart below shows how the Trust compares to other organisations nationally for 2014/15, the latest national data available.

### Care Programme Approach patients receiving follow-up within 7 days - 2014-15



Source: Deloitte analysis of Health and Social Care Information Centre data

## Approach

- We met with the Trust's leads to understand the process from discharge of a service user to the overall performance being included in the Quality Report.
- We evaluated the design and implementation of controls through the process. We discussed with management and used analytical procedures to identify whether there were any periods during the year or divisions within the Trust representing a greater risk that we should focus sample testing on.
- We selected a sample of 24 from 1 April 2014 to 31 March 2015 including in our sample service users who had and had not been followed up within 7 days.
- We agreed our sample of 24 to the underlying information held within PARIS including any reasons for excluding the selected sample from the indicator calculation.

## Findings

- We noted as part of our testing that "Current Care Level" (which identifies whether a service user is following Care Programme Approach or not) was not completed for a significant proportion of service users in PARIS. This meant that it was not always clear whether a service user should be included in the calculation or not without significant data validation from the Performance Improvement Team. This has resulted in a blue grading for validity and relevance and we draw your attention to [Recommendation 1](#).
- We also noted that due to the way the reports used in the calculation are run from PARIS, incorrect discharge days were occasionally used in the calculation. If discovered later than seven days, incorrect discharge dates could lead to some CPA service users not being followed up within the target seven days and could lead to a breach. While we did not note any instances where this led to a breach being recorded for the indicator, we note that this creates inefficiencies in the process and increases the probability that a breach might occur. This finding has resulted in a blue grading for accuracy and [recommendation 2](#).

## Deloitte View:

The quality of the Trust's processes over reporting of this data has improved on the prior year and the issues caused by the introduction of a new system last year were no longer present. However, we note that the Trust's performance on this indicator currently requires significant manual effort by Data Quality team and there are opportunities to improve the process further.

# Access to crisis resolution home treatment team

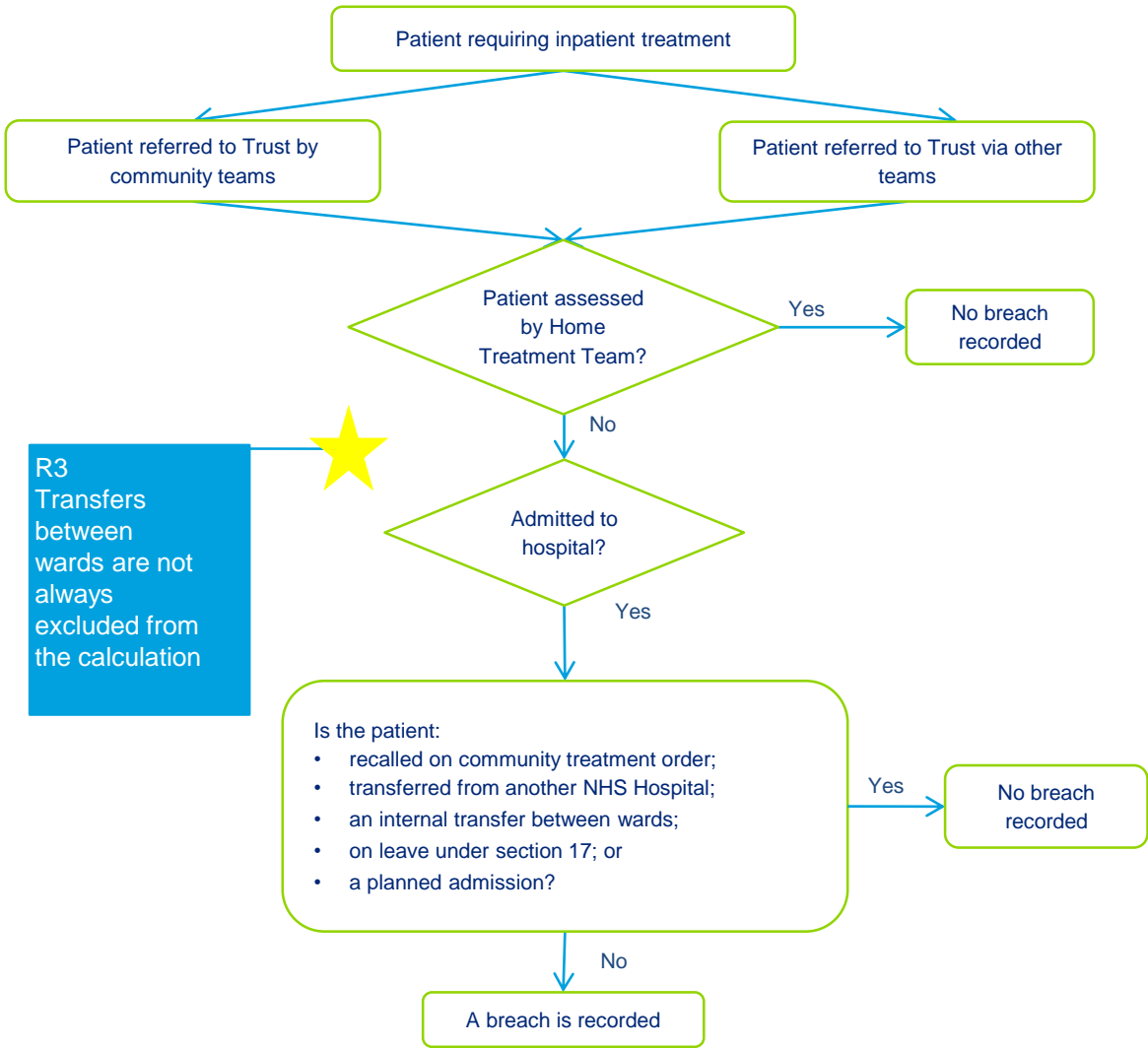
The Trust has performed strongly in this indicator

	Trust reported performance	Target	Overall evaluation
2014/15	Q1: 100% Q2: 99.6% Q3: 100% Q4: 99.5%	95%	B
2013/14	Q1: 100% Q2: 100% Q3: 100% Q4: 100%	95%	G
2012/13	Q1: 98% Q2: 97% Q3: 97% Q4: 97%	95%	B

## Indicator definition and process

**Definition:** “The proportion of inpatient admissions gatekept by the crisis resolution home treatment teams.”

Crisis Resolution / Home Treatment Services form part of the drive to ensure inpatient care is used appropriately and only when necessary, with service users being treated in the community setting, where possible. They are to provide a ‘gateway’ to inpatient care and are deemed to have ‘gatekept’ an admission if they have assessed the service user before admission and they were involved in the decision making process, which resulted in full admission.

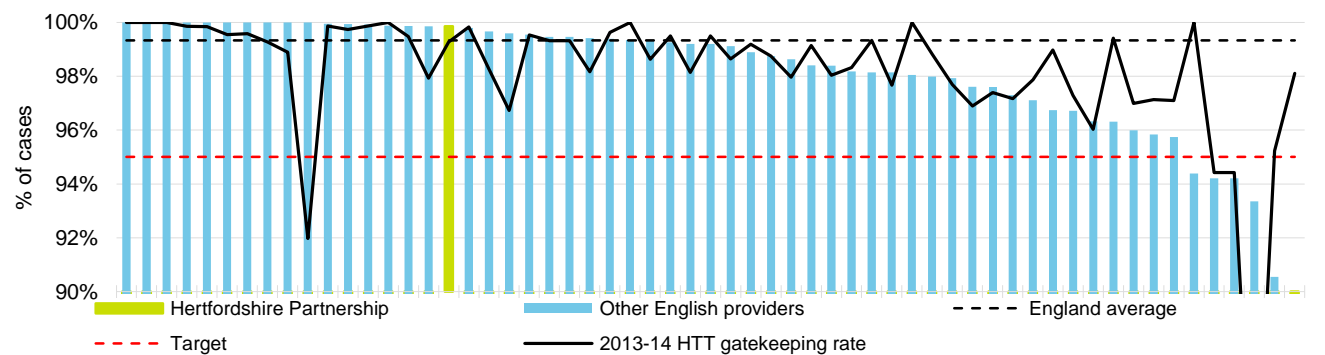


# Gatekeeping by crisis resolution home treatment team (continued)

## National context

The chart below shows how the Trust compares to other organisations nationally for 2014/15, the latest national data available.

Inpatient admissions with access to Crisis Resolution/Home Treatment teams - 2014-15



Source: Deloitte analysis of Health and Social Care Information Centre data

## Approach

- We met with the Trust's leads to understand the process from identifying that a service user should have access to the crisis resolution team to the overall performance being included in the Quality Report. Following on prior year's recommendation, we noted that data set used in calculating the indicator for each quarter was retained which increased the efficiency of the audit and enabled us to recalculate the percentages.
- We evaluated the design and implementation of controls through the process.
- We selected a sample of 24 from 1 April 2014 to 31 March 2015 including both service users assessed by the Home Treatment Team and those who were not assessed.
- We agreed our sample of 24 to the underlying information held within PARIS and evidence for gatekeeping.

## Findings

- Transfers between different wards of Trust were erroneously flagged in the system as being new admissions. Although not a material issue in the current year, this may lead to distortions in the percentages reported to regulators and the Board due to including cases in the calculation which should be excluded. This has resulted in a blue grading for relevance and we draw your attention to [recommendation 3](#).

**Deloitte View:**

The Trust continues to perform very well against the national and local averages for the indicator. The Trust's process for calculating the relevant percentages are well established but requires a degree of manual manipulation of data.



Local Indicator: “Rate of community service users saying the services they receive have helped them look to the future more confidently.”

The Trust’s process is inconsistent over the period

	Trust reported performance	Target	Overall evaluation
2014/15	56.6%	56.0%	<div>B</div>
2013/14	57.3%	65%	<div>B</div>

Indicator definition and process

**Definition:** Hertfordshire Partnership University NHS Foundation Trust consider service user satisfaction with the services provided to them to be a key performance indicator for the quality of service they provide. Accordingly, HPFT carry out a number of surveys to assess the satisfaction of service users on a number of levels, including how the services they received have affected their mental outlook for the future.

Approach

- We met with the Trust’s leads to understand the process from distributing the surveys to the overall performance being included in the Quality Report.
- We selected a sample of 24 surveys from 1 April 2014 to 31 March 2015 including in our sample of a mixture of answers for the relevant question. We selected the sample from a report produced from Management Engagement System (MES) and traced each sample to hard-copy of the survey. During our work we found that we could not obtain the original surveys for five samples. We were not able to ascertain whether these surveys were input online by service users directly or not.
- We selected a further sample of 12 surveys from the records kept by the Trust and traced these to the report from MES to ensure that the report from which percentages are calculated are complete.

Findings

- It is not possible to distinguish surveys input online by service users to those input by Trust staff following the receipt of the hard-copy of the survey. As a result, it is not possible to obtain assurance over the accuracy of the data held with the system- [Recommendation 4](#)
- The questions used in the survey were changed during the year as a result of new surveys coming into effect from 1 January 2015. This means that the indicator is built from positive answers to four questions each worded slightly differently. This has resulted in an amber rating for relevance and [recommendation 5](#)

**Deloitte View:**

There remains significant room for improvement in the collection of data to support this indicator, in particular, the process should remain consistent for the duration of each reporting period in order to obtain a meaningful result.

# Recommendations

# Recommendations for improvement

Indicator	Deloitte Recommendation	Management Response	Priority
1 7 day follow up	<p><b>Care Level not recorded</b></p> <p>Only patients following Care Programme Approach (CPA) need to be considered as part of this indicator. However, the "Current Care Level" field is often left blank in PARIS. When left blank, these service users are considered to be following CPA and are included in the calculation by the Trust. This may result in an inaccurate presentation of Trust's performance if cases other than CPA are included in the indicator calculation. We recommend that it should be mandatory for the clinical staff to input Care Level on PARIS.</p>	<p>This recommendation is accepted. We will action with the Paris team to create a mandatory care level field on Paris.</p>	<p>High</p>
2 7 day follow up	<p><b>Incorrect discharge date on the report</b></p> <p>We found discrepancies between the discharge date per the report used to calculate this indicator and underlying clinical notes on PARIS. All instances of these discrepancies were noted by the Data Quality staff and appropriate action was undertaken to ensure the service users were followed up within 7 days. However, we note that this requires a significant effort to manually investigate every instance of a service user being discharged and identifying the correct discharge date. We recommend that the Trust identifies why the errors occur and establish systems to prevent them from reoccurring.</p>	<p>This recommendation is accepted. We will investigate further and liaise with operational managers to ensure accuracy of date recording. We will take forward training with staff and put systems in place to prevent this happening.</p>	<p>High</p>
3 Gatekeeping	<p><b>Transfers included as new admissions</b></p> <p>Transfers between wards are included in the initial report from PARIS. These are then manually removed by a member of staff. However, human error leads to potential errors in the calculation. We recommend that the a process is put in place to identify these transfers (for example, by including a column on the report) easily and remove them from the calculation.</p>	<p>This recommendation is accepted. The difficulty has been that inpatient units frequently record transfers as a new admission and it is these cases that we subsequently have to check for and exclude. We will take this forward with the Inpatient Managers and Paris Training Team.</p>	<p>Medium</p>
4 Local indicator: Positive Future	<p><b>Unable to distinguish which surveys were input online</b></p> <p>It is not possible from the report used in the calculation to find out which surveys were input online by service users or which surveys were input by Trust staff. As a result, it was not always possible to trace to supporting documentation. We recommend that a field be included in the surveys which were filled in by Trust staff to identify them at year end.</p>	<p>This recommendation is accepted and will be implemented. In future the Trust will do all its own inputting, applying dates for each return so the previous issue that was related to our transfer from meridian to MES will not be repeated.</p>	<p>Medium</p>
5 Local indicator: Positive Future	<p><b>Lack of consistency in questions</b></p> <p>The Trust changed the surveys used as part of this indicator from 1 January 2015 onwards. In addition, for both periods, there is an additional version of "Easy Read" surveys which meant that four slightly different questions were used to compile this indicator. We recommend that the Trust retain a degree of consistency in the questions selected in future periods.</p>	<p>This recommendation is accepted. We understand the importance of consistency in survey questions, although we would expect that in future some differences in wording will remain (eg. easi-read versions). Where there are such differences we will always aim to acknowledge them.</p>	<p>Medium</p>

# Update on prior year recommendations

Our prior year recommendations have been partially addressed.

Indicator	Deloitte Recommendation	Current year status
CPA 7 Day Follow-up	Within the monthly reconciliation processes, management should include a small sample check of cases that have been classified as 'followed up' and should establish that there is evidence on Carenotes to support the follow up.	Achieved
<b>Responsible Officer:</b> Sally Wilson		
CPA 7 Day Follow-up	Management should communicate to staff the need to investigate any data queries raised through the monthly reconciliation processes in a timely manner.	Achieved
<b>Responsible Officer:</b> Sally Wilson		
CATT Gatekeeping	Retain a snapshot of the data set used to arrive at the indicator in year.	Achieved
<b>Responsible Officer:</b> Sally Wilson		
CATT Gatekeeping	Clarify the circumstances where different 'referral sources' should be entered onto the system, what the permitted exclusions are and how these should be recorded on the system.	Developing See below*
<b>Responsible Officer:</b> Sally Wilson		

\*Following discussion with Sally Wilson, Performance Improvement Manager, it was confirmed that the Trust did not implement the recommendation above due to the transition between Care Notes and PARIS in the year. The Trust confirmed that the ability to segregate different referral types is on the list for development of PARIS.

**Key:**

Achieved

Developing

Lagging

# Appendix

# Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

## What we report

Our report is designed to help the Council of Governors, Audit Committee, and the Board discharge their governance duties. It also represents one way in which we fulfil our obligations under Monitor's Audit Code to report to the Governors and Board our findings and recommendations for improvement concerning the content of the Quality Report and the mandated indicators. Our report includes:

- Results of our work on the content and consistency of the Quality Report, our testing of performance indicators, and our observations on the quality of your Quality Report.
- Our views on the effectiveness of your system of internal control relevant to risks that may affect the tested indicators.
- Other insights we have identified from our work.

## What we don't report

- As you will be aware, our limited assurance procedures are not designed to identify all matters that may be relevant to the Council of Governors or the Board.
- Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.
- Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the procedures performed in performing testing of the selected performance indicators.

## Other relevant communications

- Our observations are developed in the context of our limited assurance procedures on the Quality Report and our related audit of the financial statements.
- This report should be read alongside the supplementary "Briefing on audit matters" circulated to you.

We welcome the opportunity to discuss our report with you and receive your feedback.

The logo for Deloitte LLP, featuring the company name in a stylized, handwritten-style font.

**Deloitte LLP**  
Chartered Accountants

27 May 2015

This report is confidential and prepared solely for the purpose set out in our engagement letter and for the Board of Directors, as a body, and Council of Governors, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent. You should not, without our prior written consent, refer to or use our name on this report for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. We agree that a copy of our report may be provided to Monitor for their information in connection with this purpose, but as made clear in our engagement letter dated 3rd February 2015 only the basis that we accept no duty, liability or responsibility to Monitor in relation to our Deliverables.

# Data Quality responsibilities

## The new False or Misleading Information offence applies to this year's Quality Accounts.

### New legal responsibilities over data quality

From 1 April 2015, health providers are subject to the False or Misleading Information ("FOMI") offence, introduced in response to issues over data quality in the NHS. The FOMI offence applies to:

- specified information which trusts already report regularly to the Health and Social Care Information Centre; and
- the contents of the Quality Accounts.

The FOMI offence is a two stage offence:

- firstly, a NHS or private sector provider organisation is guilty of the offence if it provides information that is false or misleading whether intentionally or through negligence i.e. this is a strict liability offence where intent is not relevant to the offence being committed.
- secondly, if a provider has committed an offence, it is possible that a director or other senior manager or other individual playing such a role may be personally guilty of an equivalent of the FOMI offence as well.

The potential penalties for providers include fines, a requirement to take specific action to remedy failures in data reporting, or to publicise that the offences have been committed and corrected data. For an individual, penalties can be an unlimited fine or up to 2 years in jail.

Providers and individuals are able to make a defence that they reported information having taken "took all reasonable steps and exercised all due diligence to prevent the provision of false or misleading information" – however it is currently unclear what would be interpreted as "reasonable" in this context. In practice, there is likely to be significant discretion exercised in determining whether to mount a prosecution.

### Deloitte view

Over the course of the year, we have updated the Trust on the potential implications of the offence and have discussed with management the findings from our Quality Accounts work in the context of the offence. We have recommended additional wording that has been included in the Quality Accounts to make clear the inherent limitations of recording and reporting some metrics, which the Trust has included in order to present reported data in the appropriate context.

The scope of the FOMI offence is wide ranging, and covers many more indicators and data sets than are considered in our Quality Accounts data testing of three indicators, or than Internal Audit are able to cover in their data work each year. In order to be able to demonstrate across all reported metrics that they have taken "all reasonable steps and exercised all due diligence to prevent the provision of false or misleading information", providers are ultimately reliant upon the quality of their systems for data recording and information reporting.

However, accurately reported data is not just a compliance requirement – it is a prerequisite for creating an insight driven organisation. A lack of accurate, complete and timely data can increase operational and financial risk. Failure to govern and use data effectively can lead to poor patient experiences and reputational damage. Data issues can also undermine a Trust's ability to run an efficient service, as key information that should influence decision making is not available or accurate.

To support boards in considering their use of data, our latest NHS Briefing on Data Quality highlights areas of good practice for Trusts to consider in improving how they govern and use data. Key questions for Trust boards to consider include::

- Is there a risk that your reported data is not accurate or that you are making decisions on unreliable data?
- What sources of assurance has the Board sought around the quality of data? Do you place too much reliance on the mandatory external data governance reviews to assure data quality?
- Is there an opportunity to improve patient outcomes, patient experience, operational efficiency and financial performance of your Trust by using data in a more sophisticated way?
- Has your Trust adequately identified the costs and benefits associated with a data governance effort?
- Does your Trust have in place a system of Data Governance designed to address data quality concerns and enable more effective data usage?
- Is your data governance effort owned at a sufficiently senior level and is the Board aware of data governance issues and concerns?
- Has your Trust set out its analytics and information vision and strategy?
- Is your analytics and information strategy aligned to other Trust strategies?
- Does your Trust have the analytics capacity, capability and technology to exploit its data assets effectively?



# Events and Publications

## Our events and publications to support the Trust.

### Governor seminars

We run a regular programme of seminars for Governors of trusts we audit. Recent areas covered have included:

- Themes from our Connected Health study,, led by Karen Taylor, Director of our Centre for Health Solutions, looking at how digital technology is transforming health and social care;
- 2014/15 Reporting Requirements, focusing on areas for Governors to be aware of such as Quality Accounts changes;
- Findings from governance reviews under Monitor's "Well Led" framework; and
- "Hot topics" in the sector ahead of the year-end reporting and audit process.

The sessions provide an opportunity for Governors to share both challenges and examples of successful approaches from across their Trusts. We would welcome suggestions for themes for future sessions.

Our next session will be in the autumn: we will send an invitation via the Lead Governor for the Council of Governors to nominate an attendee.

### Deloitte UK Centre for Health Solutions

The Deloitte Centre for Health Solutions generates insights and thought leadership based on the key trends, challenges and opportunities within the healthcare and life sciences industry. Working closely with other centres in the Deloitte network, including our US centre in Washington, our team of researchers develop ideas, innovations and insights that encourage collaboration across the health value chain, connecting the public and private sectors; health providers and purchasers; and consumers and suppliers.

Recent reports include:

- Connected Health;
- Healthcare and Life Science Predictions 2020;
- Better care for frail older people;
- Guideposts Dementia Information Prescription, in partnership with the Guideposts Trust; and
- Working differently to provide early diagnosis.

Upcoming studies include End of Life Care, and the Cost of Compliance

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Deloitte Centre  
for Health Solutions



### NHS Briefings and publications for the Trust

We provide the Trust through the year with publications and access to webinars and information on accounting requirements, including our "Stay Tuned Online" accounting update sessions.

We regularly publish NHS Briefings designed to disseminate our insights on topical issues within the NHS in general, and Foundation Trusts in particular. They focus on current issues facing the sector and ask questions to help readers assess if the issue is being appropriately addressed at their Trust.

Briefings have covered a range of topics including Data Quality, The Dalton Review: Implications for providers, Joined up QIPP, Patient Administration Systems, Effective Boards, the Evolving Role of Governors, Narrative Reporting, Quality Accounts requirements, Human Resources, Mergers & Acquisitions in the NHS, Transforming Community Services, and the challenges of Monitor's Quality Governance framework.

We also run regular NHS Foundation Trust dinners for directors, with speakers from across the sector on key current issues. Recent events have focussed on Quality Governance and on the Dalton Review.





Other than as stated below, this document is confidential and prepared solely for your information and that of other beneficiaries of our advice listed in our engagement letter. Therefore you should not, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities). In any event, no other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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# Quality in Service User Care and Stakeholder Relations

## Patient Care

Highlighted in this section are some of the aspects of patient care which have been subject to particular attention during the year.

As a Foundation Trust we are very proud to have used accumulated capital to take forward a major building programme – providing the most therapeutic environments in which to offer care and taking a major step towards parity of esteem for mental health services. Kingfisher Court, the new Inpatient Services complex at Kingsley Green near Radlett, reflects over £40 Million capital expenditure, and the Learning and Development Centre in Hatfield and new community mental health hubs in Welwyn, Watford and St Albans have been other major developments.

We have made significant progress in achieving many of the local health care targets given by our commissioners, with especially strong performance on reducing waiting times including in CAMHS. As in the previous year we have achieved all our Monitor targets.

We have further developed our quality monitoring arrangements internally, with increased use of service-level dashboards to enable clinicians and managers to see at a glance where they need to improve. Through close working with local commissioners we have benefitted from an extra external level of quality monitoring by CCGs, combined with learning from CQC reports and the inevitable motivation of preparing for our CQC inspection (which took place week beginning 27th April 2015).

The National Service User Survey 2014 prompted us to develop and support new posts in community mental health services to assist service users into stable housing and employment. Mental Health Act Commission reports led to our greater focus on good care planning with detained inpatients, with training sessions provided on individualised, recovery-oriented care planning.

Increasingly we involve service users in service developments of all kinds and keep them informed through a greater variety of ways. We have a particularly good track record of engaging effectively with service users with learning disabilities in Hertfordshire, Essex and Norfolk - from making sure all rooms are clearly labelled with words and pictures in bed-based services, to staff training to communicate through Makaton.

Significant revisions to services include:

- Transformed community services for older people, with no day hospitals and better access to care
- Embedding of radically different community mental health services (working age adults), with new bases and new teams focussing on different clusters of service users
- A new crisis service for children and young people
- Taking on two new Enhanced Primary Care Mental Health Services in Essex

More details on these developments and others can be found in the Quality Report section.

## Stakeholder Relations

In the past year we have made much more use of Members and Governors to ensure that our services are as responsive as possible to the needs of the communities we serve. The Council of Governors with its subgroups on Performance and on Quality and Effectiveness has provided an appropriate level of challenge.

Our Service User and Carer Councils have thrived, and have been complemented by a new Young People's Council – supported by us and led by them.

Increasingly we have recognised our role within the broader health and social care system in Hertfordshire especially, for example:

- More joint provision of services such as health and social care for older people through Home First
- Playing a lead role in strategic planning of integrated services, both with Herts Valleys CCG and East and North Herts CCG
- Stronger links with GPs through quadrant-based liaison meetings and through the Single Point of Access service – so that we can improve the fit between what we provide and what our referrers expect
- Closer joint working with the Police and Acute NHS Trusts through the Crisis Care Concordat, starting with a pilot of embedding a CPN in an advisory role with the Police so that people in mental health crises receive timely sensitive and appropriate care always
- Improved alignment with the Hertfordshire Health and Well-being Board and its public health strategy – so that next year we can play a fuller role in helping the county do more to help people stop smoking and lead healthy lifestyles

## Compliments, comments and complaints

The Trust places great importance on the comments, compliments and complaints of service users, carers, relatives and friends.

It encourages people to raise concerns with staff on the units, to use the comments, compliments and complaints leaflets available on all wards and outpatient units or the link on the Trust website.

In addition, all service users and carers are encouraged to complete Having Your Say forms, either on paper or electronically, during their recovery journey, to provide ongoing feedback on their experiences.

We now have a number of volunteers who visit some of our inpatient units to assist service users with completing Having Your Say forms. In January 2015, we also launched our Values App, which enables people to comment on the service they receive at the time they receive it.

During 2015, the Trust became an earlier implementer for introducing the Friends and Family Test within our community services and, in January 2015, we started collecting Friends and Family test feedback throughout the Trust.

Information received through comments and complaints, together with the outcomes of any investigations, is used to improve our services. We work closely with the Patient Safety and Practice Governance Teams to ensure that lessons learnt are turned into action plans to change practice.

We feel it is important to celebrate what we do well, and teams are encouraged to send details of compliments received to the PALS (Patient Advice and Liaison Service) and Complaints Team to ensure that we capture the overall picture of the experience of service users and carers.

We also record compliments provided through feedback questionnaires, such as Having Your Say forms and the Values App. Compliments are published in the e-magazine for staff.

## Patient Advice and Liaison Service (PALS)

PALS provide people with advice and assistance if they have a concern or enquiry. The number of contacts increased by 44% compared to last year. Table B shows the number and main categories of PALS contacts, comparing 2014/15 with 2013/14, 2012/13 and 2011/12. As in previous years the majority of contacts raised issues for resolution by the PALS team or, more commonly, by the clinical teams.

*Table B: Number of PALS contacts and main categories*

Category	01/04/11 - 31/03/12	01/04/12 - 31/03/13	01/04/13 - 31/03/14	01/04/14 - 31/03/15
Advice	66	22	17	12
Enquiry	40	99	61	70
Feedback	42	71	47	76
Issues for resolution	159	223	239	387

Other	3	1	3	0
Translation request	3	1	3	1
Not HPFT	19	25	21	16
<b>Total</b>	<b>332</b>	<b>442</b>	<b>391</b>	<b>562</b>

## Formal Complaints

We investigate complaints with the aim of providing a fair, open and honest response and to learn from them, so that service users and carers can benefit from the resulting changes.

The number of complaints received in 2014/15 was 248 compared to 232 received in 2013/14. This is a 7% increase. Table A shows the number and primary issue for each complaint, comparing 2011/12, 2012/13, 2013/14 and 2014/15.

*Table A: Number of formal complaints and main issues*

Main complaint issue	01/04/11 - 31/03/12	01/04/12 - 31/03/13	01/04/13 - 31/03/14	01/04/14 - 31/03/15
Assault / abuse	5	6	3	11
Clinical practice	79	83	74	92
Communication	40	38	29	23
Environment etc.	3	6	3	7
Staff attitude	42	41	36	30
Security	1	3	2	0
Systems & Procedures	74	55	84	83
Transport	2	0	1	2
<b>Total</b>	<b>246</b>	<b>232</b>	<b>232</b>	<b>248</b>

## Emerging themes from the PALS issues and complaints received

Some PALS 'Issues for Resolution' are transferred to the formal complaints process, either because they cannot be resolved within one working day, or due to the serious nature of the issues raised. Most issues and enquiries are dealt with immediately, or very quickly, by the clinical teams and do not result in a complaint.

Of the 92 complaints where clinical practice was the primary issue fell into 12 sub-categories with:

- 41 concerned direct care
- 20 concerned care planning
- 7 concerned diagnosis
- 6 concerned administration of drugs or medicines.



The 83 Systems and Procedures complaints fell into 22 categories with

- 7 complaints about Continuing Care funding
- 8 about Direct Payments / Fair Access to Care
- 6 about Mental Health Act Detention
- 18 about access to treatment
- 6 about discharge.

Of the 11 complaints about alleged assault, seven were related to use of restraint techniques, three were about staff allegedly threatening patients and one was about alleged physical abuse to a service user by another service user. All allegations were carefully considered by the multidisciplinary team, and through safeguarding where appropriate. Two of the complaints were upheld on was the patient to patient assault and the other occurred when a member of staff did not follow Moving and Handling policy when assisting an older service user back into his chair.

During 2013/14 we received ten requests for files from the Parliamentary and Health Services Ombudsman (PHSO)/ Local Government Ombudsman (LGO). Six decisions were received with no further action. This includes the one complaint investigated by the LGO. One complaint was withdrawn by the complainant after further intervention by senior Trust managers and three complaints remain under investigation.

The Trust also received six decisions from the PHSO for complaints referred during 2013/14. One of the complaints was upheld, the Trust is currently completing an action plan to remedy the faults identified by the PHSO, although many of the problems experienced by the service user related to conditions on a unit that closed when Kingfisher Court opened.

## Compliments

All teams are asked to forward letters of thanks from service users, carers, advocates and visitors to the PALS and Complaints Team so that they can be logged and reported. In line with increased numbers of other contacts there has been a big increase in the number of compliments forwarded to the team.

01/04/10 – 31/03/11	432
01/04/11 – 31/03/12	674
01/04/12 – 31/03/13	673
01/04/13 – 31/03/14	942
01/04/14 – 31/03/15	1262

The Trust actively encourages services to use compliments at a local level to reinforce what is working well. Teams do this in a variety of ways. In 2014-15 the Trust recorded five times as many compliments as formal complaints.

# Service User and Carer Involvement

## 2014/15 priorities

The past two years have seen a significant increase in the number of hours of involvement we have seen in the Trust. The priorities for this year focused around quality, support and training to ensure that existing involvement was of a high quality.

During the past year, we have supported 1900 paid hours of involvement activity with additional hours provided on a voluntary basis.

However, in line with our aim of focusing on 'quality' rather than 'quantity' for the year, we have also provided the following (training and support activities are not included in the hours above as they are unpaid):

- **Interview training** – we have developed and provided bespoke interview training to three cohorts of experts by experience to ensure they are integrating well into interview panels. Following on from these, we are working towards holding a focus group to further develop our interview procedures to ensure that they are co-produced and provide the best possible opportunities for involvement
- **Productive meetings and chairing training** – we have begun developing a programme to support experts in ensuring that their voice is heard during meetings
- **Quality** – we have written and implemented a new automated bookings process to both ensure a more consistent approach to bookings, as well as supporting the sharing of costs of involvement activities across teams
- **Support** – we continue to provide daily 121 support to the 250 experts by experience that the Trust works with regularly. This includes help in understanding service developments, involvement opportunities as well as a listening ear for people who are struggling to cope and need advice, guidance and signposting. To further support this, the administrative staff within the team undertook mental health first aid training during the year, along with the full cohort of Peer Experience Listeners.

## 1. Adult Involvement Activity

Involvement activities have continued to be very busy and increased staff awareness has contributed strongly to this. The main areas of improvement have been:

- **Service User & Carer Councils** – We are one of the few organisations to have such established groups to help support and challenge the Trust on its practice.
- **Increased requests for support with interviews** – nearly all interview panels now including someone with a lived experience.
- **Service development projects** – We have seen a significant improvement in the involvement of experts by experience in service development projects through the transformation programme and beyond. The biggest improvement has been seen in staff more proactively seeking the voice of service users and carers at a local level.

- **New automated system for involvement bookings** – Launched in earlier December this new bookings system has seen improvements in how people make requests for involvement bookings, as well as ensuring that costs are being costed back to the correct area of the organisation.
- **Input to staff inductions** – At each monthly staff induction we invite both a service user and carer to share their story, and take questions from the audience. We have widened the pool of experts who have participated in this over the past year. This also provides an opportunity to explain service user involvement to all new starters with the Trust.
- **New staff appointment** – we have appointed a project support worker for adult involvement who will start with the Trust in April 2015. It is felt this role will help further develop support for front line services and free up some time within the team to look at future strategy for involvement and what is happening on a national level.

## 2. Young People's Participation

The Young Person's Participation coordinator continues to develop an active programme of participation for people in CAMHS services. The following have been some of the highlights over the past year:

- **Young Peoples Council** – This is running well with eleven members; this is quite an achievement and is going from strength to strength. This group of young people all have experiences of using services and are working together with professionals to collaboratively develop services.
- **Redbridge CAMHS Team away day** – The Young people's Council presented at Redbridge CAMHS Team away day on CYP-IAPT and how participation can be used as a tool to aid recovery and improve service development. The young people received fantastic feedback from the professionals that attended. This was a great accomplishment as Hertfordshire is now being recognised as one of the leading areas' for young people's participation and we are being approached to help other CAMHS services develop.
- **HPFT News and Three Counties Radio** – Members of the Young people's Council have shared their experience of using mental health services in relation to their struggle with bullying, anxiety and depression for Depression awareness week (26 April-3 May).
- **Clinical Psychology Training at the University of Hertfordshire (Presentation)** – Young People's Council members were invited to deliver a lecture on their experience of using services within Herts and the CYP- IAPT collaborative work, Including how participation has aided their recovery.
- **HPFT Staff Interviews** – Young People successfully participate in Trust and national CAMHS interview. Young people enjoy participating in these activities and using their experiences in the recruitment process.
- **Sharing good practice Conference** – Forest House Adolescent Service presented at the sharing good practice conference with two young people that were recently discharged from Forest House. The young people enjoyed sharing their experience of Forest House and highlighted the fantastic service that they received. The presentation demonstrated authentic participation and all involved enjoyed the event.

Looking to the next year, one key project that Trust is taking part in, will be a joint research project with Cambridge and Norfolk CAMHS focused on how young people can more effectively transition out of CAMHS services. Young people themselves will receive training to carry out literature reviews and develop research resources along with the three Trusts involved.

### 3. Peer Programmes

The Trust currently operates two peer programmes:

- **Peer Experience Listening** – people with lived experiences are trained to gather qualitative feedback from people on key aspects of our services to help SBUs develop quality.
- **Peer Support Workers** – people with lived experiences are trained and employed by the Trust to provide 121 and group support to people currently using services.

Here is a summary for the year:

- **Peer Experience Listening** – The project is match funded between and HPFT and HCS. In 2014/15 substantive funding was agreed from both sides which will enable longer term project planning.

The year has been productive with projects covering inpatient services, carers grants evaluations and the first revisit of a project focused on reviewing mental health assessment processes. There have been some delays to the latter part of the year due to both the project coordinator and support worker leaving the Trust.

The coordinator post was filled in February and we have appointed a new project support worker. The next year looks to be focused on safety within acute services and safeguarding in the context of the new Care Act. We will also be looking to further developing projects focused on Learning Disability services.

- **Peer Support Workers (PSWs)** – The Trust PSW programme has been further developed over the past year through employment of PSWs for service users and PSWs for carers across our community quadrants.

A number of successes have been seen in how clients interact with these workers, however there have also been areas of learning in clarifying the role of PSWs within the wider multi-disciplinary teams. There have been particularly successes in PSW with carers with many carers praising the service they have received and how useful it is speaking to someone who is a carer themselves.

## Carers

This has been the second year of the Trust five year carer strategy and has seen development of a number of new initiatives to support carers using our services.

Through the year teams have worked closely with front line services to make gradual improvements in our approaches to providing support services to carers (e.g. carer assessments and grants), with a great deal of time spent behind the scenes preparing for implementation of the Care Act 2014 and its impact on carers.

### Areas of progress through the year include:

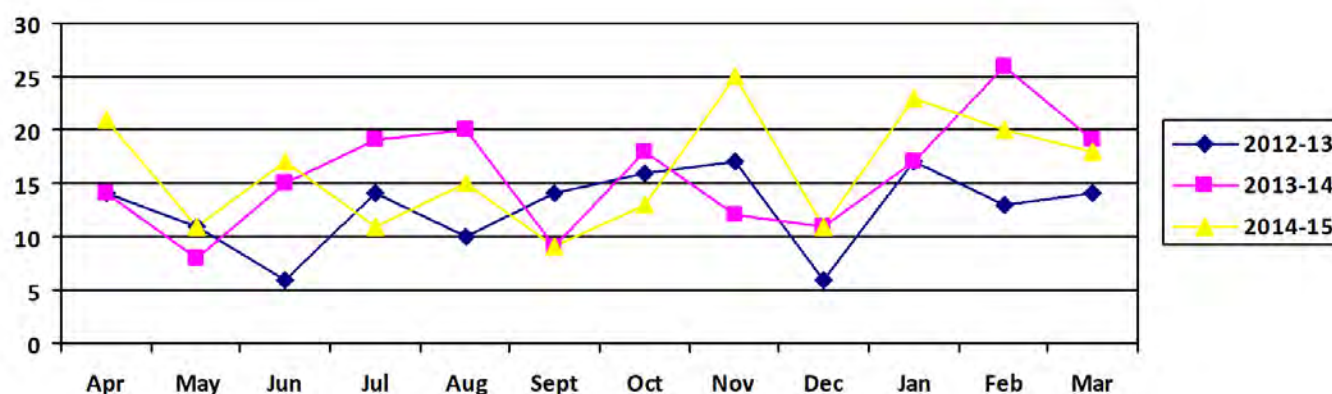
- **Triangle of Care (TOC)** – We have signed up as a member of the national Triangle of Care. This process has meant that the Trust has been required to assess all inpatient and acute community services against a set of national criteria re: their work with carers. This piece of work concluded in February 2015 and is awaiting Peer Review by the Carers Trust.
- **Community Support for Carers** – As part of our review of community mental health services a new model for carer support was launched in September 2014. This model has been designed to see improved points of contacts for carers within teams and more dedicated time spent with carers. We have begun to see improvements in all of these areas and are undertaking an additional review to provide additional, dedicated, resources for carer support during 2015/16 in line with care act requirements and involvement principles.
- **An evening with carers** – in November 2014 HPFT held it's second 'afternoon with carers' event as part of carers rights day. The event was provided as an opportunity for carers to have a break, hear about the Trust, and receive some alternative therapy tasters.. These events have become a regular part of the Trust carer support programme, with a carers conference planned for Care Week 2015 in June.
- **Carers Handbook** – The HPFT mental health carers handbook was re-launched in January 2015 and amended to be applicable for any carer of someone using HPFT services. The handbook has been well received and supports our commitment to help carers become better informed about our services, where carers have fed back this is needed. With the successful introduction of the handbook, a similar guide aimed at providing information for young carers has been developed and launched during 2014/15.

# Requests for Information

## Freedom of Information Act 2000 (FOIA)

The number of Freedom of Information Act 2000 (FOIA) requests received by the Trust during this year has risen by 26%. We have received a total of 190 requests compared with 151 for 2012/13 and 158 for 2011/12.

*The monthly trend for requests received is shown in the graph below:*



## 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 is increasingly being used as an investigative tool.

*Requests have been received from the following applicants (where identifiable):*

Type of requester	Number of requests 2014/15	Number of requests 2013/14	Number of requests 2012/13
Other/Unknown	128	88	70
Companies	24	48	52
Journalists	25	32	11
Staff/Other NHS Trusts	12	14	9
Students	5	4	9
MPs	0	4	0
<b>Total Number</b>	<b>194</b>	<b>190</b>	<b>151</b>

## 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 resource allocated within the team and the sheer complexity of some requests that require input from numerous staff.



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

Not meeting this legal timescale may result in the Trust receiving a Practice Recommendation from the Information Commissioner and an adverse comment in a report to Parliament.

*Information has been provided to applicants within the following timescales:*

Response Time (in working days)	Number of requests 2014/15	Number of requests 2013/14
1 - 5 days	39	19
6 - 10 days	41	26
11 - 15 days	23	28
16 - 20 days	17	45
21+ days	64	28
Requests currently being processed	10	36
Cancelled/Withdrawn	0	8

## 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 2014/15:

- Section 12: Cost of compliance exceeds appropriate limit
- Section 21: Information available by other means
- 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
2014/15	26	Section 12 x 1
		Section 21 x 20
		Section 40 x 2
		Section 41 x 2
		Section 43 x 1



## Publication of information requested (disclosure log)

Requests from the previous 12 months 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 has applied Section 21 for 20 requests received during the period 2014/15 we anticipate that this figure will increase over time.

The Information Governance & Compliance Team regularly monitors requests. Where information is frequently asked for (i.e. departmental structures, board papers, medicines management information etc.) the Information Governance & Compliance Team will liaise with the relevant department to ensure that this information is made available on the website. The Trust's Publication Scheme<sup>1</sup> will be updated to 'signpost' future applicants to the relevant section on the website.

## Data Protection Act 1998 (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 hold on them. During the period 2014/15 in total the Trust received 865 Subject Access Requests (SARs); this compares to 503 for the same period in 2013/14. The increase in the number of SARs in 2014/15 is due to a very high proportion of requests, 482, received which related to retrospective Continuing Care claims.

## Timescale for responses

DPA legislation requires the Trust to provide information within 40 calendar days. However, Department of Health guidance advises that healthcare organisations should aim to respond within 21 days.

*During the period 1 April 2014 – 31 March 2015, 383 SARs were processed within the following timescales:*

Response Time	Number of SAR requests 2013/14
Within 21 calendar days	142
Within 40 calendar days	70
40+ calendar days	49
No longer required or closed during processing	71
In progress	51

*During the same period, 482 Continuing Care requests were processed as follows:*

Response Time	Number of Continuing Care requests 2013/14
Within 21 calendar days	469
Within 40 calendar days	3
40+ calendar days	10

<sup>1</sup> The Publication Scheme is a complete guide to the information routinely published by HPFT. It is a description of the information about our Trust which we make publicly available.

The Trust will endeavor to respond to SARs within 21 calendar days; however 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 40 calendar days.

## Reporting of Personal Data Related Incidents

Loss of personal data is a risk which is monitored nationally. The tables below show the incidents that have been classified at (a) a rating of level 2 (reportable to the Information Commissioners Office) and (b) a rating of Level 1 (investigated internally) that occurred within the Trust in 2014/15.

These figures have been aggregated in line with the Health and Social Care Information Centre 'Checklist Guidance for Reporting, Managing and Investigating Information Governance Serious Incidents Requiring Investigation (27th February 2015 V5).

### *a) Summary of Serious Incidents Requiring Investigation (SIRI) for 2014/15 scored at level 2*

Summary of Serious Incidents Requiring Investigations involving personal data as reported to the information commissioner's office in 2013-14				
Date of incident (month)	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
July 2014	A filing cabinet which had been marked for keeping had been disposed of in error during an office refurbishment. (Category G incident)	Coroners Reports ADHD client files Doctors reports to DVLA Staff Annual appraisals Denzapine File	52	Cabinet was locked, the disposal company confirmed that during the disposal process all paper is automatically sorted and burned. The ICO was notified, a timeline of events was provided, the ICO asked further questions which were subsequently answered.
<b>Further action on information risk</b>	The Trust will continue to monitor and assess its information risks, in light of the events noted above the Trust will revisit disposure policies in order to identify and address any weaknesses and ensure continuous improvement of its processes.			
<b>ICO Decision</b>	We have considered the information you have provided about a potential breach of the DPA. We have decided that no further action is necessary at this stage.			

<b>ICO Decision</b> (continued)	This is because the incident was a result of human error, and it has been confirmed by the disposal company that the records were destroyed in totality without the content being accessed. As a result, the likelihood of any detriment being caused to the data subjects is highly unlikely. Therefore, the case, as reported to us, does not appear to meet the criteria set out in our Data Protection Regulatory Action Policy necessitating further action by the ICO.
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*b) Summary of Serious Incidents Requiring Investigation (SIRI) for 2014/15 scored at Level 1*

Summary of other personal data related incidents in 2013-14		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error*	85
C	Lost in transit	1
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	10
F	Non-secure disposal - hardware	0
G	Non-secure disposal - paperwork	0
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	2
K	Other	0

*\*This category covers information which has been disclosed to the incorrect party or where it has been sent or otherwise provided to an individual or organisation in error. This would include situations where the information itself hasn't actually been assessed.*

*Examples include:*

- *Letters/correspondence/files sent to the incorrect individual*
- *Verbal disclosures made in error*
- *Inclusion of information relating to other data subjects in error*
- *Emails or faxes sent to the incorrect individual or with the incorrect information attached*

## Sustainability reporting

The Trust continues to strive towards its sustainable goals and guidance set out by NHS England which asks the Trust to review:

1. The environmental impact of the health and care system and the potential health co-benefits of minimising this impact.
2. How the healthcare system needs to adapt and react to climate change including preparing for and responding to extreme events.
3. How the NHS public health and social care system maximises every opportunity to improve economic, social and environmental sustainability.

### Good Corporate Citizen Assessment

The Department of Health Sustainability Unit designed a set of criteria for Trusts to gauge their performance against in the following categories:-

*Travel, Procurement, Facilities Management, Workforce, Community Engagement and Buildings.*

The Trust has made a steady improvement each year and this year's overall score is 81% an increase of 7% from last year.

### Energy and Carbon Reduction Performance

With the end of 2013/14 and the wet windy winter of that period, 2014/15 has been colder than that of the previous mild winter, thus impacting upon the utility costs across the estates portfolio; the challenge remained of maintaining an ageing portfolio, and the associated maintenance issues, whilst simultaneously trying to reduce the energy usage.

2014/15 has marked a difficult year in the management of the Trust's energy portfolio. This was due to the combination of our movement to a Total Facilities Management arrangement with a new preferred partner at the start of the year and the continuing transformation of our estate portfolio as the 'hubs and spokes' model beds in.

The result of this change has meant a more fractured picture of our energy consumption and spend and a period of less reliable data from which to draw conclusions. As an example of this, it appeared that the Trust's global spend on gas and electricity had fallen in the first half 2014/15, but we subsequently discovered that the invoice-forwarding process from our previous energy bureau partner was incomplete.

These problems now having been addressed, we are looking forward to a clearer view in 2015/16 and are also in the process of moving the remainder of our sites on to the Crown Commercial Service (CCS) public sector energy frameworks. We will then be in a position to enjoy the cost savings that this procurement route provides, across the whole Trust.

One of the high-level commitments of the CCS is their carbon reduction strategy, with Government Carbon Offsetting schemes and site energy audits available to us as we move forward. Carbon reduction is promoted, for example, by their purchase of electricity from designated renewable sources which are exempt from the Climate Change Levy and by the requirement to install smart metering having been built into the supply-side framework agreements.

This has been another challenging year regarding estates issues mainly at Kingsley Green, which has seen increased failures of the aging existing infrastructure; this has ranged from heating pipework to the mains water supply to the old site, culminating in sustained periods of time when services were not available. The consequent of these failures has been increased utility costs due to high volume loss of water. This ageing infrastructure continues to prove problematic.

Following the final closure and move away from the existing 'still in use buildings' at Kingsley Green in 2015, the estates will be in a position to finally terminate and decommission the remaining buildings and infrastructure, this will have tremendous positive results regarding the utility expenditure for this site and HPFT.

Following a lengthy investigation of the water main supplies to the retained site and newly built Kingfisher Court, a number of anomalies were discovered regarding the water main layout throughout the site, this has had a positive result with confirmation from Affinity Water that HPFT will be receiving a substantial water rebate.

The final building completion and opening of Kingfisher Court has enabled HPFT to close some of its ageing portfolio, the main advantages will be increased boiler and heating efficiencies, less reliance upon air conditioning due to the use of natural ventilation, decreased use of artificial lighting with greater natural light and greater control through a BMS system so as to create a comfortable internal environment, this will show significant future reductions in energy use and CO2 emissions.

The transformation of the estates portfolio has continued with the opening of the refurbished building, the Colonnades, albeit with a number of teething issues, the completion of Oxford House, The Orchards and 2 Bowlers Green, with on-going refurbishments to other buildings, Seward Lodge, THO and areas of the Lister.

The process has continued throughout the refurbishment programmes to replace inefficient services both under the control of HPFT and landlords, to install efficient plant, LED lighting, natural ventilation and BMS control systems. These energy saving initiatives are too continued and carried forward into all current and future refurbishment programmes.

Throughout this process the challenge is to continue to provide safe, secure and inviting environments to all users.

With the recent fall in crude oil prices precipitating a downward trend in commodity costs, and our continuing rationalisation of Trust premises from older buildings into newer, more energy efficient premises, we expect to see both a positive financial impact and a positive impact on the organisation's energy consumption and carbon footprint as we move into the new financial year.

## Emergency Planning and Business Continuity

The Trust Major Incident and Business Continuity Plan has been updated and can be found on the Trusts web site. A Training exercise will be held for the Trusts Strategic Business Units in June 2015.

The Trust has again completed the NHS core standards self-assessment and is compliant with the core standards issued by NHS England for Emergency Planning, Response and Recovery and as such HPFT feels assurance of resilience and readiness should it encounter any business interruption.

HPFT is committed to working with NHS England and the local Health Resilience Partnership in all aspects of Major Incidents and Business Continuity Planning and is a member of the Memorandum of Understanding document drawn up across Hertfordshire Health, Social Care Organisations and the Local Councils.

## Travel

The number of miles covered by the Trusts Transport dept has increase by 33% in the last year to over 1,068,600 miles and fuel costs have increased by 55%. This is due to a large increase in the volume of service user and staff travel. The Trust continues to choose its vehicle fleet using the most efficient vehicles on the market and we have recently trialled 2 new electric vehicles. All vehicles have a tracking facility on them and all drivers have hand held devices where their next work detail is sent to them dependant on location thus ensuring each journey is efficiently carried out.

## Equality and Diversity

The work of the Equality and Diversity team is based within the wider Customer Inclusion and Engagement team, and assist with mainstreaming the Equality and Diversity agenda. The Inclusion and Engagement team comprises:

- Equality and Human Rights
- Service User and Carer Involvement
- Compliments, Concerns and Complaints
- Patient Advice and Liaison Service (PALS)
- Carer work
- Peer led work
- Advocacy
- Service Experience (service satisfaction)
- Spiritual Care and Chaplaincy.

The following information provides an overview of performance in relation to the general duty of the Public Sector Equality Duty (Equality Act 2010):

### 2.1 Eliminate unlawful discrimination

<b>HPFT organisational Values</b>	<p>Over the past year the Trust has launched its new organisational values of being Welcoming, Kind, Respectful, Positive and Professional. The values were develop through engagement with staff, service users and carers and are focused at reinforcing positive behaviours and empowering staff to challenge where others are not 'living' the values.</p> <p>All HPFT staff will have been trained in these new values by 31st March 2015.</p>
<b>Bullying &amp; Harassment Procedures</b>	<p>The Trust has spent much of the year reviewing how it responds to bullying and harassment for different groups both in relation to the national staff survey and the ongoing development of inclusive workplaces for all staff.</p> <p>This has included a number of workshops for managers on identifying and dealing with bullying and harassment as well as work within the Equality team with our staff networks to identify issues of concern. Our most recent staff survey has seen improvements in scores for staff experiencing harassment, bullying, violence and discrimination at work. We are aware of our need to further improve these scores and it is felt we are on an upward trend.</p>
<b>HPFT Staff Manual</b>	<p>Following on from the production of the popular staff inclusive workplace guides (in 2011) the Trust has begun reviewing these with the aim of developing something more substantial for staff that gives more guidance and advice about how to work within HPFT services (and be supported when doing so). The focus is very much on inclusive approaches to enabling staff to be open about who they are whilst reinforcing a recovery based approach to working with service users and carers.</p>



<b>Whistleblowing procedures</b>	There has been a review over the past year of the whistleblowing service with a more robust structure now in place. This is overseen by the Trust Company Secretary and all whistle blows are now recorded in accordance with our procedures for recording incidents. This has seen a more efficient resolution to many of our whistle blows. A focus for 2015 is to publicise to staff the positive impact this has had on the Trust to encourage others to come forward if they feel they have concerns.
<b>Workforce Race Equality Standard</b>	The Trust has taken part in national workshops focused on the new propose Workforce Race Equality Standard. As a result mapping has begun within the Trust to ensure a clear baseline from which to work from. This will help us in identifying how we target leadership and development initiatives moving forward.
<b>HPFT Equality Inclusion &amp; Human Rights Strategy</b>	The development of this new strategy has been to continue an integrated approach to equalities that looks at equality, engagement and inclusion of local interests and human rights based approaches.

## 2.2 Advance equality of opportunity

<b>Community Link Workers</b>	<p>As part of our new model for Community Mental Health Services, we have reviewed our provision of community engagement.</p> <p>Whilst this had previously been targeted to specific protected groups, it is felt that placing these workers in community teams (with a more generalised role of overseeing equity within local service provision) will have more impact. However we are retaining key pieces of project work that have shown benefit to the local community including our STRIDE men's health psycho-educational course focused on improving self-belief and overall wellbeing.</p>
<b>LGBT*Q Hertfordshire</b>	The Trust has led the countywide review of the Herts Lesbian, Gay, Bisexual, Transgender (LGBT) Guide, developed to improve the social inclusion and mental wellbeing of LGBT*Q people living locally. Rebranded as LGBT*Q Hertfordshire the guide is considered one of the best of its kind across the country and has, this time, been a co-produced effort through multi-agency sponsorship and local LGBT*Q communities. The guide is available to view at <a href="http://www.hpft.nhs.uk/lgbtguide">www.hpft.nhs.uk/lgbtguide</a>
<b>Diversity Champions</b>	The Trust continues to be a member of the Stonewall Diversity Champions programme focused on improving the experience of Lesbian, Gay and Bisexual staff across the Trust. In November 2014 the Trust was invited by Stonewall, to be the opening speaker at the launch of a new equality leadership framework, held at Visa Europe, given its progress on developing inclusive workplaces.

<b>Recovery Conference</b>	In October 2014 the Trust hosted its eighth national recovery conference focused on coproduction with an emphasis on shared decision making. The conference was co-produced in collaboration with service users and carers from both mental health and specialist learning disability services, and attracted its largest audience to date. Planning has already begun for the ninth recovery conference and 10th anniversary conference in 2016.
<b>Peer Support Work</b>	Over the past year the Trust has further expanded its Peer Support Programme. These workers have a lived experience as either a service user or a carer from diverse backgrounds. From June 2014 Peer Support Workers were recruited to every community team and plans are in place for three cohorts of Peer Support Worker training during 2015.
<b>Staff Survey Results</b>	The results of our 2014 staff survey have shown improvements in the proportion of staff accessing training, however areas for further development have also been identified.
<b>Wellbeing resources for specific groups</b>	<p>The Trust will be reviewing targeted resources for local communities throughout 2015, including the successful Talk About It resource for ethnic minority communities that the Trust produced a number of years ago - <a href="http://www.hpft.nhs.uk/talkaboutit/">www.hpft.nhs.uk/talkaboutit/</a></p> <p>The emphasis will be on community inclusion and developing relationships between different groups, and encourage story telling from those who have overcome disadvantage.</p>
<b>New Staff Focus Groups for Equality</b>	The Trust has launched a quarterly focus group for team managers and staff to discuss the gaps within services and employment that we can all work together to narrow. Within the context of service provision we have positioned the issue of health inequity as those inequalities that we are able to prevent. The focus groups are a plan for action planning and innovation around how we can tackle health inequities at a local and countywide level.

## 2.3 Fostering Good Relations

In addition to the work listed above, the Trust is continually striving to improve liaison between different groups of staff. Some of the ways we have done this over the past year include:

<b><i>International Day Against Homophobia &amp; Transphobia (IDAHO day)</i></b>	Communications and activities focused on educating staff around the needs of LGBT groups.
<b><i>'Becoming Carer Aware'</i></b>	Our new training course, in collaboration with Carers in Hertfordshire, is focused on ensuring that there are collaborative relationships between built between carers, staff and the cared for person, as well as ensuring carers are aware of their rights.

<b><i>Black History Month Film Night</i></b>	The Trust, in partnership with Kaleidoscope Enterprise Ltd (A local Hertfordshire based social inclusion project) hosted a screening of Mandela for staff, service users, carers and local communities as an opportunity to celebrate black history and highlight some of the disadvantages still faced.
<b><i>An Award Winning Trust Board!</i></b>	The Trust Board won the coveted HSJ Board Leadership Award. Key to this success, it was highlighted, was the boards commitment to equality and the presence of key board members within the national NHS programme for Equalities.

## Analysis of Statistics

The Trust is required under the PSED to collect and publish diversity data for staff and those affected by its policies and processes. In addition the Trust is required to publish one or more equality objectives spanning a four year period. This has been done against the Trust annual objectives for the NHS Equality Delivery System 2.

All PSED compliance reporting is published through the Equality and Diversity section of the Trust website at

[http://www.hpft.nhs.uk/\\_uploads/documents/eds/eds-goals-and-outcomes-and-psed-compliance-final-jan-2015.pdf](http://www.hpft.nhs.uk/_uploads/documents/eds/eds-goals-and-outcomes-and-psed-compliance-final-jan-2015.pdf) (where a full breakdown of statistics can be found as well as some observations).

## Equality Delivery System 2





























One of the changes, following the introduction of EDS2 (the second edition of the framework) is to limit the proportion of outcomes that are assessed annually by local interests. It is felt by focusing on fewer areas; organisations can make more sustained changes to services and workplaces and seek to complete a full review of all EDS2 criteria over a number of years.










For our most recent assessment the Trust focused on review six of the 18 EDS2 outcomes:

- 1.3 Transitions from one service to another, for people on care pathways, are made smoothly with everyone well informed.
- 2.2 People are informed and supported to be as involved as they wish to be in decisions about their care.
- 2.4 People's complaints about services are handled respectfully and efficiently.
- 3.3 Training and development opportunities are taken up and positively evaluated by all staff.
- 3.4 When at work, staff are free from abuse, harassment, bullying and violence from any source.
- 4.1 Boards and senior leaders conduct and plan their business so that equality is advanced, and good relations fostered, within their organisations and beyond.

In addition to assessment of these grades, the Trust worked with its local interests in reviewing how effectively the previous year's objectives have been achieved.

The outcomes that were reviewed by the Trusts stakeholders in 2014/15 are reflected in the table below. Although these are compared to 2012, 2013 grades, it should be noted that the EDS was re-launched in November 2013 as EDS2, bringing a number of changes to the objectives.

Goal	Outcome	2012	2013	2014
<b>1. Better Health Outcomes for All</b>	1.1 Services are commissioned, designed and procured to meet the health needs of local communities, promote well-being, and reduce health inequalities.			
	1.2 Individual patients' health needs are assessed, and resulting services provided, in appropriate and effective ways.			
	1.3 Transitions from one service to another, for people on care pathways, are made smoothly with everyone well informed.			Reviewed  Oct 2014
	1.4 When people use NHS services their safety is prioritised and they are free from mistakes, mistreatment and abuse.			
	1.5 Screening, vaccination and other health promotion services reach and benefit all local communities.			
<b>2. Improved patient access and experience</b>	2.1 Patients, carers and communities can readily access services, and should not be denied access on unreasonable grounds			
	2.2 People are informed and supported to be as involved as they wish to be in decisions about their care.			Reviewed  Oct 2014
	2.3 People report positive experiences of the NHS.			
	2.4 People's complaints about services are handled respectfully and efficiently.			Reviewed  Oct 2014
<b>3. Empowered, engaged and well-supported staff</b>	3.1 Fair NHS recruitment and selection processes lead to a more representative workforce at all levels.			
	3.2 The NHS is committed to equal pay for work of equal value and expects employers to use equal pay audits to help fulfil their legal obligations.			
	3.3 Training and development opportunities are taken up and positively evaluated by all staff.			Reviewed  Oct 2014

Goal	Outcome	2012	2013	2014
<b>3. Empowered, engaged and well-supported staff</b> (continued)	3.4 When at work, staff are free from abuse, harassment, bullying and violence from any source.			Reviewed  Oct 2014
	3.5 Flexible working options are made available to all staff, consistent with the needs of the service, and the way that people lead their lives.			
	3.6 Staff report positive experiences of their membership of the workforce.			
<b>4. Inclusive leadership</b>	4.1 Boards and senior leaders conduct and plan their business so that equality is advanced, and good relations fostered, within their organisations and beyond.			Reviewed  Oct 2014
	4.2 Papers that come before the Board and other major Committees identify equality-related impacts including risks, and say how these risks are to be managed.	<b>New for EDS2</b>		
	4.3 Middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination.			

## Our Staff

The Trust developed a revised Workforce and Organisational Development Strategy in 2014 that sets out our priorities for supporting and developing our Workforce in the delivery of high quality services. Within this, there are supporting operational plans for health and well-being; recruitment and retention; staff engagement; learning and development; leadership; workforce planning and developing the employer brand. The delivery of the strategy is monitored through the governance structure and is aligned to address the feedback we receive from staff (both through our local pulse surveys and the national staff survey).

### Staff Engagement

The Trust recognises the value of the contribution and involvement of all staff members and maintains its commitment to staff engagement practices. There is a planned programme of engagement events outlined for the organisation (across regions) where staff members get the opportunity to engage in dialogue and inform key decisions being made. There is a focus on providing feedback from engagement activities back out to the organisation to demonstrate that staff members have played a participative role. Specific events include:

Our Big Listen events, which were launched in May 2011 and are held twice a year. All staff members are invited to attend this forum where staff can express their views, experiences and ideas for improvement directly to the Chief Executive and Executive Team. The Chair of the Trust Staff-side works in a collaborative partnership with the Executive Team and with the operational HR Team to improve the staff experience.

The Chief Executive continues to host monthly Breakfast Meetings, which invite a particular staff group (selected on a rotational basis) to have an open opportunity to feedback their views and experiences of working for the Trust and share how they can be supported to deliver high quality services. The views are captured and inform specific action as a result (for example investment in training and development opportunities for band 3 and 4 administration staff).

The Trust holds a senior leaders forum six times a year. These sessions are strategically focused and developmental and work through celebrating successes, sharing insights, inviting key note speakers and providing opportunity for joint problem solving and ideas contribution.

Local focus groups are used and facilitated through the Workforce and Organisational Development Team to engage staff around any specific concerns. Specific examples of this include: For teams undergoing transformation; to focus on reducing incidents of staff reporting bullying and harassment and where our local pulse survey results have identified staff feel under pressure. The outputs of these local engagement sessions have directly informed focused activity both operationally and within the workforce strategy.

## Summary of performance – NHS Staff Survey 2014

Key Findings (KF)	2013	2014	2014 National Average	Against other trusts
Staff Survey Response rate	51%	54%	unknown	Highest 20%
Overall Staff Engagement KF22, KF24, KF25	3.71	3.62	3.72	Below Average

### Breakdown of components of staff engagement score and comparison to last year

Findings	Change since 2013 Survey	Against other trusts
KF22 staff ability to contribute towards improvements at work	No change	Below Average
Staff recommendation of the Trust as a place to work or receive treatment	No Change	Below Average
KF25 Staff motivation at work	No Change	Above Average

### Top 5 Ranking Scores

Key Findings (KF)	2013	2014	2014 National Average	Change Trust Yr. on Yr.	Against other trusts
KF 26 Percentage of staff having equality and diversity training in the last 12 months	92%	92%	67%	0%	Best 20%
KF13 Percentage of staff reporting errors, near misses or incidents witnessed in the last month	95%	95%	92%	0%	Best 20%
KF2 Percentage of staff agreeing that their role makes a difference to patients	93%	91%	89%	2%	Above Average
KF15 Percentage of staff agreeing that they would feel secure raising concerns about unsafe clinical practice	68%	71%	69%	3%	Above Average
KF25 Staff motivation at work	3.91	3.86	3.84	0.05	Above Average



### Bottom 5 Ranking Scores

Key Findings (KF)	2013	2014	2014 National Average	Change Trust Yr. on Yr.	Against other trusts
KF4 Effective Team Working	3.68	3.66	3.84	0.02	Worst 20%
KF22 Percentage of staff able to contribute towards improvements at work	70%	64%	72%	6%	Worst 20%
KF5 Percentage of staff working extra hours	77%	78%	71%	1%	Worst 20%
KF23 Staff job satisfaction	3.64	3.56	3.67	0.08	Worst 20%
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	24%	29%	21%	5%	Worst 20%

### Changes since the last survey

The Trust has a motivation level of staff above average at 3.6 and 91% of staff agree that their role has made a difference to patients. The significant improvement since last year has been the increase in staff saying that they received job relevant training and development (an improvement of 7%).

The year on year comparison results for the Trust across most of the key findings were not statistically different to the 2013 results, except in relation to staff saying that they received job relevant training which has increased and staff feeling pressure to attend work when feeling unwell and the percentage believing the Trust provides equal opportunities for career progression, which have decreased.

When compared to other Mental Health Trusts however; in 2014 the Trust had two key findings in the top 20% and 13 in the worst 20% including the number of staff experiencing harassment, bullying or abuse from staff in the last 12 months. This is a disappointing result from a previously improving trend of numbers of key findings in the top 20%.

It is recognised that there was a significant level of transformation taking place in the organisation during 2014 and an organisational development programme was deployed to support teams and individuals undergoing changes with additional leadership development provided.

It is recommended that to embed the changes made, we continue to focus on engagement, leadership and building teams to improve our staff's experience. This year we will adapt the performance management process to embed the core people management responsibilities of line managers to include specific objectives around local engagement, team meetings, staff health and wellbeing and staff appraisals. Each Strategic Business Unit will take accountability for the data for their areas and will focus on key activities within their business plans.

We are also updating our organisational development plan and the findings of the staff survey and the local pulse surveys will inform the priorities within this.

The Trust is refreshing their intranet and webpages to enable easier access for staff members including interactive elements which will enable another two way communication medium.

## Our Establishment

### Recruitment Standards

The Trust has a pipeline of recruitment activity to fill the actual and projected vacancies in the organisation including focused cohort recruitment and holding recruitment fairs.

The organisation has invested in a new recruitment tracking system which is being implemented in April 2015, which will further reduce the time to hire and increase efficiency through reducing administration.

We employ a robust process to ensure that pre-employment checks are carried out (for both permanent staff and temporary staff). This follows the principles of NHS Employment Check Standards and ensures that managers understand their responsibilities in this process.

Numeracy and literacy tests are undertaken as a pre-requisite to moving forward to the interview stage. In addition we have piloted a values based recruitment process for nurses to facilitate the recruitment of individuals who are likely to demonstrate the behaviours that our customers have told us they value and that deliver compassionate care.

*Current Numbers of staff are shown below:*

Staff Group	Female	Male	% Female	% Male	Total
Directors	11	6	65	35	17
Non-Exec Directors	3	3	50	50	6
Senior Managers	25	23	52	48	48
Employees	1926	742	72	28	2668
<b>Total</b>	<b>1965</b>	<b>774</b>	<b>72</b>	<b>28</b>	<b>2739</b>

## Employee Relations

The Trust is proud of the collaborative partnership it holds with the staff side members who are actively involved in informing activity that impacts on our workforce. We have developed the structure of meetings to strengthen this partnership and the Chair of the Staff Side has regular open meetings with the Chief Executive and Director of Workforce as well as the more formal bi-monthly Joint Staff Consultative and Negotiating Committee. Staffside representatives continue to be fully updated and take a proactive role in change management programmes.

## Our Values

The Trust launched the values and behaviours framework in October 2013 and during 2014 / 15 we have rolled out a values training programme so that all staff are aware of the framework and have the opportunity to discuss it with fellow staff members. We now have internal trained champions to continue to deliver the 'living our values' training for specific team activities and for new people recruited to the organisation.

We have developed a 'Living Our Values App' for iPhone and Android as a direct result of feedback from our young person's service user group. It enables staff and service users to provide real time feedback on their experiences (confidentially if preferred), directly to our HR helpdesk and PALS lines.

To further embed the values, we have piloted a values based recruitment process for nursing staff and once evaluated we anticipate to extend this to other job families. This will strengthen a culture where our customers have an experience that is consistently welcoming, kind, positive, respectful and professional (our values).

Recognition of excellent contribution and acknowledgment of staff that exhibit the values is recognised through our monthly internal Inspire awards (staff nominating their colleagues) and winners of the inspire awards are entered into the Chair's awards at our annual staff awards ceremony.

## Leadership Development

Working in partnership with the University of Hertfordshire, the Trust has an established leadership academy programme consisting of two courses: one for leaders and one for emerging leaders and we have refreshed our internal coaching network to support participants on these programmes. There were 80 participants on these programmes in 2014. We also sent 19 representatives onto the National Leadership Programmes.

We have delivered action-learning sets for managers within a strategic business unit so that they become empowered to learn whilst delivering on their management and leadership challenges.

## Health and Wellbeing

Our Health and Wellbeing Strategy has been revised in 2014, which is underpinned by the principles of involvement as well as outlining key health promotion activities mapped to 'The Public Health Responsibility Deal'. A Staff Engagement and Wellbeing Group will be developed

this year to shape Health and Wellbeing activities undertaken by the Trust, and have greater involvement in Staff Engagement Activities

The Working Together as One magazine is our regular health and wellbeing communication tool for staff including articles on staff and health promotion activities.

We have a new Occupational Health Provider and have worked closely with our Union representatives to define the service offering within this service to support wellbeing and have considered the reasons for sickness and included CBT and physiotherapy services as a result. Our Provider offers self-help function through their website with a dictionary of information about health conditions and focused health promotion events.

The Trust has been running quarterly pulse surveys since August 2011. These surveys operate alongside the annual staff survey to provide staff with the opportunity for more regular feedback to the organisation. The results are analysed by business unit and corporate area so that the Managing Directors can immediately investigate areas of improvement. The pulse survey allows staff to anonymously add verbatim comments, which is a rich source of qualitative data recognising strengths and highlighting areas where action is required.

The Trust is dedicated to reducing the violence and aggression towards members of staff whilst they are delivering their services and has policies to support lone workers. Equally we are committed to reduce the number of staff reporting bullying and harassment. Working with the University of Hertfordshire we have undertaken an investigation into the reporting of harassment and Bullying and a report identified:

1. What behaviours, in the eyes of the staff of the Trust, constitute B&H?
2. What solutions, staff in the Trust think might be adopted in order to reduce the level of B&H in the Trust?

One observation from the sessions was that the influence of the many changes in working practices in the Trust that have had to be implemented, are considered in tandem with the issue of bullying and harassment. The feedback suggested there is little doubt the two are linked.

The recommendations are as follows:

- Facilitated (separate) sessions with senior and middle management to discuss the matters raised in this report
- Facilitated sessions with Medical staff
- Immediate consideration of how to deal with serious cases of bullying by an independent person in the Trust, who has authority to raise the matter with senior management
- That staff are assured that there is a confidential, independent and transparent process to investigate allegations of B&H
- That service users also comply with the Trust's values

- An open discussion with staff about the influence of change on the issue of B&H and, in particular, how the support provided by working in a team can be replicated, now that the team based model of service delivery has been substantially replaced
- To ensure all staff are treated fairly across the Trust, that new training packages are introduced: new induction training for managers new to the Trust or newly appointed; people management skills training; inclusion of conflict resolution skills training and managing occupational stress
- Setting time limits to B&H reporting and further changes to the policy and procedures (including good practice, roles and responsibilities and dissemination)
- Link with Trust Values.

## Learning and Development

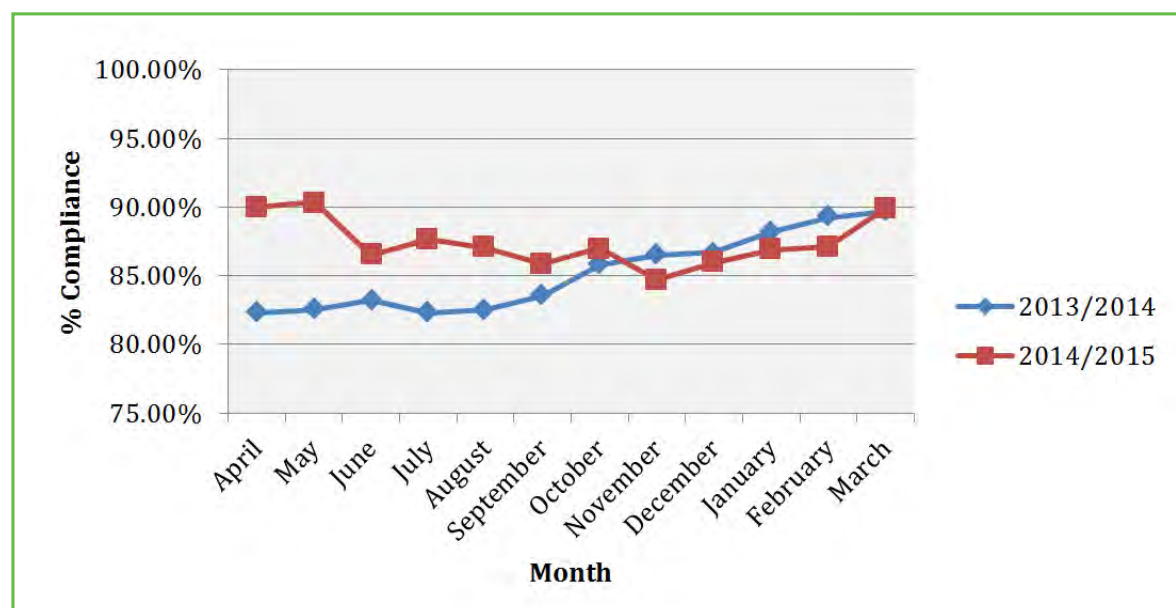
The Trust has achieved success this year in achieving accreditation to become a provider of apprenticeship programmes within customer service, business administration as well as health. This will increase the provision of training and qualifications for band 1-4 staff working for the organisation.

We have undertaken a strategic training needs analysis to identify priority areas for investment in development and our externally funded commissioned training and CPD courses has included a range of short courses addressing issues such as: Dementia and pain management and mindfulness and accredited modules that includes business skills for clinicians, cognitive behavioural therapy and healthcare mentorship preparation.

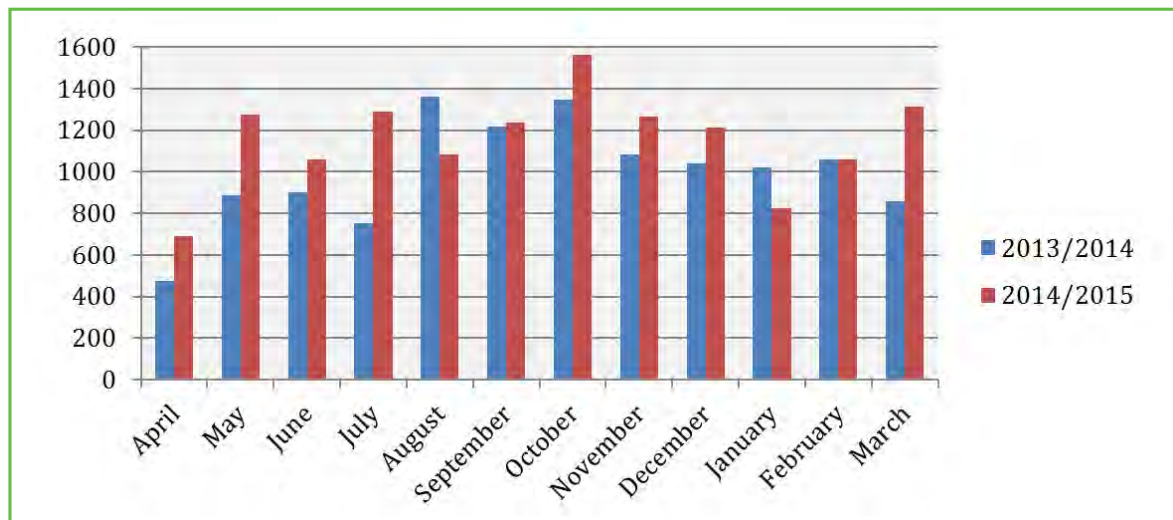
## Mandatory Training and e-learning

Our mandatory training rates are monitored monthly and included in the monthly performance dashboards. We set ourselves a high target of completion rate as a Trust and the completion rate as a trend is shown below:

### *Mandatory Training and Compliance 2013/2014 and 2014/2015*



## OLM E-learning MT Completions 2013/14 and 2014/2015



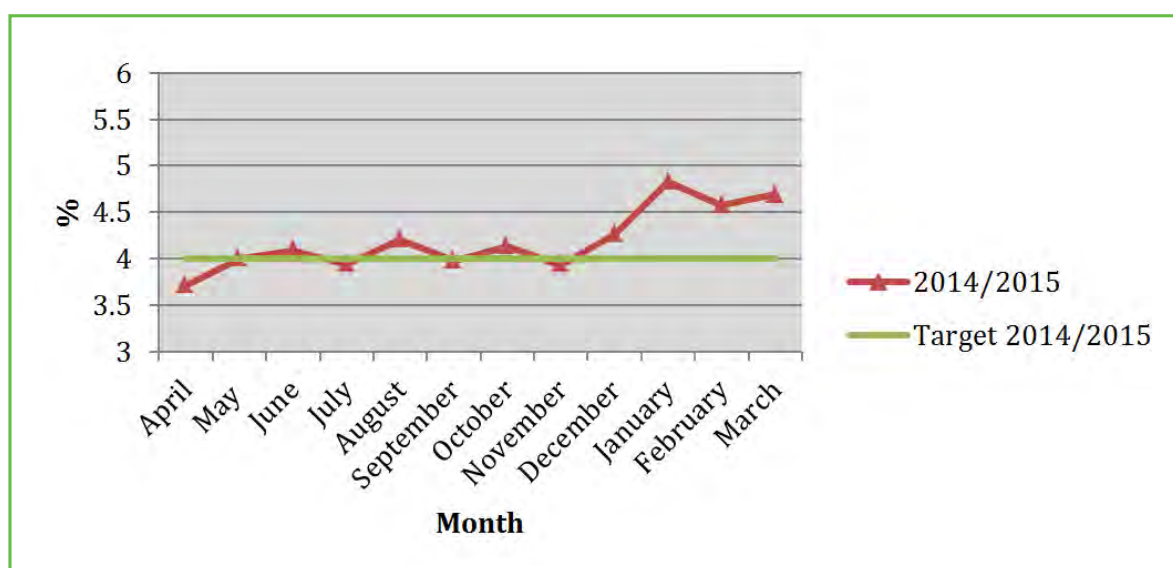
## Sickness Absence Data

The HR Team provides focused advice for managers across the organisation and support the management of sickness absence and referrals to occupational health.

We set a target of 4% sickness absence for the year and we report monthly to the strategic business units and corporate areas as part of the performance dashboard. We aim to reduce sickness absence with the support of our new occupational health provider by focusing on our main reasons for sickness and putting processes in place to support this, and being proactive in areas that are identified as hotspots.

The data below shows the trend over the last 12 months.

### % Sickness Absence 2014/15



*Sickness Absence April 2014 – March 2015*

Staff Group	FTE Days Available	FTE Days Sickness	%FTE Days Sickness
Add Prof Scientific and Technic	125,268.94	4,870.86	3.89%
Additional Clinical Services	221,951.26	12,798.61	5.77%
Administrative and Clerical	184,341.89	6,156.19	3.34%
Allied Health Professionals	31,916.79	603.90	1.89%
Estates and Ancillary	8,644.53	751.93	8.70%
Healthcare Scientists	1,917.00	22.60	1.18%
Medical and Dental	61,333.21	609.75	0.99%
Nursing and Midwifery Registered	238,206.31	11,445.62	4.80%
Students	730.00	11.00	1.51%



# Regulatory Ratings

## Background

Monitor is an executive non-departmental public body of the Department of Health and is the regulator of NHS Foundation Trusts. It was originally established in January 2004 to authorise and regulate NHS Foundation Trusts and subsequently its role and responsibilities have been extended. Currently its key responsibilities (within England) are to ensure:

- independent NHS foundation trusts are well-led so that they can provide quality care on a sustainable basis
- essential services are maintained if a provider gets into serious difficulties
- the NHS payment system promotes quality and efficiency
- procurement, choice and competition operate in the best interests of patients

Once a Trust is authorised, Monitor regulate the Foundation Trust to ensure compliance with the conditions they signed up to, and that they are well led and financially robust.

## New form of Ratings

Monitor introduced a Risk Assessment Framework which applied from October 1st 2013 under which it seeks to ensure NHS foundation trusts are well run and can continue to deliver good quality services for patients in the future. This replaced the previous Compliance Framework and incorporated a number of changes including how the regulatory ratings are calculated.

Based upon the Trust's annual plan for the year ahead Monitor assigns each NHS Foundation Trust a risk rating related to their **Financial Stability** and **Governance**. These are then revised to incorporate the actual results for each quarter.

To assess financial stability this is now measured by the Continuity of Service Risk Rating. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. A low rating does not necessarily represent a breach of the provider's license. Rather, it reflects the degree of financial concern Monitor have about a provider and consequently the frequency of monitoring. This new continuity of services risk rating will not be calculated and used in the same way as the previous financial risk rating (FRR). Whereas the FRR was intended to identify breaches of trusts' terms of authorisation on financial grounds, the continuity of services risk rating will identify the level of risk to the ongoing availability of key services.

There are three categories to the new governance rating applicable to all NHS foundation trusts. Where there are no grounds for concern at a trust, Monitor will assign it a green rating. Where Monitor have identified a concern at a trust but not yet taken action, Monitor will provide a written description stating the issue at hand and the action being considered. Where Monitor has already begun enforcement action, a red rating will be assigned.

## Our Performance

The regulatory performance for Hertfordshire Partnership University NHS Foundation Trust for 2014/15 is summarised in the table below which also includes the previous year's ratings for comparison. The highlights are;

- The rating at the end of the financial year (Q4) for financial risk is a rating of 4, the highest rating, achieved in all quarters.
- In relation to its governance the rating is green, which is the rating achieved in each of the four quarters.

	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
<b>Under the Risk Assessment Framework</b>					
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Green	Green	Green	Green

### Previous Year's Rating

	Annual Plan 2013/14	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
<b>Under the Compliance Framework</b>					
Financial risk rating	3	3	3		
Governance risk rating	Green	Green	Green		
<b>Under the Risk Assessment Framework</b>					
Continuity of Service Rating				4	4
Governance Rating				Green	Green

## Explanation of Ratings under previous Compliance Framework

Financial risk ratings were allocated using a scorecard of 5 key financial metrics. The rating reflects the likelihood of a financial breach of their terms of authorisation. A rating of 5 reflects the lowest level of financial risk and a rating of 1 the greatest.

A green rating for governance risk indicated that an NHS Foundation Trust's governance arrangements comply with their terms of authorisation; an amber risk rating reflected that concerns exist about one or more aspects of governance; a red risk rating indicated that there are concerns that an NHS Foundation Trust is in significant breach of its terms of authorisation.

## Section Two

Full Statutory Accounts including Statement of Accounting Officers responsibilities in respect of the accounts and Annual Governance Statement

1 April 2014 – 31 March 2015



## FOREWORD TO THE FINANCIAL STATEMENTS

### HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

Hertfordshire Partnership University NHS Foundation Trust ('the NHS FT') is required to prepare Annual Financial Statements in such form as Monitor, the independent regulator of Foundation Trusts, may, with the approval of HM Treasury, direct. These requirements are set out in paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

In preparing the Financial Statements the NHS FT has complied with any directions given by Monitor, with the approval of HM Treasury, as to the methods and principles according to which the statements are to be prepared and the information to be given in the statements. The statements are designed to present a true and fair view of the NHS FT's activities (paragraph 25(3), Schedule 7 of the 2006 Act).

If you require any further information on these accounts please contact:

Matthew Hooper  
Head of Financial Services  
Hertfordshire Partnership University NHS Foundation Trust  
99 Waverley Road  
St Albans  
Hertfordshire  
AL3 5TL  
Telephone number: 01923 633278

Signed



Mr Tom Cahill, Chief Executive

Date

27/05/2015

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED**  
**31 March 2015**

		2014/15	2013/14
		£000	£000
Operating Income from continuing operations	note 4	201,343	198,408
Operating expenses of continuing operations	5	(206,272)	(194,736)
<b>OPERATING (DEFICIT)/SURPLUS</b>		<b>(4,929)</b>	<b>3,672</b>
<b>FINANCE COSTS</b>			
Finance income	9.1	94	110
Finance expense - financial liabilities	9.2	(302)	(68)
Finance expense - unwinding of discount on provisions	9.2	(72)	(102)
PDC dividends payable		(4,688)	(4,275)
<b>NET FINANCE COSTS</b>		<b>(4,968)</b>	<b>(4,335)</b>
<b>DEFICIT FOR THE YEAR</b>		<b>(9,897)</b>	<b>(663)</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Gain/ (loss) from transfer by absorption from demising bodies	11	0	6,868 *
Impairments	13	(4,099)	(6,834)
Revaluations	11	6,070	12,851
<b>TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR</b>		<b>(7,926)</b>	<b>12,222</b>

Whilst the deficit for the financial year was £9,897k (£663k deficit in 2013/14) as reported above, this includes a small number of material items which are unusual in nature and not considered by the NHS FT to be part of its normal activities. In order to assist the reader's understanding of the accounts the following clarifying information is provided:

		2014/15	2013/14
		£000	£000
<b>Financial performance for the year:</b>			
(DEFICIT) FOR THE YEAR (as above)		(9,897)	(663)
Impairments charged to the SOCI following an independent revaluation	13	11,439	2,953
Reversal of prior year's impairment charges no longer required	13	(1,513)	0
<b>Surplus after adjusting for the above items</b>		<b>29</b>	<b>2,290</b>

\* This relates to the transfer of Lexden Hospital from North East Essex Primary Care Trust on 1 April 2013. Further details are provided in note 11

## STATEMENT OF FINANCIAL POSITION

31 March 2015

		31 March 2015	31 March 2014
	note	£000	£000
<b>Non-current assets</b>			
Intangible assets	10	48	94
Property, plant and equipment	11	177,049	180,641
Trade and other receivables	16	0	2
<b>Total non-current assets</b>		<b>177,097</b>	<b>180,737</b>
<b>Current assets</b>			
Inventories	14	20	11
Trade and other receivables	16	4,526	12,493
Assets held for sale	15	7,309	183
Cash and cash equivalents	17	27,716	25,449
<b>Total current assets</b>		<b>39,571</b>	<b>38,136</b>
<b>Current liabilities</b>			
Trade and other payables	21	(22,075)	(23,857)
Borrowings	19	(571)	(152)
Provisions	20	(4,084)	(5,055)
Other liabilities	22	(4,297)	(5,330)
<b>Total current liabilities</b>		<b>(31,027)</b>	<b>(34,394)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>185,641</b>	<b>184,479</b>
<b>Non-current liabilities</b>			
Borrowings	19	(18,574)	(9,476)
Provisions	20	(8,776)	(8,518)
<b>Total non-current liabilities</b>		<b>(27,350)</b>	<b>(17,994)</b>
<b>Total assets employed</b>		<b>158,291</b>	<b>166,485</b>
<b>Financed by (taxpayers' equity)</b>			
Public dividend capital	18	83,063	83,331
Revaluation reserve		55,717	54,153
Income and expenditure reserve		19,511	29,001
<b>Total taxpayers' and others' equity</b>		<b>158,291</b>	<b>166,485</b>

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:



Mr Tom Cahill, Chief Executive

Date

27/05/2015



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED**  
**31 March 2015**

		Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve
	note	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 01 April 2014 - brought forward</b>		<b>166,485</b>	<b>83,331</b>	<b>54,153</b>	<b>29,001</b>
Surplus/(deficit) for the year	SOCI	(9,897)	0	0	(9,897)
Transfers between reserves		0	0	(407)	407
Impairments	13	(4,099)	0	(4,099)	0
Revaluations - property, plant and equipment	11	6,070	0	6,070	0
Public dividend capital repaid	18	(268)	(268)	0	0
<b>Taxpayers' Equity at 31 March 2015</b>		<b>158,291</b>	<b>83,063</b>	<b>55,717</b>	<b>19,511</b>

The £407k transfer between the Revaluation Reserve and the Income and Expenditure Reserve relates to the amount held in the Revaluation Reserve for a property disposed of in a previous year, and therefore released in 2014/15.

The repayment of PDC Dividend capital relates to the transfer of the mental health unit at the QE II site to East & North Herts NHS Trust.

See notes 11 and 13 for further details on the impairments and revaluations.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED**  
**31 March 2014**

		Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve
	note	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 01 April 2013 - as previously stated</b>		<b>154,263</b>	<b>83,331</b>	<b>48,092</b>	<b>22,840</b>
Deficit for the year	SOCI	(663)	0	0	(663)
Transfers by MODIFIED absorption: gains on 1 April transfers from demising bodies	11	6,868	0	0	6,868
Transfers by MODIFIED absorption: transfers between reserves	11	0	0	526	(526)
Transfers between reserves	11	0	0	(19)	19
Impairments	13	(6,834)	0	(6,834)	0
Revaluations - property, plant and equipment	11	12,851	0	12,851	0
Transfer to retained earnings on disposal of assets	11	0	0	(463)	463
<b>Taxpayers' Equity at 31 March 2013</b>		<b>166,485</b>	<b>83,331</b>	<b>54,153</b>	<b>29,001</b>

The £19k transfer between the Revaluation Reserve and the Income and Expenditure Reserve relates to an adjustment for excess depreciation on those properties where the amount held in the Revaluation Reserve for the asset is greater than its current value.

The £6,868k transfer by modified absorption related to the transfer to the NHS FT of the Lexden Hospital site in Colchester (see note 11).

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2015**

	note	2014/15 £000	2013/14 £000
<b>Net cash inflow from operating activities</b>	24	<b>16,442</b>	<b>8,210</b>
<b>Cash flows from investing activities</b>			
Interest received	9.1	90	106
Purchase of property, plant and equipment and investment property		(19,126)	(31,648)
Sales of property, plant and equipment and investment property		442	1,111
<b>Net cash generated from/(used in) investing activities</b>		<b>(18,594)</b>	<b>(30,431)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital repaid		(268)	0
Loans received from the Independent Trust Financing Facility		10,200	9,000
Loans repaid to the Independent Trust Financing Facility		(232)	0
Capital element of finance lease rental payments		(103)	(96)
Interest paid		(252)	(8)
Interest element of finance lease		(50)	(60)
PDC dividend paid		(4,876)	(4,175)
<b>Net cash generated from/(used in) financing activities</b>		<b>4,419</b>	<b>4,661</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	17	<b>2,267</b>	<b>(17,560)</b>
<b>Cash and Cash equivalents at 1 April</b>	17	<b>25,449</b>	<b>43,009</b>
<b>Cash and Cash equivalents at 31 March</b>		<b>27,716</b>	<b>25,449</b>

The statement of cash flows reports transactions purely on a cash basis and not on the accruals basis used in the other Financial Statements. For this reason, some figures may appear different to the figures reported elsewhere. An example of this is interest received being £90k above compared to £94k on the Statement of Comprehensive Income.

The 'Sales of property, plant and equipment and investment property' consist of the net sale proceeds realised on the sale of 47 Brookfield House and the mental health unit at the QE II site.

The transfer of PDC Dividend capital relates to the transfer of the mental health unit at the QE II site to East & North Herts NHS Trust.

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following Financial Statements have been prepared in accordance with the FT ARM for 2014/15 issued by Monitor. The accounting policies contained in the FT ARM follow International Financial Reporting Standards (IFRS) as adopted by the European Union and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The HM Treasury's FReM reflects the advice of the Financial Reporting Advisory Board (FRAB). The accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

#### 1.1 Accounting convention

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

#### 1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS FT's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the 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 following are the 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.

##### 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.

##### Going Concern

The Financial Statements have been prepared on the basis that the NHS FT is a going concern and will be in the foreseeable future. This is based upon the Directors assessment of the NHS FT's current financial projections, its current levels of cash and borrowing capacity and the contractual agreements it has with its commissioners.

##### Compliant with the NHS Foundation Trust Annual Reporting Manual

The Financial Statements have been prepared in accordance with the 2014/15 Foundation Trust Annual Reporting Manual (FT ARM). The accounting policies contained in the FT ARM apply International Financial Reporting Standards as adapted or interpreted for an NHS Foundation Trust.

##### 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. Estimates of the amount to provide for in Pensions and Injury Benefit provisions are based on the latest estimates of life expectancy tables provided by the Government Actuary's Department (GAD). Estimates of the amount to provide for in Continuing Health Care provisions are based on the number of claims received with an average value for the claim and related costs calculated. Valuation assumptions for Property, Plant and Equipment are based on valuations provided by the District Valuer, Giles Awford, as at 31 March 2015.

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

### 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the NHS FT is from commissioners for health and social care services and the majority is provided under a Block Contract arrangement jointly commissioned by NHS East & North Hertfordshire Clinical Commissioning Group, NHS Herts Valleys Clinical Commissioning Group and Hertfordshire County Council.

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

Interest revenue is derived from balances held with the Government Banking Services and National Loan Fund. All investments have been undertaken in accordance with the NHS FT's Treasury Management Policy.

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

### 1.4 Employee Benefits

#### Short-term employee benefits

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

#### Pension costs

##### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their

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 the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

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

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

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

### 1.4 Employee Benefits (continued)

#### c) Scheme provisions

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

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

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

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

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

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

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

#### *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.

As Hertfordshire County Council is responsible for any funding shortfall on this pension scheme, the NHS FT accounts for the pension scheme on a defined contribution basis.

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

### 1.5 Expenditure on other goods and services

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable 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 1.6 below).

### 1.6 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; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

#### 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. All such assets are measured subsequently at fair value.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use; or
- Specialised buildings – depreciated replacement cost.

A revaluation was conducted by the District Valuer, Giles Awford, as at 31st March 2015 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS).

##### *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.

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

### *Depreciation*

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

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:

	<b>Years</b>
Medical equipment and engineering plant & machinery	5 - 15
Set up costs in new buildings	10
Furniture	10
IT equipment	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.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction 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 income within the Statement of Comprehensive Income.

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

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 FT ARM, impairments that are due to a loss of economic benefits or 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 arising from a loss of economic benefit or 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 income 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.



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

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

### *De-recognition*

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales, and;
- the sale must be highly probable i.e.;
  - o management are committed to a plan to sell the asset;
  - o an active programme has begun to find a buyer and complete the sale;
  - o the asset is being actively marketed at a reasonable price;
  - o the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - o the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged.

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

## 1.7 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 FT's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the 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 only where all of the following can be demonstrated:

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

### **Software**

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset and amortised over the useful life of the asset which is generally 5 years.

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

### Measurement

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

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

### 1.8 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 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.

### 1.9 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.

### 1.10 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 a change in value. Cash equivalents that mature in more than 3 months are shown as current investments.

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

### 1.11 Provisions

Provisions are recognised when the NHS FT has a present legal or constructive obligation as a result of a past event, it is probable that the NHS FT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury discount rates.

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

Present obligations arising under onerous contracts are recognised and accrued for. An onerous contract is considered to exist where the NHS FT has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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. A provision has been set up in these financial statements for protected salary costs of staff affected by restructuring.

### 1.12 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS FT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA 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 the NHSLA on behalf of the NHS FT is disclosed at note 20 but is not recognised in the NHS FT's Financial Statements.

### 1.13 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 the NHS Litigation Authority and, in return, receives assistance with the costs of any claims arising for which the NHS FT is liable. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

### 1.14 Contingencies

#### Contingent 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 29, 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.

### 1.15 Financial assets

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

Financial assets are initially recognised at fair value.

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

#### Financial assets held at fair value through profit and loss

These are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

The NHS FT does not hold any of this class of assets.

#### Available for sale financial assets

The NHS FT does not hold any of this class of assets.

#### Loans and receivables

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

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

Fair value is determined by reference to quoted market prices where possible, otherwise at amortised cost, using the effective interest method.

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

### 1.16 Financial liabilities

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

#### Financial liabilities at fair value through profit and loss

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

#### Other financial liabilities

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

### 1.17 Corporation Tax

The NHS FT had determined that it has no Corporation Tax liability on the basis that its principle 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.

As a partnership trust providing services in conjunction with the County Council the NHS FT had operated under a VAT arrangement which reflects the joint provision of services. This arrangement was recinded by HM Revenue and Customs with effect from 1st April 2014.

### 1.19 Foreign currencies

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

### 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS FT has no beneficial interest in them. Details of third party assets are given in Note 27 to the accounts.

### 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.

A charge, reflecting the cost of capital utilised by the NHS FT, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS FT during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS), and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual 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, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses. The detail can be found in note 26.

### 1.23 Subsidiaries

The Hertfordshire Partnership University NHS FT Charitable Funds fall within the definition of a subsidiary. 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 Research and Development

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

### 1.25 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM (Financial Reporting Manual) does not require the following Standards and Interpretations to be applied in 2014-15. The application of the Standards as revised would not have a material impact on the accounts for 2014-15, were they applied in that year:

IAS 19 (amendment) - Employer contributions to defined benefit pension schemes  
IAS 36 (amendment) - Recoverable amount disclosures  
IFRS 9 Financial Instruments  
IFRS 13 Fair Value Measurement  
IFRS 15 Revenue from contracts with customers  
IFRIC 21 Levies  
Annual Improvements 2012  
Annual Improvements 2013

## 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.

Note 16.3 shows the analysis of impaired debts and non-impaired debts which are past their due date.

#### 2.2 Liquidity risk

The NHS FT's net operating costs are incurred under contract agreements 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 Independent Trust Financing Facility. 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 up to a value of £38.8m. Of these loans a total of £10.2m was drawn down in 2014/15 (£9m in 2013/14).

### 3 Segmental Information

The accounting standard IFRS8 sets out how entities should report information about their operating segments:

- A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.
- A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

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".

	2014/15 Total	2013/14 Total
	£000	£000
<b>Income from activities</b>		
Cost and volume contract income	5,402	5,404
Block contract income	184,404	177,425
Clinical partnerships providing mandatory services (including S75 agreements)	795	923
Other clinical income from mandatory services	1,116	945
<b>Total income from activities</b>	<b>191,717</b>	<b>184,697</b>
<b>Other operating income</b>		
Research and development	463	396
Education and training	2,417	2,503
Non-patient care services to other bodies	777	934
Other **	4,442	9,825
Profit on disposal of assets held for sale	0	39
Reversal of impairments of property, plant and equipment (see note 13)	1,513	0
Rental revenue from operating leases - minimum lease receipts	14	14
<b>Total other operating income</b>	<b>9,626</b>	<b>13,711</b>
<b>Total operating Income</b>	<b>201,343</b>	<b>198,408</b>

<b>** Analysis of other income (above)</b>	2014/15 Total	2013/14 Total
	£000	£000
Staff accommodation rentals	5	12
Clinical excellence awards	108	220
Transformation Funding provided by commissioners	2,105	8,405
Winter resilience funding	536	0
Safer care pathways funding	225	0
Other	1,463	968
<b>Total</b>	<b>4,442</b>	<b>9,605</b>

**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.

	2014/15 Total	2013/14 Total
	£000	£000
<b>Income from Activities</b>		
NHS Foundation Trusts	126	173
NHS Trusts	16	51
CCGs and NHS England	37,279	33,093
Local authorities	154,251	151,331
Non NHS: Other	45	49
<b>Total Income from Activities</b>	<b>191,717</b>	<b>184,697</b>

Income from Local Authorities includes income received from the joint commissioning arrangement between East and North Hertfordshire Clinical Commissioning Group, Herts Valleys Clinical Commissioning Group and Hertfordshire County Council.

**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.

	2014/15	2013/14
	£000	£000
Income from Commissioner Requested Services	191,717	184,697
Income from non-Commissioner Requested Services	9,626	13,711
	<b>201,343</b>	<b>198,408</b>

**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.

The total income from this operating lease in 2014/15 is £14k (£13k in 2013/14).

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

	2014/15 £000	2013/14 £000
on leases of Buildings expiring		
- not later than one year;	14	13
- later than one year and not later than five years;	52	52
- later than five years.	18	31
	<b>84</b>	<b>96</b>

**Notes to the Accounts - 5 Operating Expenses of continuing operations****5 Operating Expenses of continuing operations****5.1 Operating Expenses (by type)**

	2014/15	2013/14
	£000	£000
Services from NHS Foundation Trusts	839	495
Services from NHS Trusts	2,605	2,633
Services from CCGs and NHS England	1,879	1,552
Purchase of healthcare from non NHS bodies	12,330	13,553
Purchase of social care (under s.75 or other integrated care arrangements)	15,200	13,481
Employee expenses - executive directors	1,304	1,258
Employee expenses - non-executive directors	87	110
Employee expenses - staff	127,154	120,304
Supplies and services - clinical (excluding drug costs)	445	422
Supplies and services - general	6,365	4,935
Establishment	2,177	1,753
Research and development - (included in employee expenses)	231	255
Transport (business travel only)	1,958	1,952
Transport (other)	1,125	1,378
Premises - business rates payable to local authorities	1,254	638
Premises - other	3,396	4,463
Increase/(decrease) in provision for impairment of receivables	4	(252)
Inventories written down (net, including inventory drugs)	2	1
Drug costs (non inventory drugs only)	2,390	2,669
Drugs Inventories consumed	271	203
Rentals under operating leases - minimum lease payments	2,551	1,308
Depreciation on property, plant and equipment	4,424	4,003
Amortisation on intangible assets	46	78
Impairments of property, plant and equipment	11,185	2,953
Impairments of assets held for sale	254	0
audit services- statutory audit	61	58
audit services -regulatory reporting (external auditor only)	11	10
Clinical negligence - amounts payable to the NHSLA (premiums)	239	246
Loss on disposal of other property, plant and equipment	8	16
Legal fees	247	370
Consultancy costs	1,192	1,095
Training, courses and conferences	1,123	882
Patient travel	30	26
Car parking & security	531	409
Redundancy - (not included in employee expenses)	(472)	1,197
Early retirements - (not included in employee expenses)	85	61
Insurance	352	435
Other services, eg external payroll	3,151	5,975
Losses, ex gratia & special payments- (not included in employee expenses)	6	24
Other	232	3,787
<b>Total Operating Expenses</b>	<b>206,272</b>	<b>194,736</b>

## Notes to the Accounts - 5 Operating Expenses of continuing operations

### 5.2 Limitation on Auditor's Liability

The NHS FT's external auditor, Deloitte LLP, does not have a liability cap in relation to the annual statutory audit.

### 5.3 Exit Packages

#### Reporting of other compensation schemes - exit packages 2014/15

There were 7 exit packages agreed in 2014/15 totalling £355k.

	Number of redundancies	Cost of redundancies
Exit package cost band (including any special payment element)		£000s
<£10,000	2	5
£10,001 - £25,000	1	23
£25,001 - 50,000	1	40
£50,001 - £100,000	1	66
£100,001 - £150,000	2	221
£150,001 - £200,000	0	0
>£200,001	0	0
<b>Total</b>	<b>7</b>	<b>355</b>

#### Reporting of other compensation schemes - exit packages 2013/14

There were 16 exit packages paid to individuals in 2013/14 totalling £1,191k.

	Number of redundancies	Cost of redundancies
Exit package cost band (including any special payment element)		£000s
<£10,000	0	0
£10,001 - £25,000	3	62
£25,001 - £50,000	2	78
£50,001 - £100,000	6	400
£100,001 - £150,000	4	484
£150,001 - £200,000	1	167
>£200,001	0	0
<b>Total</b>	<b>16</b>	<b>1,191</b>

## Notes to the Accounts - 5.4 Salary and Pension Entitlements of Senior Managers

## 5.4 Salary and Pension Entitlements of Senior Managers

## 5.4.1 Remuneration

Name and Title	2014/15						2013/14								
	Salary and fees (bands of £5,000)	Other re-muneration (bands of £5,000)	Taxable benefits ** (nearest £00)	Performance related bonuses (bands of £5,000)	Long term Performance related bonuses (bands of £5,000)	Pension related benefits (bands of £2,500) ***	Total (bands of £5,000)	Salary and fees (bands of £5,000)	Other re-muneration (bands of £5,000)*	Taxable benefits ** (nearest £00)	Performance related bonuses (bands of £5,000)	Long term Performance related bonuses (bands of £5,000)	Pension related benefits (bands of £2,500)	Total (bands of £5,000)	
Christopher Lawrence (Chair) Appointed to Chair July 2014 previously Non Executive Director Colin Sheppard (Non Executive Director) Acting Chair April to July 2014 Manjeet Gill (Non Executive Director) Peter Baynham (Non Executive Director) Simon Barber (Non Executive Director) Appointed August 2013 Sarah Betteley (Non Executive Director) Appointed August 2014 Loyola Weeks (Non Executive Director) Appointed August 2014 Stephen Marsden (Non Executive Director) Resigned July 2014 Hattie Jewellyn-Davies (Chair) Resigned March 2014 Bill Brown (Non Executive Director) End of appointment July 2013 Carol Kennedy Filer (Non Executive Director) End of appointment July 2013 Tom Cahill (Chief Executive) Oliver Shanley (Executive Director of Quality & Safety / Deputy Chief Executive) Iain Eaves (Executive Director of Strategy & Improvement) Karen Taylor (was Chief Operating Officer / now Director of Community Services and Integration) Keith Loveman (Executive Director of Finance) Harjinder Kandola (Executive Director of Workforce & Organisational Development) Geraldine O'Sullivan (Executive Director Quality & Medical Leadership) Paul Lumson (Director of Service Delivery & Customer Experience) January to March 2014 Lisa Hunt (Chief Operating Officer) March to October 2013 covering Karen Taylor's maternity leave Barbara Suggitt (Company Secretary)	£000	£000	£00	£000	£000	£000	£000	£000	£000	£00	£000	£000	£000	£000	
	40 to 45						40 to 45	15 to 20						15 to 20	
	20 to 25						20 to 25	15 to 20						15 to 20	
	15 to 20						15 to 20	15 to 20						15 to 20	
	15 to 20						15 to 20	15 to 20						15 to 20	
	15 to 20						15 to 20	10 to 15						15 to 20	
	10 to 15						10 to 15	15 to 20						15 to 20	
	10 to 15						10 to 15	15 to 20						15 to 20	
	0 to 5						0 to 5	15 to 20						15 to 20	
								45 to 50						45 to 50	
								5 to 10						5 to 10	
								5 to 10						5 to 10	
		165 to 170		54	10 to 15		0	185 to 190	155 to 160		51	10 to 15		90 to 95	265 to 270
		140 to 145			10 to 15		125 to 130	280 to 285	125 to 130		59	5 to 10		100 to 105	240 to 245
		140 to 145			10 to 15		20 to 25	175 to 180	130 to 135			5 to 10		5 to 10	150 to 155
		130 to 135			10 to 15		40 to 45	185 to 190	80 to 85			5 to 10		60 to 65	145 to 150
	125 to 130		38	10 to 15		40 to 45	180 to 185	120 to 125		37	5 to 10		55 to 60	190 to 195	
	125 to 130			5 to 10		85 to 90	225 to 230	110 to 115			5 to 10		0 to 5	120 to 125	
	110 to 115			10 to 15		0	125 to 130	145 to 150	50 to 55		10 to 15		75 to 80	285 to 290	
	40 to 45						40 to 45	90 to 95						90 to 95	
	85 to 90			5 to 10		10 to 15	110 to 115	85 to 90			5 to 10		25 to 30	120 to 125	
Band of highest paid director's total remuneration Median total remuneration Ratio	165 to 170 £31,655 5.3							155 to 160 £30,685 5.1							

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".

\* Other remuneration for Dr Geraldine O'Sullivan in 2013/14 relates to payments for her clinical duties.

\*\* 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.

\*\*\* There are no pension related benefits recorded in this statement for Tom Cahill in 2014/15. Tom Cahill has Mental Health Officer status and has reached maximum service of 40 years. NB, once a member of the scheme with MHO status reaches 20 years membership every year's membership after that counts as two by a process referred to as 'doubling'. With doubling, a member of the pension scheme can quickly reach forty years.

Signed

Mr. Tom Cahill, Chief Executive

27/05/2015



## Notes to the Accounts - 5.4.2 Pension Benefits

## 5.4.2 Pension Benefits

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000)	Cash Equivalent Transfer value at 31 March 2015	Cash Equivalent Transfer value at 31 March 2014	Real increase in Cash Equivalent Transfer value
Tom Cahill*	£000 0	£000 0	£000 75 to 80	£000 235 to 240	£000 1,415	£000 1,377	£000 3
Iain Eaves	0 to 2.5	0	5 to 10	0	83	62	14
Keith Loveman	0 to 2.5	5.0 to 7.5	30 to 35	95 to 100	597	534	35
Karen Taylor	0 to 2.5	5.0 to 7.5	25 to 30	80 to 85	373	326	27
Oliver Shanley	2.5 to 5	12.5 to 15	55 to 60	175 to 180	1,064	923	82
Harjinder Kandola	2.5 to 5	10 to 12.5	35 to 40	115 to 120	661	568	55
Barbara Suggitt	0 to 2.5	0 to 2.5	20 to 25	70 to 75	550	509	20

Non-Executive Directors do not receive pensionable remuneration.

\* Tom Cahill has Mental Health Officer status and has reached maximum service of 40 years as detailed in note 5.4.1.. There is no real increase to his pension or lump sum at age 60. His CETV has increased over the year as the calculation of this figure includes age specific factors (NB Tom Cahill's age has increased by one year).

## 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.

Signed



Mr. Tom Cahill, Chief Executive

27/05/2015

## Notes to the Accounts - 6 Commitments under Operating Leases

### 6 Commitments under Operating Leases

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

During 2013/14 the NHS FT entered into three significant new operating lease agreements for buildings, which has led to a significant increase in both annual lease expenditure and future minimum lease payments.

#### Analysis of operating lease expenditure 2014/15

	Total £000	Buildings £000	Other £000
Minimum lease payments	2,551	2,269	282
<b>Total</b>	<b>2,551</b>	<b>2,269</b>	<b>282</b>

#### Analysis of operating lease expenditure 2013/14

	Total £000	Buildings £000	Other £000
Minimum lease payments	1,308	1,068	240
<b>Total</b>	<b>1,308</b>	<b>1,068</b>	<b>240</b>

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

#### Arrangements containing an operating lease 2014/15

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	1,422	1,167	255
- later than one year and not later than five years;	4,597	4,485	112
- later than five years.	6,067	6,067	0
<b>Total</b>	<b>12,086</b>	<b>11,719</b>	<b>367</b>

#### Arrangements containing an operating lease 2013/14

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	1,456	1,225	231
- later than one year and not later than five years;	4,094	3,763	331
- later than five years.	7,193	7,193	0
<b>Total</b>	<b>12,743</b>	<b>12,181</b>	<b>562</b>



**Notes to the Accounts - 7 Employee expenses****7 Employee expenses****7.1 The employee expenses incurred during the year were as follows**

	2014/15	2013/14
	£000	£000
Salaries and wages	98,377	94,918
Social security costs	8,204	8,318
Pension cost - defined contribution plans employer's contributions to NHS pensions	11,778	12,502
Pension cost - other	80	127
Termination benefits	0	0
Agency/contract staff	10,250	5,517
<b>Total Gross Staff Costs</b>	<b>128,689</b>	<b>121,382</b>
Recoveries from DH Group bodies in respect of staff cost netted off expenditure	0	132
Recoveries from other bodies in respect of staff cost netted off expenditure	0	303
<b>Total Staff Costs</b>	<b>128,689</b>	<b>121,817</b>
Analysed into Operating Expenditure in note 5.1:		
Employee expenses - staff	127,154	120,304
Employee expenses - executive directors	1,304	1,258
Research & development	231	255
Redundancy	0	0
<b>Total Employee benefits excl. capitalised costs</b>	<b>128,689</b>	<b>121,817</b>

'Pension cost - other' relate to Hertfordshire County Council's Local Government Pension Scheme. See Note 1.4.

As the Hertfordshire County Council's scheme is accounted for on a defined contributions basis, the following Local Government Pension Scheme figures are not included in these accounts but are disclosed separately as follows:

Based on IAS19, the Actuary has estimated for the Trust that, for the year ended 31 March 2015, the net pension asset is £1,592k (£1,081k as at 31 March 2014). The amount chargeable to operating profit is £79k (£261k as at 31 March 2014) and a gain of £480k (£2,935k as at 31 March 2014) is recognisable in the Hertfordshire County Council Statement of Total Income and Expense.

Total employer pension contributions totalled £11,858k (£12,629k in 2013/14)

**7.2 Number of employees**

The average number of employees during the year was as follows (expressed in full time equivalents)

	2014/15	2013/14
	FTE's	FTE's
Medical and dental	162	167
Administration and estates	564	564
Healthcare assistants and other support staff	571	559
Nursing, midwifery and health visiting staff	656	744
Scientific, therapeutic and technical staff	415	266
Social care staff	84	111
Agency and contract staff	133	96
Bank staff	402	385
Other	7	7
<b>Total</b>	<b>2,994</b>	<b>2,899</b>

## Notes to the Accounts - 7 Employee expenses

### 7.3 Retirements due to ill-health

During 2014/15 there were 5 (3 in 2013/14) early retirements from the NHS FT on the grounds of ill-health with an estimated additional pension liability of £410k (£327k in 2013/14).

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

### 8 Better Payment Practice Code

The measure of compliance for 2014/15 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 amounts included within Finance Expenses (note 9.2) arising from claims made under this legislation.

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

## 9 Finance Costs

### 9.1 Finance Income

	2014/15 £000	2013/14 £000
Interest receivable on bank deposits	94	110

Interest receivable as stated in the Statement of Cash Flows is the actual cash received by the NHS FT in year (£4k relating to 2013/14 and £86k relating to 14/15), whereas the figure above comprises the £86k received relating to 2014/15 and also includes £8k accrued interest receivable.

### 9.2 Finance Expenses

	2014/15 £000	2013/14 £000
Loans from the Independent Trust Financing Facility	252	8
Finance leases	50	60
Unwinding of discount on provisions	72	102
<b>Total</b>	<b>374</b>	<b>170</b>

**Notes to the Accounts - 10 Intangible Assets****10 Intangible Assets**

	2014/15 Software licences £000	2013/14 Software licences £000
Opening cost at 1 April	427	658
Additions - purchased	0	0
Disposals	0	(231)
<b>Gross cost at 31 March</b>	<b>427</b>	<b>427</b>
Opening amortisation at 1 April	333	486
Provided during the year	46	78
Disposals	0	(231)
<b>Amortisation at 31 March</b>	<b>379</b>	<b>333</b>
<u>Net book value</u>		
At 1 April	94	172
<b>At 31 March</b>	<b>48</b>	<b>94</b>

The expected remaining economic life of these assets varies between 1 and 2 years, depending on the asset.

The disposal values shown above in year 2013/14 are for assets that are fully depreciated and have no further material value to the NHS FT.

# Notes to the Accounts - 11 Property, Plant and Equipment

11

## Property, Plant and Equipment as at 31 March 2015

11.1 Balances as at 31 March 2015	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/ gross cost at 1 April 2014 - brought forward</b>	<b>184,337</b>	<b>58,314</b>	<b>84,359</b>	<b>165</b>	<b>35,825</b>	<b>1,101</b>	<b>2,543</b>	<b>2,030</b>
Additions - purchased	16,363	0	1,741	0	11,620	311	1,797	894
Impairments charged to operating expenses	(11,439)	(377)	(11,021)	0	0	(41)	0	0
Impairments charged to the revaluation reserve	(4,099)	(1,239)	(2,855)	0	0	(5)	0	0
Revaluations	0	0	42,764	0	(43,463)	161	538	0
Transfers to/from assets held for sale and assets in disposal groups	4,136	2,262	1,848	26	0	0	0	0
Disposals	(7,563)	(4,891)	(2,672)	0	0	0	0	0
	(267)	(267)	0	0	0	0	0	0
<b>Valuation/ gross cost at 31 March 2015</b>	<b>181,468</b>	<b>53,802</b>	<b>114,164</b>	<b>191</b>	<b>3,982</b>	<b>1,527</b>	<b>4,878</b>	<b>2,924</b>
<b>Accumulated depreciation at 1 April 2014 - brought forward</b>	<b>3,696</b>	<b>0</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>710</b>	<b>1,945</b>	<b>798</b>
Provided during the year	4,424	0	3,744	6	0	82	404	188
Impairments charged to operating expenses	(254)	0	(254)	0	0	0	0	0
Reversal of impairments credited to operating income	(1,513)	0	(1,513)	0	0	0	0	0
Revaluations	(1,934)	0	(1,934)	0	0	0	0	0
<b>Accumulated depreciation at 31 March 2015</b>	<b>4,419</b>	<b>0</b>	<b>286</b>	<b>6</b>	<b>0</b>	<b>792</b>	<b>2,349</b>	<b>986</b>
<b>Net book value at 31 March 2015</b>	<b>176,948</b>	<b>53,802</b>	<b>113,777</b>	<b>185</b>	<b>3,982</b>	<b>735</b>	<b>2,529</b>	<b>1,938</b>
Owned	101	0	101	0	0	0	0	0
Finance Leased								
<b>NBV total at 31 March 2015</b>	<b>177,049</b>	<b>53,802</b>	<b>113,878</b>	<b>185</b>	<b>3,982</b>	<b>735</b>	<b>2,529</b>	<b>1,938</b>

Included within 'additions - purchased' are the following items:

- Classified as 'Asset under construction';
- Seward Lodge - £2,292k which will be completed and brought in to use in 2015/16
- Waverley Road - £1,081k which will be completed and brought in to use in early 2015/16
- Kingfisher Court - £7,723k to complete the asset and forms part of the reclassification of £43,463 to a commissioned asset.
- Classified as 'Information technology';
- Technology Refresh - £1,545k to replace computers where the operating system is no longer supported by the provider.

See note 13 for details of Impairments.

Reclassifications' relate to the transfer of Kingfisher Court and the Colonnades from an asset under construction to commissioned buildings.

The NHS FT has committed to the sale of 4 assets in 2014/15, which has led to their 'Transfer to assets held for sale'. These properties are Cassio Unit, Watford; Eric Shepherd Unit/Crossways, Abbots Langley; the Kestrels, Bricketwood and 151 Rickmansworth Road, Watford. The continued transformation programme has led to the expected disposal of these sites. The assets are expected to be sold in quarter 1 of 2015/16, with the exception of Eric Shepherd Unit/Crossways in quarter 2.

During 2014/15 the NHS FT disposed of the Mental health unit at the QE II hospital site. This was transferred to East and North Hertfordshire Hospitals NHS Trust as part of their redevelopment of the QEII site.

## Notes to the Accounts - 11 Property, Plant and Equipment

## Property, Plant and Equipment as at 31 March 2014

11.2 Balances as at 31 March 2014	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 2013 - as previously stated	175,079	59,194	98,691	387	12,116	1,305	2,012	1,374
Correction of historic presentational difference between cost and depreciation	(4,760)	(4,353)	0	0	(407)	0	0	0
Prior period adjustments	(27,527)	0	(27,471)	(56)	0	0	0	0
<b>Valuation/Gross cost at 1 April 2013 - restated</b>	<b>142,792</b>	<b>54,841</b>	<b>71,220</b>	<b>331</b>	<b>11,709</b>	<b>1,305</b>	<b>2,012</b>	<b>1,374</b>
Transfers by modified absorption	7,015	2,000	5,015	0	0	0	0	0
Additions - purchased	34,136	0	4,629	0	28,460	6	385	656
Impairments charged to operating expenses	(70)	(30)	0	0	(40)	0	0	0
Impairments charged to revaluation reserve	(6,834)	(375)	(6,449)	(10)	0	0	0	0
Reclassifications	0	0	4,158	0	(4,304)	0	146	0
Revaluations	7,157	1,648	5,499	10	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	517	230	287	0	0	0	0	0
Disposals	(376)	0	0	(166)	0	(210)	0	0
<b>Valuation/Gross cost at 1 April 2014</b>	<b>184,337</b>	<b>58,314</b>	<b>84,359</b>	<b>165</b>	<b>35,825</b>	<b>1,101</b>	<b>2,543</b>	<b>2,030</b>
Accumulated depreciation at 1 April 2013 - as previously stated	34,854	4,353	27,471	56	407	767	1,171	629
Correction of historic presentational difference between cost and depreciation	(4,760)	(4,353)	0	0	(407)	0	0	0
Prior period adjustments	(27,527)	0	(27,471)	(56)	0	0	0	0
<b>Accumulated depreciation at 1 April 2013 - restated</b>	<b>2,567</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>767</b>	<b>1,171</b>	<b>629</b>
Transfers by modified absorption	147	0	147	0	0	0	0	0
Provided during the year	4,003	0	2,999	10	0	81	774	139
Impairments charged to operating expenses	2,883	0	2,781	0	0	72	0	30
Revaluations	(5,694)	0	(5,684)	(10)	0	0	0	0
Disposals	(210)	0	0	0	0	(210)	0	0
<b>Accumulated depreciation at 31 March 2014</b>	<b>3,696</b>	<b>0</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>710</b>	<b>1,945</b>	<b>798</b>
<b>Net book value at 31 March 2014</b>	<b>180,260</b>	<b>58,314</b>	<b>83,735</b>	<b>165</b>	<b>35,825</b>	<b>391</b>	<b>598</b>	<b>1,232</b>
Owned	381	0	381	0	0	0	0	0
Finance leased								
<b>Net book value total at 31 March 2014</b>	<b>180,641</b>	<b>58,314</b>	<b>84,116</b>	<b>165</b>	<b>35,825</b>	<b>391</b>	<b>598</b>	<b>1,232</b>

Included within the 'additions - purchased' are the following items categorised as Assets Under Construction:

- Kingfisher Court development, Radlett £26,695k which will be brought into use in 2014/15  
The asset transferred by modified absorption is the Lexden Hospital site, Colchester which had a net book value of £6,868k as at 1st April 2013. This asset was formerly owned by North East Essex Primary Care Trust (PCT). Following the implementation of the Transforming Community Services programme and the passage of the Health and Social Care Act through Parliament, NHS providers including foundation trusts were given the opportunity to acquire parts of the PCT estate deemed 'service critical clinical infrastructure'. The NHS FT and PCT subsequently agreed to the transfer of the Lexden site to the NHS FT. The NHS FT provides a number of services from the Lexden site.

The disposal values for plant and machinery above are for assets that are fully depreciated and have no further material value to the NHS FT.

Valuations/Gross cost and Accumulated depreciation at 1 April 2013 have been restated to allow for:

- prior year impairments to the SOCI to be netted off against Gross cost rather than forming part of the balance in accumulated depreciation. **This has had no impact on the net book value of Property, Plant and Equipment.**

- prior period adjustments following the guidance contained in IAS16 para 35(b) "When assets are re-valued, the carrying amount of the asset [Valuation/Gross cost] should be re-stated at its re-valued amount. NHS foundation trusts should follow the approach set out in paragraph 35(b) of IAS 16 and eliminate any accumulated depreciation against the carrying value of the asset." **This has had no impact on the net book value of Property, Plant and Equipment.**

**Notes to the Accounts - 11 Property, Plant and Equipment****11.3 Disposal Of Property, Plant and Equipment**

	2014/15 £000	2013/14 £000
Profit on disposal of assets held for sale	0	39
<b>Total profit/gain on disposal recorded in the Statement of Comprehensive Income</b>	<b>0</b>	<b>39</b>

	2014/15 £000	2013/14 £000
Loss on disposal of other property, plant and equipment	8	16
<b>Total loss on disposal charged to the Statement of Comprehensive Income</b>	<b>8</b>	<b>16</b>

The asset disposed of in 2014/15 was staff accommodation, which the net book value of the property was £183k and net sales proceeds were £175k.

**12 Assets held under Finance Leases**

	2014/15 £000	2013/14 £000
Opening cost at 1 April	<b>2,125</b>	<b>2,125</b>
Accumulated depreciation at 1 April	1,744	1,683
Provided during the year	280	61
<b>Accumulated depreciation at 31 March</b>	<b>2,024</b>	<b>1,744</b>
<u>Net book value</u>		
NBV total at 1 April	381	442
<b>NBV total at 31 March</b>	<b>101</b>	<b>381</b>

The NHS FT leases two premises under finance lease agreements. The leases have varying terms, escalation clauses and renewal rights. These premises are: Edinburgh House and 32 St. Peter's Street, both situated in St. Albans. A break clause on Edinburgh House has been served and the property will be vacated in April 2015, accounting for the increased depreciation charge in 2014/15 to remove the asset.

**Notes to the Accounts - 13 Impairment of Assets (Property, Plant & Equipment and Intangibles)****13 Impairment of Assets (Property, Plant & Equipment and Intangibles)**

	2014/15 £000	2013/14 £000
Impairments of Property, Plant and Equipment charged to operating expenses	11,185	2,953
Impairments of assets held for sale	254	0
Reversal of prior year impairments of Property, Plant and Equipment credited to operating income	(1,513)	0
<b>Total impairments and reversal of impairments charged to the Statement of Comprehensive Income</b>	<b>9,926</b>	<b>2,953</b>

Impairments of Property, Plant and Equipment charged to the Revaluation Reserve	4,099	6,834
Reversal of prior year impairments of Property, Plant and Equipment	0	0
<b>Total impairment charged to the Revaluation Reserve</b>	<b>4,099</b>	<b>6,834</b>

The impairment adjustments for 2014/15 follow a desk top revaluation and impairment review conducted by the District Valuer. The assets impaired to the 'Statement of Comprehensive Income' largely related to Kingfisher Court (£7,723k), Thumbswood Mother & Baby Unit (£539k), Colonnades Learning and Development Centre (£440k), Mental Health Unit at the QE II hospital site (£1,055k), Saffron Ground Community Hub (£424k) and the reclassification of assets now held for sale (£254k). The assets impaired to the Revaluation reserve include the assets held for sale (£2,502k), QE II hospital site (£823k) and the Thumbswood Mother & Baby unit (£298k).

The significant Kingfisher Court impairment arose from a difference in build costs and fully commissioned value. Within the build costs there are associated non value adding costs, such as site clearance costs and planning costs. The nature of this facility's specialised site has a restricted value, reflecting the limited market for sale.

The 'reversal of impairments credited to operating income' are impairments incurred in prior years and the assets have since been revalued upwards. These largely relate to Forest House and Oak and Beech units at Kingsley Green (£1,049K) and Astley Court, Little Plumstead (£374k).

**14 Inventories**

	2014/15 £000	2013/14 £000
Carrying Value at 1 April	11	12
Additions	282	203
Inventories recognised in expenses	(271)	(203)
Write-down of inventories recognised as an expense	(2)	(1)
<b>Carrying Value at 31 March</b>	<b>20</b>	<b>11</b>

The expense included in the Statement of Comprehensive Income for stock write off in 2014/15 and 2013/14 is negligible.

**15 Assets Held For Sale**

	31 March 2015 £000	31 March 2014 £000
Net Book Value of assets held for sale at 1 April	183	1,622
Plus assets classified as available for sale in the year	7,563	0
Less assets sold in year	(183)	(922)
Less assets no longer classified as held for sale	0	(517)
Less impairments of assets held for sale	(254)	0
<b>Net Book Value of assets held for sale at 31 March</b>	<b>7,309</b>	<b>183</b>

Assets held for sale comprise of Eric Shepherd Unit and Crossways, Abbots Langley; the Kestrels, Bricketwood; the Cassio unit, Watford and 151 Rickmansworth Rd, Watford.  
The NHS FT disposed of 4 Brookfield House during 2014/15



**Notes to the Accounts - 16 Receivables****16 Receivables****16.1 Trade and other Receivables**

	31 March 2015	31 March 2014
	£000	£000
<b>Current</b>		
NHS receivables - revenue	957	7,094
Other receivables with related parties - revenue	400	643
Provision for impaired receivables	(79)	(89)
Prepayments (non-PFI)	1,218	922
Accrued income	1,520	2,479
Interest receivable	8	4
PDC dividend receivable	57	0
VAT receivable	267	1,215
Other receivables - revenue	178	225
<b>Total current trade and other receivables</b>	<b>4,526</b>	<b>12,493</b>
<b>Non-Current</b>		
Other receivables - Revenue	0	2
<b>Total non-current trade and other receivables</b>	<b>0</b>	<b>2</b>

The primary decrease in NHS Receivables - Revenue relates to one invoice for £6,025k which was paid in April 2014.

The decrease in VAT receivable relates to amounts reclaimable in relation to the Capital Programme.

**16.2 Provision for irrecoverable debts**

	2014/15	2013/14
	£000	£000
At 1 April	89	490
Increase in provision	22	27
Amounts utilised	(14)	(149)
Unused amounts reversed	(18)	(279)
<b>Balance at 31 March</b>	<b>79</b>	<b>89</b>

**16.3 Analysis of impaired debts and non-impaired debts past their due date**

	31 March 2015	31 March 2014
	£000	£000
<u>Ageing of impaired receivables</u>		
Up to 30 days	3	0
Between 30 and 60 days	0	0
Between 60 and 90 days	7	0
Between 90 and 180 days	3	0
Over 180 days	66	89
<b>Total</b>	<b>79</b>	<b>89</b>
<u>Ageing of non-impaired receivables past their due date</u>		
Overdue by up to 30 days	2,217	7,351
Overdue between 30 and 60 days	183	136
Overdue between 60 and 90 days	102	162
Overdue between 90 and 180 days	94	52
Overdue over 180 days	6	146
<b>Total</b>	<b>2,602</b>	<b>7,847</b>

**Notes to the Accounts - 17 Cash and cash equivalents****17 Cash and cash equivalents**

	2014/15 £000	2013/14 £000
Cash and Cash equivalents at 1 April	25,449	43,009
Net change in cash and cash equivalents	2,267	(17,560)
<b>Cash and Cash equivalents at 31 March</b>	<b>27,716</b>	<b>25,449</b>
Comprising:		
Cash at commercial banks and in hand	0	18
Cash with the Government Banking Service*	7,716	25,431
Deposits with the National Loan Fund	20,000	0
	<b>27,716</b>	<b>25,449</b>

\*The Royal Bank of Scotland Group and Citibank are collectively known as the Government Banking Service.

**18 Public Dividend Capital**

	2014/15 £000	2013/14 £000
Taxpayers' Equity at 1 April	83,331	83,331
Public Dividend Capital repaid	(268)	0
<b>Taxpayers' Equity at 31 March</b>	<b>83,063</b>	<b>83,331</b>

The Public Dividend Capital repaid in 2014/15 related to the transfer to East & North Hertfordshire NHS Trust of assets held at the QEII Hospital, Welwyn Garden City following the transfer of HPFT services from that hospital to Kingfisher Court and Bowlers Green, Kingsley Green.

**19 Borrowings****19.1 Borrowings: Loans and Finance Leases**

	31 March 2015 £000	31 March 2014 £000
<u>Current</u>		
Loans from Independent Trust Financing Facility	530	47
Obligations under finance leases	41	105
<b>Total current borrowings</b>	<b>571</b>	<b>152</b>
<u>Non-current</u>		
Loans from Independent Trust Financing Facility	18,438	8,953
Obligations under finance leases	136	523
<b>Total non-current borrowings</b>	<b>18,574</b>	<b>9,476</b>
<b>Total borrowings</b>	<b>19,145</b>	<b>9,628</b>

The NHS FT has entered into a loan arrangement with the Independent Trust Financing Facility (see note 2.4)

## Notes to the Accounts - 19 Borrowings

### 19.2 Finance Lease borrowings

	31 March 2015 £000	31 March 2014 £000
Payable:		
- not later than one year;	53	156
- later than one year and not later than five years;	152	623
- later than five years.	13	44
<b>Gross lease liabilities</b>	<b>218</b>	<b>823</b>
Less: Finance charges allocated to future periods	(41)	(195)
<b>Net lease liabilities</b>	<b>177</b>	<b>628</b>
Split into current and non-current borrowings on the Statement Of Financial Position:		
- current	41	105
- non current	136	523
	<b>177</b>	<b>628</b>
Expected timing of cashflows:		
- not later than one year;	41	105
- later than one year and not later than five years;	136	523
- later than five years.	0	0
	<b>177</b>	<b>628</b>

Details of Finance Leases are included in note 12.

**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) 2014/15**

<b>2014/15</b>	<b>Total</b>	<b>Pensions relating to other staff</b>	<b>Other legal claims</b>	<b>Restructuring</b>	<b>Continuing Health Care</b>	<b>Redundancy</b>	<b>Injury Benefit Claims</b>
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2014	13,573	2,711	193	452	5,602	1,562	3,053
Arising during the year	2,969	104	67	443	2,049	218	88
Utilised during the year - accruals	(87)	(56)	0	0	0	0	(31)
Utilised during the year - cash	(2,510)	(165)	(35)	(119)	(1,226)	(871)	(94)
Reversed unused	(1,157)	(19)	(115)	(333)	0	(690)	0
Unwinding of discount	72	33	0	0	0	0	39
<b>Total at 31 March 2015</b>	<b>12,860</b>	<b>2,608</b>	<b>110</b>	<b>443</b>	<b>6,425</b>	<b>219</b>	<b>3,055</b>
Expected timing of cashflows:							
- not later than one year (current)	4,084	224	110	191	3,213	219	127
- later than one year and not later than five years (non current)	4,871	897	0	252	3,212	0	510
- later than five years (non current)	3,905	1,487	0	0	0	0	2,418
<b>Total</b>	<b>12,860</b>	<b>2,608</b>	<b>110</b>	<b>443</b>	<b>6,425</b>	<b>219</b>	<b>3,055</b>

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 some years ago of Hill End, Leavesden, Cell Barnes and Harperbury Hospitals.

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. £7,235k (£5,672k as at 31 March 2014) is included in the provisions of the NHS Litigation Authority at 31 March 2014 in respect of clinical negligence liabilities of the NHS FT.

The 'Restructuring' provision is the estimated liability for the protected salary costs of staff affected by the transformation programme.

The '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.

The 'Redundancy' provision is the estimated liability for the costs directly related to the formal restructuring plan presented and approved by the Board.

The 'Injury Benefit Claims' 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.

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.

**Notes to the Accounts - 20 Provisions for liabilities and charges****20.2 Provisions for liabilities and charges (held in current and non-current liabilities) 2013/14**

<b>2013/14</b>	<b>Total</b>	<b>Pensions relating to other staff</b>	<b>Legal and other claims</b>	<b>Pay claims</b>	<b>Restructuring</b>	<b>Continuing Health Care</b>	<b>Redundancy</b>	<b>Injury Benefit Claims</b>
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2013	10,510	2,819	228	2,006	0	1,000	2,123	2,334
Arising during the year	7,778	85	90	0	452	4,789	1,562	800
Utilised during the year - accruals	(99)	(54)	0	0	0	0	0	(45)
Utilised during the year - cash	(2,198)	(163)	(35)	(302)	0	(187)	(1,421)	(90)
Reversed unused	(2,520)	(24)	(90)	(1,704)	0	0	(702)	0
Unwinding of discount	102	48	0	0	0	0	0	54
<b>Total at 31 March 2014</b>	<b>13,573</b>	<b>2,711</b>	<b>193</b>	<b>0</b>	<b>452</b>	<b>5,602</b>	<b>1,562</b>	<b>3,053</b>
Expected timing of cashflows:								
- not later than one year (current)	5,055	223	193	0	151	2,801	1,562	125
- later than one year and not later than five years (non current)	4,494	892	0	0	301	2,801	0	500
- later than five years (non current)	4,024	1,596	0	0	0	0	0	2,428
<b>Total</b>	<b>13,573</b>	<b>2,711</b>	<b>193</b>	<b>0</b>	<b>452</b>	<b>5,602</b>	<b>1,562</b>	<b>3,053</b>

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 Hill End, Leavesden, Cell Barnes and Harperbury Hospitals.

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. £5,672k (£5,665k as at 31 March 2013) is included in the provisions of the NHS Litigation Authority at 31 March 2014 in respect of clinical negligence liabilities of the NHS FT.

The 'Pay claims' provision was the estimated liability for outstanding pay claims. This provision was reviewed during the year and considered to be no longer required.

The 'Restructuring' provision is the estimated liability for the protected salary costs of staff affected by the transformation programme.

The '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.

The 'Redundancy' provision is the estimated liability for the costs directly related to the formal restructuring plan presented and approved by the Board.

The 'Injury Benefit Claims' 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. The increase in the Provision was due to new claims received in 2013/14.

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.

**Notes to the Accounts - 21 Trade and other payables****21 Trade and other payables**

	31 March 2015 £000	31 March 2014 £000
<b>Current</b>		
Receipts in advance	1	0
NHS payables - revenue	774	1,359
Amounts due to other related parties - revenue	1,776	1,702
Other trade payables - capital	2,163	4,926
Other trade payables - revenue	247	1,129
Social security costs	1,205	1,207
Other taxes payable	1,245	1,456
Other payables	84	8
Accruals	14,580	11,939
PDC dividend payable	0	131
<b>Total Trade and other payables</b>	<b>22,075</b>	<b>23,857</b>

**22 Other liabilities**

	31 March 2015 £000	31 March 2014 £000
<b>Current</b>		
Other deferred income	4,297	5,330
<b>Total Other liabilities</b>	<b>4,297</b>	<b>5,330</b>

Other liabilities largely comprise income received from commissioners for a specific activity that will be delivered in a future period. As such this income has been deferred and therefore not included in the Statement of Comprehensive Income in this reporting period.

## Notes to the Accounts - 23 Financial assets and liabilities

### 23 Financial assets and liabilities

#### 23.1 Financial assets by category

	31 March 2015 £000	31 March 2014 £000
Trade and other receivables excluding non financial assets	4,325	12,285
Cash and cash equivalents (at bank and in hand) at 31 March	27,716	25,449
<b>Total at 31 March</b>	<b>32,041</b>	<b>37,734</b>

#### 23.2 Financial liabilities by category

	31 March 2015 £000	31 March 2014 £000
Borrowings excluding Finance leases	18,968	9,000
Obligations under finance leases	177	628
Trade and other payables excluding non financial liabilities	21,874	23,651
Provisions	6,435	7,971
<b>Total at 31 March</b>	<b>47,454</b>	<b>41,250</b>

#### 23.3 Fair value of non-current financial assets

	Book value £000	Fair value £000
Non Current Trade and Other Receivables	0	0
<b>Total at 31 March 2015</b>	<b>0</b>	<b>0</b>

#### 23.4 Fair value of non-current financial liabilities

	Book value £000	Fair value £000
Provisions	5,564	5,564
Loans	18,438	18,438
Other (Finance Leases)	136	136
<b>Total at 31 March 2015</b>	<b>24,138</b>	<b>24,138</b>



## Notes to the Accounts - 24 Reconciliation of operating surplus to net cash flow from operating activities

## 24 Reconciliation of operating surplus to net cash flow from operating activities

	2014/15		2013/14	
	£000	£000	£000	£000
<b>Operating (Deficit) / Surplus</b>		<b>(4,929)</b>		<b>3,672</b>
<b>Non cash flow movements:</b>				
Depreciation and amortisation	4,470		4,081	
Impairments	11,439		2,953	
Reversals of impairments	<b>(1,513)</b>		<b>0</b>	
		<b>14,396</b>		<b>7,034</b>
<b>Movement in Working Capital:</b>				
Decrease/(increase) in trade and other receivables	8,030		<b>(6,045)</b>	
(Increase)/decrease in inventories	<b>(9)</b>		<b>1</b>	
Increase in trade and other payables	1,112		3,451	
Decrease in other liabilities	<b>(1,381)</b>		<b>(2,841)</b>	
		<b>7,752</b>		<b>(5,434)</b>
(Decrease)/increase in provisions		<b>(785)</b>		2,961
Loss/(gain) on disposal (see note 11.3)		<b>8</b>		<b>(23)</b>
<b>Net cash inflow from operating activities</b>		<b>16,442</b>		<b>8,210</b>

**Notes to the Accounts - 25 Related Party Transactions****25 Related Party Transactions****25.1 Related Party Transactions 2014/15**

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.

Remuneration of key management is disclosed in note 5.4.1

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.

<b>2014/15</b>	Income from Related Party	Expenditure payments to Related Party	Receivables from Related Party	Payables to Related Party
	£000	£000	£000	£000
<b><u>Central Government</u></b>				
National Heath Service Pension Scheme	0	11,778	0	1,644
HMRC - VAT	0	0	267	0
HMRC - other taxes & duties	0	8,204	0	2,450
National Loans Fund	0	0	20,000	0
Other Central Government	0	20	53	33
<b><u>NHS</u></b>				
Department Of Health	621	5	100	220
NHS England - Core	86	0	11	47
<b><u>Foundation Trusts</u></b>				
South London and Maudsley NHS Foundation Trust	126	144	0	85
<b><u>Clinical Commissioning Groups</u></b>				
NHS Herts Valleys CCG	26	0	113	43
NHS North Norfolk CCG	428	0	0	29
NHS Norwich CCG	449	0	0	32
NHS South Norfolk CCG	498	0	0	29
NHS West Essex CCG	9,282	0	132	25
NHS West Norfolk CCG	443	0	0	31
NHS North East Essex CCG	3,846	0	42	0
NHS Mid Essex CCG	1,948	0	53	19
NHS East & North Herts CCG	563	904	71	84
<b><u>NHS Trusts</u></b>				
East and North Hertfordshire NHS Trust	13	2,028	3	106
West Hertfordshire Hospitals NHS Trust	789	1,621	32	537
<b><u>NHS Other</u></b>				
Health Education England	3,103	3	301	1,567
East Anglia Local Area Team	19,090	0	529	193
NHS Litigation Authority	0	447	0	9
Other NHS	2,235	2,184	475	772
<b><u>Local Government</u></b>				
Barnet London Borough Council	1,323	0	110	0
Hertfordshire County Council	153,643	64	875	2,551
Hammersmith and Fulham London Borough Council	451	0	2	0
St Albans City and District Council	0	545	0	59
Other Local Government	800	964	57	37
<b>Totals</b>	<b>199,763</b>	<b>17,133</b>	<b>23,226</b>	<b>8,958</b>

Income received from Hertfordshire County Council includes all income received from the Hertfordshire Joint Commissioning Team which includes the two Hertfordshire Clinical Commissioning Groups.

The NHS FT has also received revenue payments from charitable funds, of which the Corporate Trustees are also members of the Trust Board. These transactions are not included in the Financial Statements of the Trust (see Note 1.23).

**Notes to the Accounts - 25 Related Party Transactions****25.2 Related Party Transactions 2013/14**

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.

Remuneration of key management is disclosed in note 5.4.1

Board members, Governors and other key management staff take decisions on Charity and Exchequer matters but endeavour to keep the interests of each discreet and do not seek to benefit personally from such decisions. Declarations of personal interest have been made and are available for inspection.

<b>2013/14</b>	Income from Related Party	Expenditure payments to Related Party	Receivables from Related Party	Payables to Related Party
	£000	£000	£000	£000
<b><u>Central Government</u></b>				
National Health Service Pension Scheme	0	12,502	0	1,641
National Insurance Fund	0	9,025	0	1,207
HMRC - VAT	0	0	1,382	0
HMRC - other taxes & duties	0	5	0	1,268
Other Central Government	0	12	0	210
<b><u>NHS</u></b>				
Department Of Health	(2)	269	0	131
NHS England - Core (including Legacy Balances)	5,403	(280)	6,242	0
<b><u>Foundation Trusts</u></b>				
Central And North West London MH NHS Foundation Trust	0	409	0	176
<b><u>Clinical Commissioning Groups</u></b>				
NHS Herts Valleys CCG	2,619	0	2,604	0
NHS North Norfolk CCG	468	0	14	0
NHS Norwich CCG	449	0	5	0
NHS South Norfolk CCG	498	0	6	0
NHS West Essex CCG	9,781	0	0	206
NHS West Norfolk CCG	442	0	5	0
<b><u>NHS Trusts</u></b>				
East and North Hertfordshire NHS Trust	51	2,194	4	106
West Hertfordshire Hospitals NHS Trust	864	1,397	82	726
<b><u>Commissioning Support Units</u></b>				
NHS Central & Eastern CSU	0	1,994	0	147
<b><u>NHS Other</u></b>				
Health Education England	2,225	4	162	878
NHS Litigation Authority	0	411	0	0
Other NHS	21,435	1,304	534	1,449
<b><u>Local Government</u></b>				
Barnet London Borough Council	1,348	0	225	0
Hertfordshire County Council	149,203	864	283	3,940
Hammersmith and Fulham London Borough Council	458	0	14	0
St Albans City and District Council	0	431	0	64
Other Local Government	814	331	(56)	34
<b>Totals</b>	<b>196,056</b>	<b>30,872</b>	<b>11,506</b>	<b>12,183</b>

**Notes to the Accounts - 26 Losses and Special Payments****26 Losses and Special Payments**

There were 52 cases (76 cases in 2013/14) of losses and special payments totalling £31k (£177k in 2013/14) paid during 1 April 2014 to 31 March 2015. These are the cash payments made in the year and are not calculated on an accruals basis.

	2014/15		2013/14	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
<b>Losses</b>				
Losses of cash due to:				
- theft, fraud etc	1	0	1	0
- other causes	6	0	2	0
Fruitless payments and constructive losses	2	6	0	0
Bad debts and claims abandoned	6	14	11	150
Damage to buildings, property etc. (including stores losses) due to:				
- theft, fraud etc	0	0	1	14
- stores losses	0	0	1	1
- other	12	5	22	6
<b>Total losses</b>	<b>27</b>	<b>25</b>	<b>38</b>	<b>171</b>
<b>Special Payments</b>				
Compensation under legal obligation	0	0	0	0
Ex gratia payments in respect of:				
- loss of personal effects	24	4	35	5
- other negligence and injury	0	0	0	0
- other	1	2	3	1
<b>Total Special Payments</b>	<b>25</b>	<b>6</b>	<b>38</b>	<b>6</b>
<b>Total losses and special payments</b>	<b>52</b>	<b>31</b>	<b>76</b>	<b>177</b>

## Notes to the Accounts - 27 Third Party Assets

### 27 Third Party Assets

The NHS FT held £2882k cash at bank and in hand at 31 March 2015 (£2,666k at 31 March 2014) 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.

### 28 Post Balance Sheet Events

There are no such events to be reported.

### 29 Contingencies

There are no contingent assets (recoverable values from third parties).

Contingent liabilities are liabilities to third parties where there are uncertainties regarding the timing and the amount of the settlement.

The contingent liability is in respect of the potential to pay excesses to the NHS Litigation Authority in respect of current and ongoing LTPS scheme claims and is per the advice received from the NHS Litigation Authority.

	31 March 2015 £000	31 March 2014 £000
Value of contingent liabilities	<b>65</b>	<b>68</b>

### 30 Commitments under capital expenditure contracts

	31 March 2015 £000	31 March 2014 £000
Property, Plant and Equipment	693	1,418
Intangible Assets	0	0
<b>Total</b>	<b>693</b>	<b>1,418</b>

The capital commitments as at 31 March 2015 relate principally to capital works at the Seward Lodge refurbishment and the St Albans Hub.

The capital commitments as at 31 March 2014 relate principally to capital works at the new Learning and Development Centre and the two Community Hubs.



## Annual Governance Statement April 2014 - March 2015

### 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. 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 2015 and up to the date of approval of the annual report and accounts.

### 3. Capacity to handle risk

#### 3.1 Leadership of the risk management process

As Accounting Officer, I am ultimately accountable for assuring the Board of the quality of the services provided by the Trust. This is achieved operationally through the delegation of the responsibility of executive lead for Risk Management (except for financial risk) to the Executive Director, Quality and Safety who also works with the officers responsible for ensuring, through the Risk Management Framework, that all Risk Management policies and procedures are in place and are competently used. The Trust's Risk Management Strategy approved by the Trust Board clearly defines levels of responsibility for Risk Management across the organisation and, together with the Risk Management Policy, summarises the extensive tools and training available. The policy describes the procedure for assessing, prioritising and managing all types of risk within the organisation. The Trust Risk Register forms an integral part of this and defines the process for grading and managing (or minimising) the organisations key operational and business risks. The highest level risks are reviewed regularly by the Trust Board and the Board Assurance Framework (the BAF) specifically identifies risks to the achievement of the Trust's strategic goals and the controls in place to protect against them.

#### 3.2 Training in the management of risk

Staff are equipped to assess and manage risk through training in the use of the Risk Management Policy and Procedure which is cascaded to all staff via the Senior Managers, Professional Leads and Team Leaders and progress is monitored through the usual supervision /performance management process. Mandatory Training in Clinical Risk Management is also provided to all staff who work directly with service users, as they must be competent in recognising, assessing and managing the risks which our service users present to themselves and to others.

### 3.3 Learning from good practice

Analysis of 'adverse events', and sharing this intelligence through our extensive Practice Governance Framework to improve services across the Trust, is a key aspect of our approach to managing risk through service improvement. Our learning and development teams provide regular opportunities for all our staff to attend training updates and refresher programmes where these are deemed appropriate, or necessary, by line managers.

## 4. The risk and control framework

### 4.1 The Risk Management Strategy

This document sets the scene with our Vision and Goals, then details the way risks are identified, assessed and controlled in the Trust, through the Risk Management Policy, and contains the following key elements:

- Definition of the Risks and Risk Management
- The Strategic Objectives and Plans for Risk Management
- Responsibilities for Risk Management
- The Assurance and Risk Management Structure throughout the Trust
- The Risk Management Tools and Policies available
- The Risk Management Training and other resources available

**4.2 The Executive Directors** with specific responsibility for risk management are:

- **The Executive Director Quality and Safety** is the executive lead for Risk Management.
- **The Executive Director Quality and Medical Leadership** has lead responsibility for Practice Governance.
- **The Executive Director Finance** is responsible for the management of financial risk.
- **The Director of Service Delivery and Customer Experience, formerly known as the Chief Operating Office** is responsible for the day-to-day management of risk and performance within operational services.

A number of other senior officers assist with these responsibilities and there are a variety of systems in place to enable those responsible to identify, assess, prioritise and control hazards and all types of risks on a regular and ongoing basis, listed in the Risk Management Strategy.

**4.3 Integrated Governance** Risk Management is one of the building blocks of Integrated Governance and the Trust's committee structure integrates Risk Management and other forms of Governance into a single structure. 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/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. Regular discussions take place at board meetings concerning the Trust's appetite for risk, determining the strategic parameters within which decisions involving various types of risk can then be made on a sound and consistent basis.

**4.4 The Board Assurance Framework and the Risk Register** are the key tools to facilitate and monitor the effects of systematic action plans to control and minimise identified risks. They are central planks in the System of Internal Control.

**The Board Assurance Framework (the BAF)** specifically identifies potential risks to the achievement of each of the Trust's Strategic Goals and monitors the systematic controls in place to protect against them. The BAF acts as a major assurance tool by detailing the independent sources and methods of assurance used to objectively measure the effectiveness of the controls being used to minimise the risk of not achieving the Trust's strategic objectives. The Board Assurance Framework is regularly reviewed in year. Two of these are full reviews reported to the Integrated Governance Committee, and to the Audit



Committee which challenges the controls and assurance processes in order to assure the Board that they are working effectively as part of the Internal Systems of Control. The other routine reviews, are reported solely to the Integrated Governance Committee.

**The Risk Register** operates at several levels within the organisation and enables local Service Managers, Senior Managers and the Executive Team on behalf of the Board, to plan and monitor mitigating actions taken to reduce risks of all types and to escalate within the framework (see 4.8). The moderate and high risks, and the overall process, are monitored and reviewed by the Integrated Governance Committee with key categories of risk being a focus of relevant Sub Groups.

Key organisational risks are reported to the Board four times a year, via the Integrated Governance Committee. For two of these reviews, the Integrated Governance Committee also reports the Risk Register to the Audit Committee to provide the challenge to the Assurance Processes.

#### **4.5 Quality Governance Arrangements**

The Trust's Quality Governance arrangements are described in section 4.4 as part of the description of the processes forming the Annual Quality Report.

#### **4.6 Information Governance and Risks to Data Security**

The Trust continues to take the management of risks to data security seriously. Following the 'Health & Social Care Information Centre's Checklist Guidance for Reporting, Managing and Investigating Information Governance Serious Incidents Requiring Investigation' (27 February 2015 V5), there has been one serious incident scored at Level 2 relating to a potential or an actual breach of confidentiality involving person identifiable data, this has been investigated and reported to the Information Commissioner's Office. The Information Commissioner considered the information provided by the trust and decided that no further action was necessary.

#### **4.7 The organisation's current major risks**

The major risks on the Trust Risk Register at this time are managed and controlled via the Risk Register mechanisms described in section 4.4. They are current 'in-year' risks but in two cases ie Risk 2 and 4 these are likely to continue into future years. Risks 1 and 3 should be resolved within the coming year 2015/16 as we are investing further resources into these areas. The risks are:

##### **Risk 1 – Risk that demand for acute admissions outstrips availability of local provision**

The demand for acute admission beds over the past six months remains high and service users have periodically admitted into beds outside the trust, sometimes in the independent sector. The risk has been exacerbated by the reduced community based clinical capacity available 'out of hours', and a number of delayed transfers of care (DTC).

**Key mitigating actions:** Our crisis teams are proactive in repatriating service users back to trust facilities. There is a daily review of all service users by a senior nurse and consultant to facilitate discharge together with a weekly DTC teleconference including the placement team and community input to agree actions to facilitate discharge. An admission algorithm is being piloted and an admission check list has been implemented.

##### **Risk 2 – Risk that the trust will not be able to recruit and retain high quality staff**

Staff turnover is high, resulting in vacancies being covered through bank or agency staffing. This has led to increased operational pressure and may lead to reductions in the quality of care. As experienced staff leave, either due to retirement or seeking a better work life balance this has led to a loss of knowledge and experience within the services.

**Key mitigating actions:** There has been a review of recruitment practices and a monitoring plan to forecast future vacancies put in place. There is a drive to convert temporary contracts into permanent ones and the development of a "refer a friend" scheme. A successful Recruitment Fair has been held and others are being planned to speed up the process of recruitment and appointment. Induction of staff and mandatory training is being undertaken at the beginning of appointments to enable ensure staff commencing work have the necessary training and skills to provide high quality, safe care immediately.

### **Risk 3 – Risk that Capacity within Community Teams is insufficient to maintain service quality**

Following on from the transformation programme there have been workforce issues as staff begin to adapt to their new roles, environments and teams. This has been evidenced by higher levels of sickness and increased turnover of experienced staff. This in turn has had an effect on staff morale and the capacity of staff to offer high quality services.

**Key mitigating actions:** The Trust has reviewed policies, procedures and the supervision and case load management structures have been realigned to provide better support to staff members. Professional leadership has been strengthened and additional OD resource has been made available to the teams. The recruitment initiatives highlighted above will also have an impact on capacity as vacancies are filled.

### **Risk 4 – Risk to the Trust's ability to achieve financial targets**

Historically the Trust has performed strongly in relation to its financial targets and in particular delivery against national efficiency requirements. This has become more challenging to achieve due to funding reductions and the need to resource services appropriately to manage demand and maintain quality. Forecasts for future funding identify long term financial sustainability as a risk.

**Key mitigating actions:** The Trust has strengthened controls in relation to expenditure and has robust assurance processes to monitor efficiency planning and delivery with an independently reviewed quality impact assessment process. An external review of efficiency opportunities has been undertaken to provide further assurance in relation to the identification of potential clinically led opportunities. Working relationships with commissioners are positive and negotiation of growth and demographic uplift ongoing.

## **4.8 Embedding Risk Management**

Other mechanisms to help embed Risk Management activities into the business of the Trust include:

- Communication links between the Strategic Business Units Risk Registers (SBURRs) and the Trust Risk Register (TRR): i.e. SBU Risk Registers can refer risks to the Trust RR at any time in a quarterly cycle. Risks can also be referred back from the TRR to the SBU RR during any quarterly review, and there are scheduled meetings to facilitate this.
- The Learning Lessons and Clinical Risk Group: sharing intelligence from all sources.
- Promotion of the CQC Framework and the continued use of NHSLA Standards as a benchmark across all services.
- The Policy Management System, including Policy Website.

**4.9 Internal and External Stakeholders** are informed and involved in the activities of the Trust in a variety of ways. The Trust has a framework of forums for consultation with public stakeholders, e.g. service users and carers, which advise on key areas of risk as appropriate, an example of which is their involvement in the project groups developing the new 86 bed inpatient unit. Service User Representatives also hold membership on various committees and groups.

Responsibility for ensuring relevant stakeholders' involvement in Risk Management issues is indicated in the relevant policies and procedures. The key regulators and local commissioners are informed if any risks are identified which seriously threaten the achievement of the Trust's objectives or which cannot be adequately managed. The Governors who represent public membership also look at key risks through their Quality and Performance Groups. From next year representatives of the Council of Governors will attend at Board committee meetings to enable them to become more involved in ensuring management of risk.

## **4.10 CQC Essential Standards for Quality**

The Foundation Trust is fully compliant with the requirements of registration with the Care Quality Commission.

## **4.11 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.

#### **4.12 Equality, Diversity and Human Rights**

Control measures are in place to ensure that the organisation complies with all relevant equality, diversity and human rights legislation.

#### **4.13 Carbon Reduction**

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that, together with Hertfordshire County Council, this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### **5. Review of economy, efficiency and effectiveness of the use of resources**

#### **5.1 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 are governed by the following key policies

##### **Standing Orders**

Standing Orders are contained within the Trust Constitution and set out the regulation and proceedings for the Board of Directors and the Council of Governors and their sub-committees including the Audit Committee, whose role is laid out below, thus ensuring the efficient use of resources.

##### **Standing Financial Instructions**

The SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its 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 all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to a competitive procurement process, effective and equitable recruitment and payroll processes and there is set out a clear budget process to ensure costs are maintained within budget or highlighted for action.

They are to be used in conjunction with the Trust's Standing Orders and the Scheme of Delegated Authority and the individual detailed procedures set by directorates.

##### **Scheme of Delegated Authority**

This sets out those matters that are reserved to the Board and the areas of delegated responsibility. The document sets out who is responsible and the nature and purpose of that responsibility. They assist in the achievement of the efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and priorities of the decision making processes are aligned with the strategic priorities of the trust and they allow the trust to put 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 made 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 taking place could lead to the imposition of fines, or imprisonment of the individuals involved and those who failed to act. This will help ensure that the taking or receiving of bribes is less likely and improve the equity and transparency of transactions and decisions.

The Trust Board places reliance on the Audit Committee to ensure appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources.

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.

## 6. Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2011 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust continues to follow these steps to assure the Board that the Quality Report presents a balanced view:

- A stakeholder consultation process to agree quality priorities for the coming year, involving staff, service users, carers, Governors and partner agencies.
- Review of all Trust services before priorities are agreed.
- Quarterly Quality reports to Board leading to scrutiny of whether the focus is right.
- Sharing of the draft quality account/report with partner agencies for comment, with the primary commissioners having the legal right to point out inaccuracies.

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

- Provision of appropriate training to all staff, including all new starters, on data inputting via the electronic patient record.
- Elimination where possible of manual approaches to data gathering and analysis, including investment in new systems.
- Audit of supervision to gain assurance that the process is robust in relation to clinical record keeping and data quality.
- Separate audit of the timeliness and accuracy of clinical record entries
- Data quality officers reporting to the Performance Improvement Team who work alongside operational teams to assist in full and accurate use of the electronic patient record system.

The accuracy of information for quality reports is assessed via:

- Systematic checks within the Informatics and Performance Improvement Teams themselves.
- Scrutiny of quarterly reports at Board, with any errors and/or corrections being duly noted
- Annual External Audit Assurance as mandated by Monitor.

In recognition of the increasing size and complexity of quality measurement and reporting in the Trust, we have continued to review our performance reporting framework. This has led to some simplification of reporting processes and some reconsideration of the use of certain metrics (for example, a shift to reporting staff and service user survey data at broader intervals so that figures are less vulnerable to varying response rates). In year a new business intelligence system has been introduced with real time reporting capability at a local level providing ready access to performance metrics for operational teams.

Systems and processes have been further improved with the introduction of a Data Quality Task & Finish Group, chaired by a Managing Director, which is enhancing standard operating procedures for data recording and reviewing data quality controls and their robustness. This has resulted in significant improvements in data quality, but is recognised as an area that requires continued focus.

The quality metrics contained in quarterly Board reports are agreed before the start of the financial year by the Board after a period of internal and external consultation. The quality metrics – their accuracy and relevance and progress on each – are reviewed quarterly at these Board meetings. Further description of these processes is given in the quality report itself.

Occasionally data errors in-year are found. If this happens, the errors are corrected in the next quarterly Board quality report and the occurrence is noted.

The Quality & Risk Manager has set up processes through the Trust for teams to collect evidence of compliance with Care Quality Commission Essential Standards of Quality & Safety. The Intelligence Monitoring Reports are used to check performance against what teams report and to anticipate risks in the future. The Integrated Governance Committee (a Board sub-committee) is kept informed of the completeness of the data and any areas of concern.

Compliance with the Essential Standards of Quality and Safety has been monitored in the past year through the following procedures:

- The CQC review and quality improvement plans by Team managers.
- The CQC Provider Compliance Assessments (PCAs) completed by service managers recording all evidence of quality improvement within their service area.
- The Quality and Risk Profile (QRP) provided by the CQC monthly is reviewed by the Registration Leads and risks are monitored and improvement plans advised to the Sub Groups of the IGC.
- A revised Trust wide programme of internal quality visits closely based on CQC standards
- Compliance with the above is advised in a biannual report to the IGC.

With the development of essential standards into the new fundamental CQC standards from 1 April, the Trust is in the process of reviewing the leads and their responsibilities.

## 7. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to 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.

The process for maintaining and reviewing the effectiveness of the system of internal control involves review of all the mechanisms described particularly in section 4 of this statement (the risk and control framework).

The Trust response to any significant internal control issues or gaps in control is to assess and register the risk and develop and implement suitable mitigating actions, linking to the control mechanisms recorded in the BAF if necessary. Regular monitoring is built into the process.

The high level co-ordination and monitoring of the whole internal control system is mainly achieved through the following:

- **The Trust Board** places reliance upon the Audit Committee for assurance with respect to the soundness of the system of internal control, via regular reports concerning the Risk Register and Board Assurance Framework.
- **The Audit Committee's** primary role is to independently oversee the governance and assurance process



on behalf of the organisation and to report to the Trust Board on the soundness and effectiveness of the systems in place for risk management and internal control. In order for the Audit Committee to provide this assurance to the Board, Internal Audit undertake objective reviews of the Trust systems.

- **The Integrated Governance Committee** is responsible for ensuring that the Trust fulfils its governance and associated risk management duties. Regular reports are made to the Board on the management of the most serious risks on the Trust Risk Register and all aspects of risk management and the Board Assurance Framework.
- **The Finance and Investment Committee** is responsible for providing independent and objective review of the financial and investment policy of the Trust, and performance against the associated targets and requirements. The Committee will commission and receive the results of in-depth reviews and reports in relation to key financial issues and business cases to support investment decisions.
- **Internal Audit** review the system of internal control during the course of the financial year and report accordingly to the Audit Committee.

The Head of Internal Audit has stated in the HOIA Opinion that:

*"Based on the work undertaken in 2014/15, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, our review of the procurement of bank and agency staff identified a number of issues particularly in respect of lack of compliance with documented processes and an inconsistent approach to the management of bank and agency usage at Unit level. Follow up undertaken during the year confirmed that all high and medium recommendations made as part of this review had been implemented. In addition, whilst our work around the PARIS system identified that significant progress has been made in addressing issues previously raised, there is still further work required to improve the accuracy of the data held within the system. Whilst accurate information is being reported to the Board there is still significant, on-going data validation having to be undertaken by the Performance Improvement Team"*

**The Practice Audit & Clinical Effectiveness Team** provides a variety of resources to support clinical teams to undertake practice audit in the context of the Trust's strategic goals. Overseen by the Integrated Governance Committee, an annual work programme is developed inclusive of clinical and regulatory requirements, and the outcomes are reported to the Board at year end.

**Other assurance mechanisms** are accessed by commissioning external expertise and advice on specific areas of concern as appropriate.

## 8. Conclusion

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

Signed: 

Tom Cahill  
Chief Executive

Date: 27/05/2015



## Statement of the chief executive's responsibilities as the accounting officer of Hertfordshire Partnership University NHS Foundation Trust

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

Under the NHS Act 2006, Monitor has directed Hertfordshire Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. 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, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual 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; and
- prepare the financial statements on a going concern basis.

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 him/her 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.

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

Signed: 

Tom Cahill  
Chief Executive

Date: 27/05/2015



# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF HERTFORDSHIRE PARTNERSHIP UNVIVERSITY NHS FOUNDATION TRUST

Opinion on financial  
statements of  
Hertfordshire  
Partnership NHS  
Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2015 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

Going concern

We have reviewed the Accounting Officer's statement contained within the annual report that the Trust is a going concern. We confirm that

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Trust's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Our assessment of  
risks of material  
misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
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### NHS revenue and provisions

There are significant judgements in recognition of revenue from care of NHS service users and in provisioning for disputes with commissioners due to

- the judgements taken in evaluating volume related income;
- the judgements taken in evaluating volume related and Commissioning for Quality and Innovation income; and
- the judgemental nature of provisions for disputes, including in respect of performance income.

The majority of the Trust's income, £149m, comes from Hertfordshire Joint Commissioning Team, increasing the significance of associated judgements. The accounting policy for income can be found in note 1.3 and further details on the income recognised are in note 4.

We evaluated the design and implementation of controls over recognition of income.

We tested the recognition of income through the year, including year-end cut-off, and evaluated the results of the agreement of balances exercise.

We challenged key judgements around actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners and considered the results of the Agreement of Balances exercise.

### Property valuations

The Trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation. The portfolio has been valued at £168m at 31 March 2015. The valuations are by nature significant estimates which are based on specialist and management assumptions and which can be subject to material changes in value. The Trust disclose the accounting policy for property, plant and equipment in note 1.6 and further detail is provided in note 11.1.

We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.

We used internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including comparison of the index values used by the Trust's valuer to our independently obtained figures.

We assessed whether the valuation and its accounting treatment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.

### Accounting for Provisions

Provisions represent a key audit risk because of their value totalling £12.9m and the judgements involved in determining them. The largest provision of £6.4m relates to continuing health care which requires clinical judgement and a complex calculation involving the days of care which should have been funded by the Trust, the value owed per day and the interest now due on this balance.

The accounting policy for provisions can be found in note 1.11 and further details on the income recognised is in note 20.

We tested the design and implementation of controls around the recording of provisions and have tested the amounts arising, utilised and unused on a sample basis.

We have understood and challenged the assumptions made by management in calculating the provisions balances and have considered the validity and completeness of the provisions. In particular around the continuing care provision, we have agreed the decision whether or not to provide for a claim to the clinician's assessment of the case and have substantively tested the calculation valuing the claim by agreeing the number of days of care to be funded, assessing the daily rate applied and re-performing the interest calculation.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed within the annual report.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

**Our application of materiality**

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Trust to be £2.0m, which is below 1% of income and below 2% of equity.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £100,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

**An overview of the scope of our audit**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control. Audit work was performed at the Trust's finance offices in Radlett directly by the audit engagement team, led by the audit partner.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

**Opinion on other matters prescribed by the National Health Service Act 2006**

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Matters on which we are required to report by exception

Under the Audit Code for NHS Foundation Trusts, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements;
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we have considered whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Hertfordshire Partnership NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of  
the financial  
statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*Matthew Hall*

Matthew Hall FCA  
Senior Statutory Auditor  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans, United Kingdom  
27 May 2015

**INDEPENDENT AUDITORS' REPORT TO HERTFORDSHIRE PARTNERSHIP  
UNIVERSITY NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST  
CONSOLIDATION SCHEDULES**

We have examined the NHS foundation trust consolidation schedules (FTCs) numbered 1 to 38 of Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2015, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This report is made solely to the Board of Hertfordshire Partnership University NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act). Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust and the Board, as a body, for this report, or for the opinions we have formed.

In our opinion these consolidation schedules are consistent with the statutory financial statements on which we have issued an unqualified opinion.

As agreed with Monitor, in forming our opinion on whether the consolidation schedules are consistent with the statutory financial statements, we have not considered inconsistencies below the clearly trivial threshold of £250,000.

Signature: *Deloitte LLP*

Date: *27/05/2015*

Name of auditor/firm: Deloitte LLP

Address: 3 Victoria Square, St Albans, AL1 3TF





If you require this information in a different language or format please contact the Patient Advice and Liaison Service.  
Tel: 01727 804629

W razie potrzeby powyższy tekst można otrzymać w innym formacie lub innym języku. Informacji w tej sprawie udziela: Patient Advice & Liaison Service.  
Tel: 01727 804629  
(Polish)

Se avete bisogno di queste informazioni in una lingua o in un formato differente, vi preghiamo di contattare: Patient Advice & Liaison Service.  
(Servizio relazioni e consigli per i pazienti)  
Tel: 01727 804629  
(Italian)

আপনি যদি এই লেখাটি অন্য কোনও ভাষায় বা অন্য কোনও প্রকারে পেতে চান তাহলে অনুগ্রহ করে নিচের নাম্বারে যোগাযোগ করবেন :  
পেশেন্ট অ্যাডভাইস অ্যান্ড লিয়েজন সার্ভিস  
(রোগীদের পরামর্শ দেওয়া ও তাদের সাথে যোগাযোগ রাখার পরিষেবা)  
টেলিফোন : 01727 804629  
(Bengali)

اگر آپ کو یہ کسی دوسری زبان میں یا کسی دوسرے طریقہ سے درکار ہو تو براۓ مہربانی ذیل سے رابطہ کریں :  
(Patient Advice & Liaison Service) ہیلتھ ایڈوائس سروس  
ٹیلیفون : 01727 804629  
(Urdu)

Hertfordshire Partnership University NHS Foundation Trust  
works toward eliminating all forms of discrimination  
and promoting equality of opportunity for all