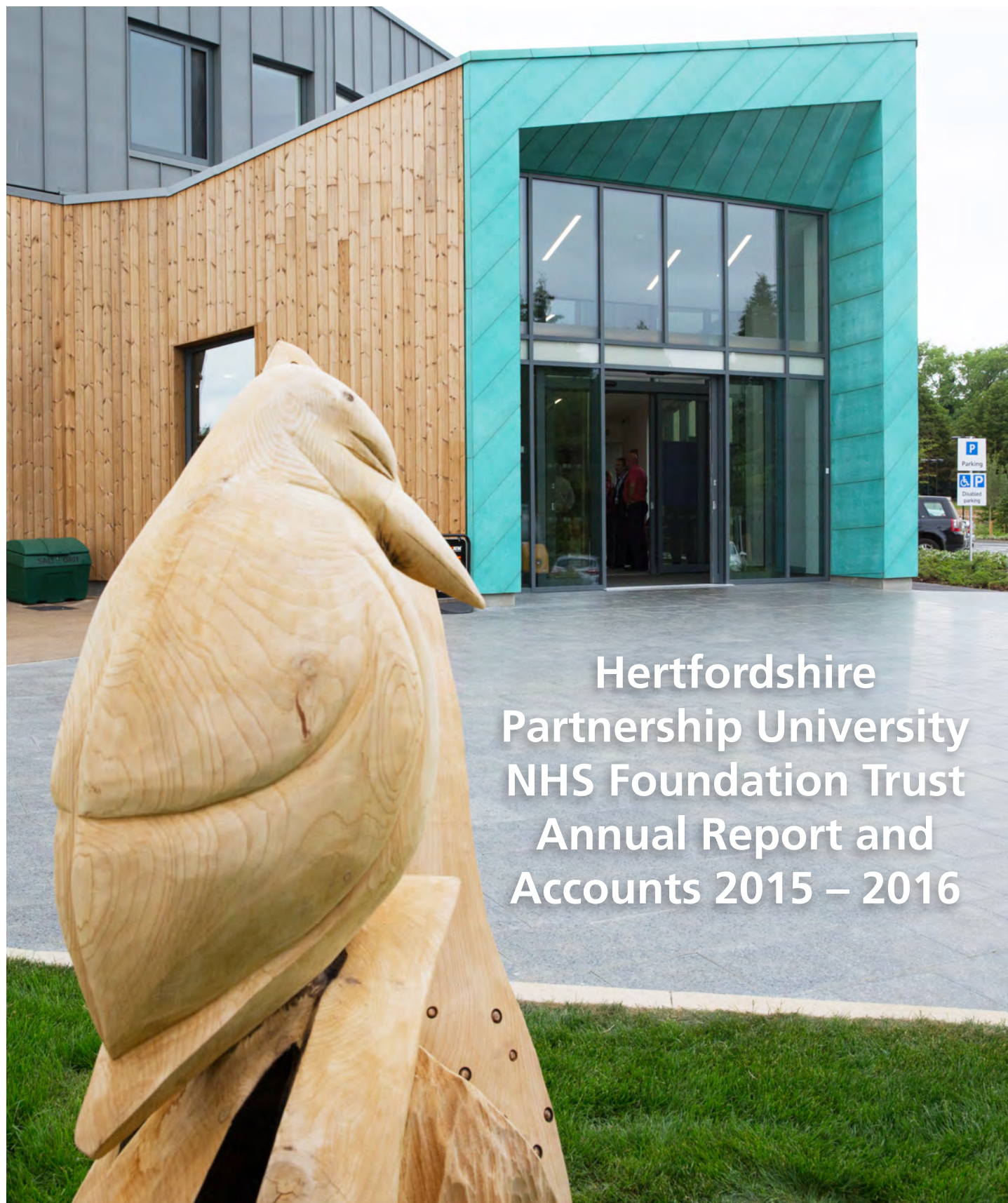




Hertfordshire Partnership
University NHS Foundation Trust



Hertfordshire Partnership University NHS Foundation Trust Annual Report and Accounts 2015 – 2016

Hertfordshire Partnership University NHS Foundation Trust
Annual Report and Accounts 2015 – 2016

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

Annual Report 2015 - 2016

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Section Two

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

Introduction

The past year has seen increasing challenges facing our health services. As a Trust we have been experiencing our highest ever demand across all of services including children and young people. This has meant that our staff have had to work both incredibly hard and embrace new ways of working, all within a challenging financial climate whilst continuing to deliver first class care. Despite these challenges we believe the year has been successful in many ways.

Undoubtedly, one of the highlights of 2015 has been the CQC's inspection rating of 'Good' overall for the Trust. The CQC observed that the Trust is a well led organisation and highlighted in their report many examples of excellent and innovative practice. We have been particularly proud to read how caring, dedicated, kind and patient focused they found our staff to be and that our values are being demonstrated across the whole Trust. We are proud to be one of only a handful of mental health and learning disability trusts around the country that have been given this rating.

Our strength as a well led organisation has been further confirmed by Foresight's external review of our governance. They have told us that we are one of the highest performing trusts in governance terms that they have reviewed so far. This is a real tribute to our leadership team, our governors, our non-executives and all that contributed to our governance processes.

Earlier in the year we were delighted to welcome Simon Stevens, NHS England Chief Executive, at the official opening of Kingfisher Court. Simon spoke about the importance of the need for excellent mental health care for people in crisis and praised the facility commenting that; "A good benchmark of the worthiness of any health facility is that you would be happy for one of your relatives to be treated there and that is self-evident today."

As a Trust we are committed to working closely with our service users and carers to bring together their ideas and experiences to shape our services and environments. This commitment was evident in our newly refurbished Thumbswood Mother and Baby Unit and Seward Lodge Dementia Assessment and Treatment Unit which were formally opened during the year.

Staff are a source of constant inspiration and their commitment to providing the best possible services has helped us make significant progress during 2015/16, in spite of the challenges and pressures currently facing the whole of the NHS.

We are committed to supporting and developing our staff. This has been reflected in the excellent progress we have made in our national NHS Staff Survey results this year. We are particularly proud to be the highest scoring Trust in mental health and learning disabilities nationally for 'motivation at work'. Other highlights include above average scores in staff family and friends recommending HPFT as a place to work or receive treatment, staff satisfaction with the quality of work and patient care they are able to deliver and effective use of patient/service user feedback.

Once again, we are extremely proud of the recognition our workforce have been awarded during the year in a number of national and regional awards including Design in Mental Health, Building Better Healthcare, Healthcare People Management Association, Positive Practice in Mental Health, and Quality in Education Training Awards along with the Nursing Times Inspirational Nursing Leaders list...to name a few! These awards are a wonderful acknowledgment and testament to the excellent and innovative work happening across our Trust and the talent and dedication of our staff.

Looking ahead, we are now setting out on the next phase of our journey to take us from a 'Good' Trust to a 'Great' one. Over the past few months we have been engaging with our service users, carers and staff to explore what more we can do to ensure that we are continually delivering great care and great outcomes and that the care we are providing puts the individual person at the centre. We will also strive to continue building on our staff survey results, ensuring that the Trust is a place where people want to work and are able to develop and thrive.

To achieve our aspiration of delivering great care and great outcomes we must continually learn and improve. We cannot do this alone and we will continue to work closely with our partners to build and develop integrated services. This means further supporting 'Your Care, Your Future', a review of the whole health and social care system in the West of Hertfordshire and having a strong presence as part of the Integrated Care Partnership Board in the East and North of Hertfordshire.

We would both like to finish by thanking all of our staff for their commitment and hard work over the past 12 months which has enabled us to make a real difference to the lives of those we care for and their families.



Tom Cahill
Chief Executive

Date:

Tom Cahill
26/5/2016



Chris Lawrence
Chair

Date:

Chris Lawrence
26/5/16

Performance Report

Background information

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

- A stronger involvement with local communities through our members and Council of Governors
- The ability to borrow finance to support our capital investment programme
- Retaining our surpluses to re-invest in local service developments and facilities
- Working more closely with our partner organisations, so that we can grow and develop our services specifically to meet the needs of our service users and communities

As with all NHS foundation trusts we are regulated by Monitor (from 1 April 2016 NHS Improvement), under the provisions of the Health and Social Care Act 2012. We provide integrated health and social care across community and inpatient settings treating and caring for people across Hertfordshire, and within both Norfolk and North Essex. The majority of our income is derived from contract arrangements with our commissioners of which the largest contract is with the Integrated Health and Care Commissioning Team who act on behalf of East & North Hertfordshire Clinical Commissioning Group (CCG), Herts Valley CCG and Hertfordshire County Council. Currently our income is largely paid as a fixed sum amount and does not vary to reflect changes in activity levels or case mix or any variations in clinical outcomes. For 2016/17 this will begin to change when we will begin to introduce changes to the contract payment system to make it more flexible, transparent and to reflect outcomes.

Our strategic objective remains to be the leading provider of mental health and specialist learning disability services in the country. Increasingly we recognise the benefits that can be provided through the integration of both mental and physical care services and we continue to develop our work with partner organisations to achieve this. In particular, our work with Hertfordshire Community NHS Trust has developed the nationally recognised HomeFirst service, our work with the Hertfordshire Urgent Care Network and our role in the Herts Valley CCG Your Care Your Future programme.

In meeting our objectives we are focussed 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.

This performance report covers the year ending 31 March 2016.

Performance overview

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

At 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.

This 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
- Embed a learning culture where staff develop their full potential and delivers excellent care.

3. Sustainability

- Ensure a sustainable future through income growth and efficient use of resources
- 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.

This values and behaviours framework provides 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 has embraced smart phone technology with its own 'Our Values' app. 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. We have rolled out values based recruitment training to equip managers with the skills to conduct values based interviewing and identify and probe for values as well as technical skills and experience.

Statement on Performance

The Trust has performed very well over the year, although there are areas we have identified where we would wish to see improvements and a consistency of performance that will enable us to move from 'Good to Great'. The Trust has achieved all its regulatory performance targets and importantly received a 'Good' rating from the Care Quality Commission. In relation to our annual plan significant progress has been achieved with only 1 of 12 objectives not being either fully or partially met. This relates to our financial performance which although still solid, was behind plan. Across our key performance metrics which measure performance against three broad areas: Access, Safety & Effectiveness and Resources performance has continued to improve and shows a further enhancement when compared to 2014/15. 70% (37 of 53) of indicators were fully green and only 8% (4 of 53) were red at the end of 2015/16. Again this indicates that we have more to do, but progress on overall performance has been positive and very encouraging.

Key Issues and Risks to Future Performance

The Trust has identified the key risks and issues to achieving the goals set out within this strategy. The Annual Governance Statement set out in this report identifies these major risks to future performance. These form a core element of our quality improvement plans for 2016/17 (as set out in the Quality Report) and are summarised below:

Risk	Description	Mitigation
<i>Acute bed pressures</i>	The Trust is unable to meet demand from within its own capacity leading to a reduction in the quality of care	<ul style="list-style-type: none">• The use of alternatives to admission where appropriate• Proactive discharge management• Weekly DTOC teleconferences to ensure patient flow

Risk	Description	Mitigation
<i>Clinical governance systems within the CAMHS service</i>	Systems are not robust enough to sustain high quality services with pressures around recruitment of qualified staff leading and an increasing level of demand and acuity.	<ul style="list-style-type: none"> • Increase management and clinical support • Support with increased oversight of waiting times and care co-ordination • Close monitoring of high risk cases
<i>Workforce Recruitment & Retention</i>	Inadequate staffing levels or inappropriate mix of permanent and agency staff impacting on the quality of patient care	<ul style="list-style-type: none"> • Detailed recruitment planning with focused recruitment drives • Recruitment incentives • Mitigating action for cohort of potential retirees
<i>Ability to achieve financial targets</i>	Insufficient resources to manage demand and maintain quality and ensure long term financial sustainability	<ul style="list-style-type: none"> • Strengthen expenditure controls • Robust processes to ensure efficiency • Independent quality impact assessment assurance • Clinically led support to identify efficiency opportunities • Positive relationship with commissioners

Going concern

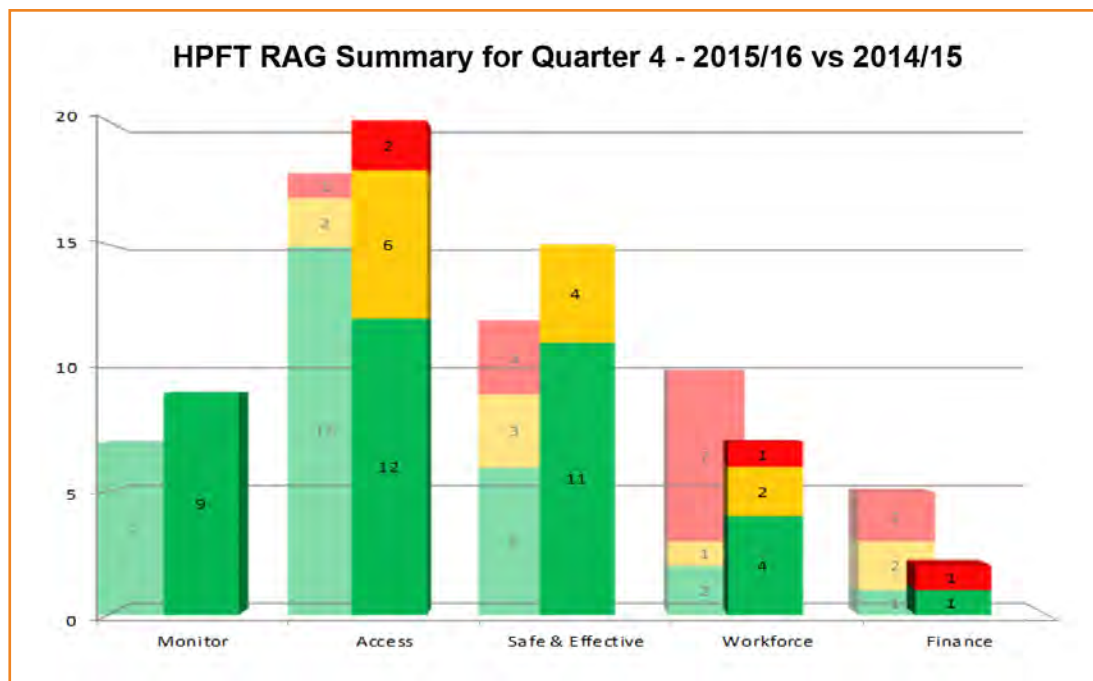
The accounts have been prepared on the basis that the Trust continues to operate as a 'going concern', reflecting the ongoing nature of its activities. After making enquiries, the Directors have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Performance analysis

During the course of the year the Board receives quarterly reports on the performance of the organisation. These reports relate to:-

- regulatory and statutory requirements
- the Trust's Annual Plan
- a series of key performance measures agreed by the Board relating to areas of operational significance, focussing on service quality measures – access, safety and effectiveness – key workforce indicators and financial metrics.

The trend in performance is reported to the Board across these areas and 'deep dives' in relation to specific issues undertaken by the Board and its sub-committees. Trend comparator information for 2015/16 is summarised as:



Regulatory performance

Over the year all Monitor targets have been met and have been reported in the quarterly monitoring return and declaration submitted to Monitor. Access to healthcare for people with learning disabilities is fully compliant with five of the six areas and partially compliant for the sixth indicator which relates to information made available to the public. Plans are in place to fully meet the final indicator as it will be addressed within a wider review of our web site.






In addition to these requirements the Trust has also had a review inspection carried out in year by the Care Quality Commission which resulted in an overall rating of “Good”. Further detail is included in the Governance Report.







Annual Plan

The Annual plan comprises 12 objectives with associated milestones and outcomes. These are RAG rated against planned progress and reported to the Trust Board quarterly.

Performance against the Annual Plan objectives is set out in the following table:

	Objective	RAG	Summary Comments
Quality and Service Development			
1	<i>We will successfully embed the significant recent changes to our adult community and CAMH services for the benefit of service users, carers and staff.</i>	●	Rating reflects ongoing pressures on adult community and CAMHS teams whilst work to recruit to vacancies and embed new ways of working continues.

	Objective	RAG	Summary Comments
Quality and Service Development			
2	<i>We will continue to improve the effectiveness and safety of our acute care pathway and placements service.</i>		Acute external placements was zero at the end of Q4 due to a huge amount of hard work. The wards remain very busy however despite this the rate of inpatients reporting feeling safe improved. The placement panel and review processes are now much more robust and the health placements work is progressing well. However, the work on social care placements is proving challenging.
3	<i>We will complete ongoing transformation projects, including developing information systems and tools that support staff to work productively, and deliver the highest quality care.</i>		The key service transformation and estates programmes are on track, with the exception of the new Hemel hub. Development of the business intelligence system has progressed but more slowly than originally planned due to the need to review the overall Business Intelligence framework to ensure it is fit for purpose. This has been a key focus in Q4 and a business case setting out the next phase of proposed development will be presented in Q1.
Quality and Service Development			
4	<i>We will play a leading role working with our partners across Hertfordshire and Essex in developing and rolling out new, integrated models of care.</i>		The Trust continues to play a leading role within the integrated care programmes in E&N Herts and Herts Valleys. Both programmes have now reached critical stages in shaping the future model of care across the county with the requirement to submit concrete System Transformation Plans at the end of June.
5	<i>We will successfully mobilise and deliver IAPT services in West Essex.</i>		The transition to business as usual has been well managed and feedback from staff has been positive and engagement levels high. Both access and recovery targets were improved in Q4 after dips in Q3, meaning that both the key end of year targets were met.
Workforce			
6	<i>We will recruit and retain staff, reducing our reliance on temporary staffing.</i>		Both turnover and vacancy levels continued to fall during Q4, however, they remain above where we would want them to be. Overall agency costs continued to fall to February before rising in March. They remain above the Monitor target rate for nursing.

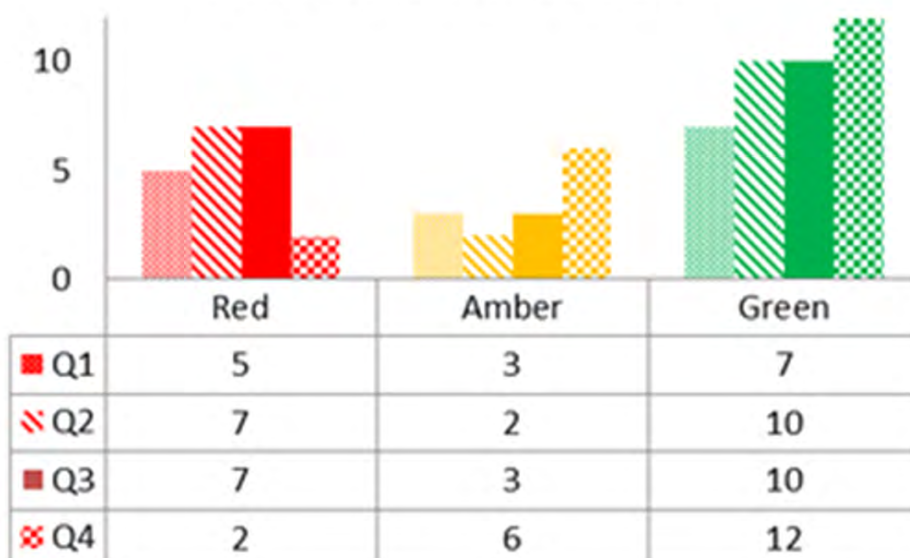
7	<i>We will improve staff engagement and motivation.</i>		The improvements in key indicators including the staff FFT seen in Q3 have been maintained although the number of respondents was lower than had been hoped for. Q4 saw the results of the national staff survey. The results were the best the Trust has had in over 5 years and the highest score for staff motivation at work across all Mental Health Trusts.
8	<i>Leaders and line managers will be better equipped with core management and leadership skills.</i>		Q1 had the best score over the last two years in staff reporting feeling supported by their line manager. This has been sustained across the full year in to Q4. The Managing Services Excellence programme has been well received and is expected to support this going forward.
9	<i>We will embed a culture that promotes our values.</i>		Over 90% of staff have now had values focused workshops and 85% of staff reported that they know how the Trust values apply to their role above the EOY target of 80%.
Sustainability			
10	<i>We will live within our means and secure the financial sustainability of our services.</i>		The overall position for the year was £1m behind plan with agency and secondary commissioning costs continuing to put pressure on budgets.
11	<i>We will remain the commissioners' provider of choice for our existing services.</i>		Commissioner relationships and dialogue remain strong and successful contract discussions across Hertfordshire, Essex and Norfolk are a testament to this. Performance against contractual obligations also improved in Q4.
12	<i>We will continue to develop our relationships with primary care, partner providers and commissioners across Hertfordshire and Essex.</i>		Relationships with commissioners remain strong and we are now beginning to develop stronger links with local primary and urgent care providers. Further work is required to build on this at both strategic and operational levels during 2016/17.

Performance framework

The Performance Framework, which sets out the key performance measures of the trust, focusses on three broad areas: Access, Safety & Effectiveness and Resources. Performance improved over the year and at the end of the year 70% of the indicators were rated Green and Red indicators had reduced to 8%.

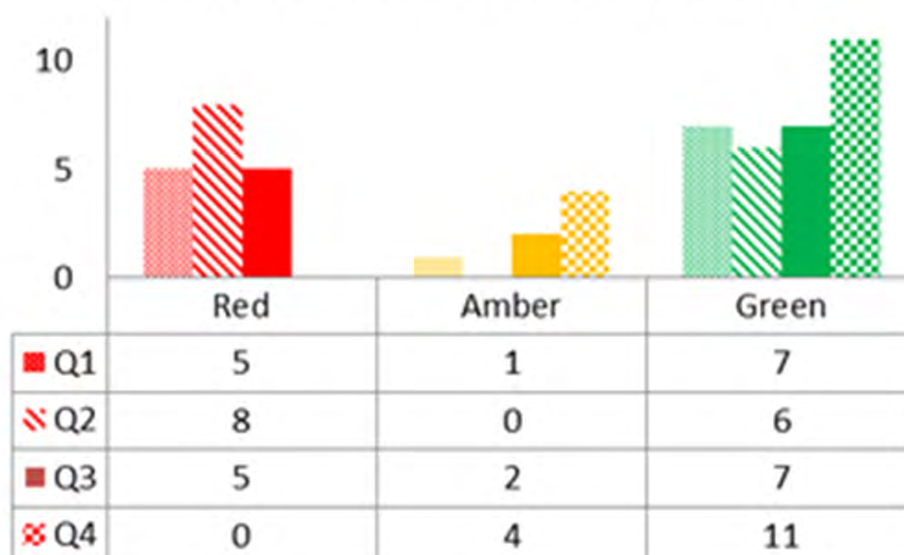
Access: of the key targets the key area of pressure is access into the IAPT services. Waiting time targets of concern are CAMHS 28 day waits and EMDASS 6 week waits where there has been a lack of capacity and there are agreed action plans for improvement supported by additional investment, which should show improvement by the end of the first quarter of 2016/17. Trend analysis for 2015/16 is summarised below:

Access Indicators 2015/16



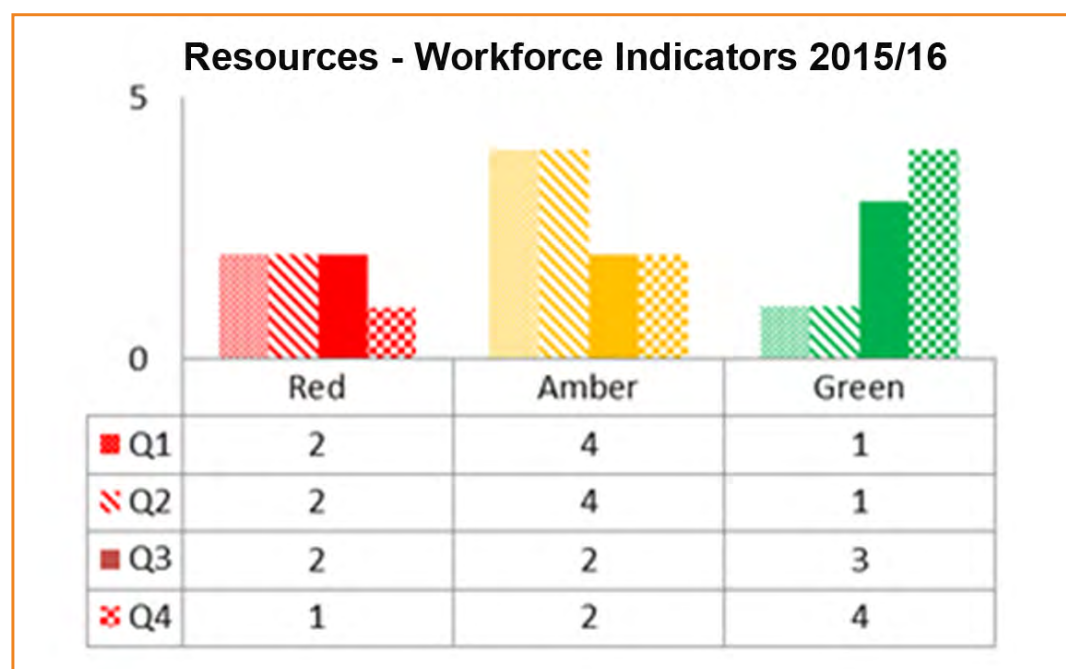
Safety and effectiveness of services: there are no key areas of concern within this area with the majority of the targets being green and only four as amber. There was a significant improvement in the final quarter of the year to achieve key targets on risk assessments and clustering. The recommendations following the CQC inspection and the action we are taking in relation to these are detailed under our governance reporting section. Trend analysis for 2015/16 is summarised below:

Safe and Effective Indicators 2015/16



Resources: workforce indicators have improved with significant improvements within the National Staff Survey. However, as indicated by the key risks for the organisation highlighted in the governance statement recruitment and retention are areas that continue to need focus. The full

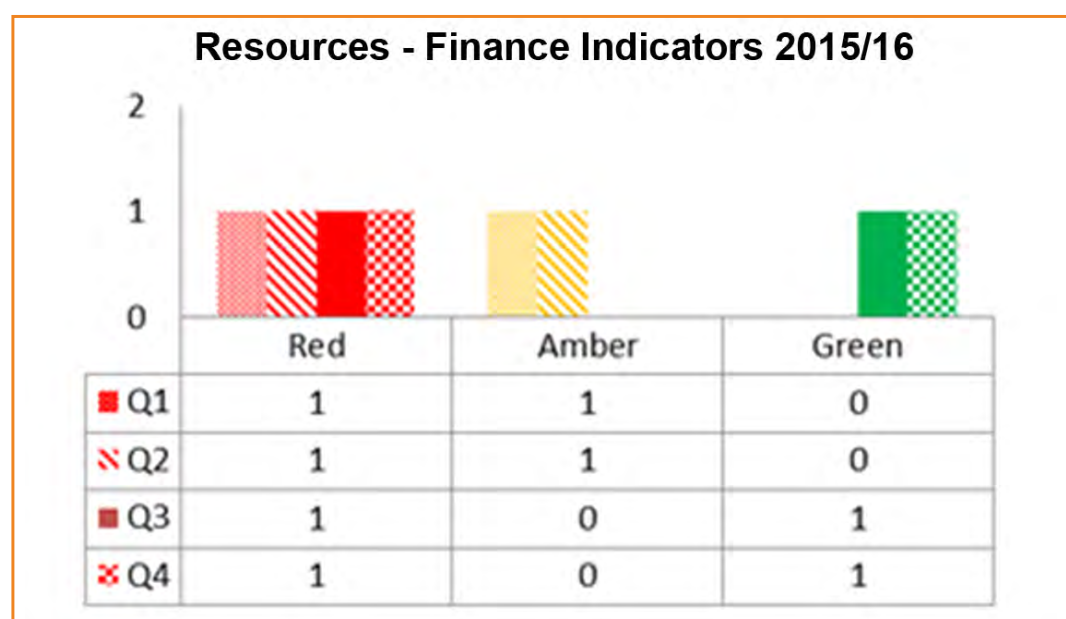
year financial position is break even compared to a planned surplus of £1m. The shortfall has been driven by additional agency costs and placement costs in the early part of the year. Trend analysis for 2015/16 is summarised below:



Finance: The position for the full year is broadly break-even (before accounting for impairments) which whilst below Plan, the underlying position shows a steady improvement from the earlier periods. The Trust has delivered an improving trend over the last quarter with the reported position impacted by adjustments made as part of the final end of year position. There has been some increase in agency costs in the final month as an interim measure to support the delivery of elements of the additional commissioner funding. This improvement reflects that some of the newly funded service developments are not yet fully operational. There has also been a reduction in the level of agency cost.

The Monitor Risk Rating, the FSRR, is reported as a 3, for the full year.

Trend analysis for 2015/16 is summarised below:



Important events

The Trust's major contracts totalling approx. £179m were all subject to renegotiation for 2016/17. All major contracts have been finalised and were signed within the required timeframe from Monitor (now NHS Improvement). All major CQUIN elements have been agreed with relevant commissioners and will be formally signed off for the Trust through Integrated Governance Committee. Since the end of the financial year, the Trust has entered into a contract to provide specialist Learning Disability services for Buckinghamshire. A mobilisation and implementation plan has been developed and formal transfer of responsibilities is planned for 1 September 2016.

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



26/05/2016

Accountability Report

Directors' Statement

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

Each of the Directors, whose name and functions are listed in the Board of Directors section of this Annual Report and Accounts, confirms that, to the best of each person's knowledge and belief:

- The financial statements, prepared in accordance with IFRS as adopted by the EU and in accordance with the Companies Act 2006 (as applicable to NHS Foundation Trusts as laid down in the NHS Foundation Trust Annual Reporting Manual for 2015/16) give a true and fair view of the assets, liabilities and financial position of the Trust;
- The Directors' report contained in this Annual Report and Accounts which comprises the sections described in the chapter Directors' Report, includes a fair review of the development and performance of the business and the position of the Trust and a description of the principal risks and uncertainties that they face;
- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The Director has taken all the steps that ought to have been taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information, as set out in a Letter of Representation to the external auditors.

In addition, each of the Directors considers that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for service users, carers, staff and all stakeholders to assess the Company's performance, business model and strategy.

Directors' report

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)
• 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)
• Michelle Maynard	1.6.2015 – 31.7.2018	– (1 term)
• Robbie Burns	1.8.2015 – 31.7.2018	– (1 term)

The appointments were made with support of an external recruitment company through open competition.

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 Improvement
- Executive Director – Finance
- Executive Director – Community Services and Integration
- 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 to the Board at their 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 detail is 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 were 12 Board of Directors meetings between 1 April 2015 and 31 March 2016. This includes the Annual General Meeting for members. The individual attendance of each Board member is indicated in brackets below.

Chris Lawrence, Trust Chair

(12 out of a possible 12)

- 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
- Also Chair of the Council of Governors
- 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
- Trustee of YMCA Norfolk
- Chair of Trustees Horstead Residential Activity Centre.

Tom Cahill, Chief Executive

(11 out of a possible 12)

- To be 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
- To take the lead 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
- Ensure the Trust's services are culturally sensitive, relevant and accessible to meet the diverse needs of the communities we serve
- To take forward 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
- Has a Masters in Business Administration.

Iain Eaves, Executive Director Strategy and Improvement

- *(12 out of a possible 12)*
- 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 the Information Management and Technology (IM&T) within the Trust and is the Trust's Senior Information Responsible Officer

Jinjer Kandola, Executive Director Workforce and Organisational Development

- *(12 out of a possible 12)*
- Responsible for all workforce and organisational development issues
- Leads on development of culture and engagement across the organisation
- Worked within human resources for over 20 years
- Oversees communications and marketing for the Trust.

Geraldine O'Sullivan, Executive Director Quality and Medical Leadership

(3 out of a possible 4) retired June 2015

Kaushik Mukhopadhaya, Executive Director Quality and Medical Leadership

- *(5 out of a possible 7 – appointed July 2015)*
- Provides advice and guidance on professional issues relating to doctors and is the Responsible Officer for revalidation of doctors. Oversees the training of trainee doctors
- Oversees clinical risk in the organisation and leads on the accessibility of clinically effective care within available resources across the organisation and 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
- Is a Consultant Psychiatrist and continues to practice clinically one day/week.

Keith Loveman, Executive Director Finance

- *(12 out of a possible 12)*
- 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 meet statutory targets
- Qualified accountant
- Responsible for contracts, estates, facilities and procurement.

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

- *(10 out of a possible 12)*

- 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, Executive Director Community Services and Integration

(2 out of a possible 3 on Maternity Leave from June 2015)

- *The role was covered by an interim appointment during this period)*
- Executive Board lead for integration and community services developments
Leads on the public health agenda

Manjeet Gill, Non-Executive Director

- *(5 out of a possible 12)*

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.

Colin Sheppard, Non-Executive Director

- *(3 out of possible 4 resigned July 2015)*

Is a chartered surveyor and spent his 32 year executive career with substantial property organisations; in particular, 25 years with MEPC Plc - then the second largest UK property company and a FTSE 100 company

Over the past decade, has widened his corporate, non-executive director and property experience and expertise including Board level roles with 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

- *(11 out of a possible 12)*

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

- Has had 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 the Institute of Chartered Accountants
- Holds 14 other Non-Executive Director appointments
Trustee of the ABF (The Soldiers Charity)

Sarah Betteley, Non-Executive Director & Senior Independent Director

- *(10 out of a possible 12)*
- A lawyer
- Senior executive commercial roles within BT over a period of ten years
- Acted in a consultant capacity with small businesses.
Director of Fruits of the Fridge Ltd

Loyola Weeks, Non-Executive Director

- *(11 out of a possible 12)*
- 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.

Michelle Maynard, Non-Executive Director

- *(9 out of a possible 9 – appointed from 1 June 2015)*
- Extensive experience operating at Board level within a number of industry sectors
- Experience in leading transformational change and improving business performance
Director of Talent & OD at Aviva

Robbie Burns, Non-Executive Director

- *(6 out of a possible 7 – appointed from 1 August 2015)*
- Worked in health and social care for 25 years including as a Managing Director for Nestor
- Healthcare
- Developed healthcare business
Currently Chair of the National Fostering Agency

Register of interests:

The register of Directors' interests is available from the Company Secretary at:
Hertfordshire Partnership University NHS Foundation Trust, The Colonnades, Hatfield,
Hertfordshire. Tel: 01707 253866

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.

Service User and Carer Involvement

Working with Experts by Experience

HPFT has developed a strong reputation for involving service users and carers in its work, and we greatly value the expertise and unique insights they bring as Experts by Experience.

A great focus for involvement activities during 2015 has been co-production. Co-production focuses on developing innovative ways to enable Experts by Experience to work with us as true partners in service development and improvement. A group of Experts by Experience worked with us to create the co-production statement below which sets the standard of co-production that we aspire to. The Co-Production Group have continued to advise and collaborate in various projects with staff – most recently supporting with the Making it Real initiative in community services.

Co-Production Group Statement

Co-analysis, co-design, co-delivery, co-creation

‘Sharing planning and responsibility for positive change’

Co-produced service development:

- Recognises service users, carers and staff as vital planning partners
- Identifies areas of development, risk or concern; to meet a need, not just provide a service
- Is based on mutual trust, honesty & transparency
- Enables working together to follow and promote the Trust’s values
- Promotes equality and diversity – challenging stigma and valuing different experiences
- Encourages good communication and co-produced work at all levels and on an ongoing basis
- Provides education and awareness about good practice in co-production

‘I incorporate co-production with service users and their carers in all of the HPFT projects and service improvement initiatives that I am involved in. Through encouraging openness and involvement we are able to have constructive collaborative conversations and understand the impact of what we do, and what people value the most. Through this we are able to design, plan and deliver support that is more effective, and improves the experiences and outcomes for people using our service. This has really been brought to life when I have seen co-produced decisions and ideas transform documents, processes or policies that inform our practice. It has given me even more confidence in implementing and embedding changes developed by people who have or will be experiencing them. The co-production framework supports the ambition for effective social work practice which should impact positively at individual, organisational and a wider community level’ – Kathryn Linhart, Consultant Social Worker

Every year since we have started reporting, the number of opportunities for our Experts by Experience to undertake involvement work with us has increased. This year Experts by Experience spent 3,243 hours (a 9% increase from the previous year) in activities throughout the Trust such as interviewing and training staff, taking part in committees, task groups and workshops, and as members of our councils and groups.

Over the past 4 years of reporting involvement activity has significantly increased by 50%.

'Involvement work with the Trust has helped my confidence to grow and has given me a chance to help shape better services' – Service User & Council Administrator.

We have continued to focus on support for our Experts by Experience with the introduction of involvement coffee mornings which enables them to meet us informally and talk over any issues. Involvement work can make a large contribution to personal recovery and so we continue to offer 1:1 support as needed for individuals. We hope to introduce more structured arrangements over the next year with the offer of informal supervision sessions.

Our Councils

The Service User and Carer Councils and the Young People's Council have continued to be highly valued critical friends, and membership of all councils is at its highest ever level. As well as their role in service improvement and development within HPFT, the councils decided during the year that closer work with our commissioners was important. They have continued to develop this through invitations to meetings and a session with commissioners at a 'Councils Together' forum.

'As Chair of the Service User Council, I have found it rewarding and fulfilling to be part of the solution rather than just pointing out the problems.

At times it can be a challenge to manage the personal and the professional, but I feel we achieve this in a positive way and with good humour (and the occasional Snickers bar).'

– Chair of Service User Council

'My wife and I were appointed Deputy Chair and Chair respectively of the Carer Council in November last year. It has been a steep learning curve to get an idea of how HPFT operates and its constituent parts. The past 12 months have been extremely busy for the Carer Council and HPFT working towards the requirements of the Care Act and our ongoing work on behalf of carers and their loved ones – it looks likely that the next 12 months will be equally, if not more, active.' – Chair of Carer Council

The Making Services Better Group continues to support service users and carers of learning disability services to work together with staff to develop and improve services.

Peer Experience Listening

Our unique Peer Experience Listening Service has continued to provide high quality, in-depth, qualitative feedback which has contributed significantly to service development.

The Peer Experience Listeners (PELs) Stakeholder group – including service users, carers, voluntary sector representatives from Viewpoint, Carers in Herts, MIND, HPFT and Hertfordshire Social Care (HSC) - oversees development and delivery of PEL projects.

During the past 12 months the group has worked on projects for HPFT and HSC including an in-patient survey, carers experience survey, dementia carers service evaluation survey. Following analysis of the data the group reports back on the findings. The group has also been responsible for training new PELs and now has 20 active PELs working in the field. The Group also provides training in safeguarding and diversity.

The group will continue to support service users and carers through training and supervision and this has been very beneficial in helping with the recovery of both service users and carers. The group looks forward to new projects and challenges in the coming year.

Peer support worker training and development

This year we have commissioned our peer support work training partners, Together UK, to train four cohorts of peer support worker (PSW) training. Trainees have commented particularly on how valuable PSW training itself has been for them in terms of their personal recovery journey; and for some in their aspirations towards future employment.

‘Just wanted to take this opportunity to thank you all for all your help and support through this part of my journey and I will be forever grateful! If you need a staff member for Co-Production team or need advice or to collaborate on something then give me a shout! Any excuse to see you guys and service user reps would be great!’ – A PSW Trainee, now in full time employment.

Our community-based PSWs have continued to make a highly valued contribution to services and we are pleased to currently be advertising peer support work posts for both service users and carers.

Our work with Carers

This year, we were delighted to receive our first Triangle of Care Gold Star from the Carers Trust. This is an important development committing us to continually strive to improve our support to Carers. To get the Gold Star we had to evaluate the quality of carer support in our inpatient services, giving us a really good understanding of where we are and the work that is ahead of us as we aim to improve. We have now almost completed Triangle of Care assessments of our Community Services. Carers in Hertfordshire have contributed in providing an independent view has been hugely important enabling us to see how our services have worked for them.

The most important aspects of the Triangle of Care are the honest appraisal of the standard of services currently offered and commitment to doing better in future.

We are working alongside the new specialist Carer Support Team to work with staff as they develop and co-ordinate support to carers; and develop standardised documents including a welcome letter to services.

We have continued to run full day carer awareness training sessions with carers in Herts throughout the year and have recently developed two hour condensed sessions to enable more staff from inpatient units to attend.

Last June’s Carer Conference showcased successful information sessions, and plans are in full swing for this year’s event.

This year we have also set up a staff carer forum for staff members who have carer responsibilities outside their professional roles. Meetings have been very successful giving staff carers an opportunity to share experiences and highlight concerns.

Staff Report

Staff engagement

The Trust maintains its commitment to staff engagement, and values the input of all members of staff at all levels and as such there is a planned programme of events throughout the year sponsored and delivered by the Executive Team to ensure effective two-way participation in the making of key decisions. These events capture staff ideas and feedback all of which is collated, analysed and reported in a 'you said we did' summary held on the intranet.

Summary of staff engagement events

Our 'Big Listen' events began in 2011 and are open to all staff in the organisation. They provide the opportunity for the Executive Team to hear the views of our employees around key topics and priorities, informing actions and improving employee satisfaction and wellbeing.

Some examples of activity as a result of feedback from the Big Listens are the development of a Managing Service Excellence Programme to improve people management capability in the organisation, the creation of a health and social committee and staff lottery to support wellbeing and community events at a local level and improved support to flexible working processes.

The Senior Leaders' Forum brings together the top 70 leaders from across the organisation bi-monthly for a multi-disciplinary, strategically focused engagement session, including joint problem solving and development topics.

The Chief Executive holds regular breakfast meetings, inviting different groups of staff and providing an informal opportunity to feedback their views and experiences of working for the Trust and how we can improve the quality of care for service users. This year, there were five Breakfast Meetings; Admin and Clerical staff; Team Leaders, Service Line Leaders, Medics and Allied Health Professionals. The main themes arising from these meetings mirror the feedback from other forum and centre on workload pressures, staffing shortages and challenges with technology and bureaucracy. The Service Line Leaders highlighted their requirement for additional development support, and this is being provided in a programme of activity in 2016/17.

The Executive Team involved the whole organisation in the development of the core narrative for the Trust Strategy 'Good to Great'. This included face-to-face engagement sessions and involvement from over 300 staff.

Pulse Survey

In addition to the face to face engagement events described above, the Trust holds quarterly 'pulse surveys' to review staff satisfaction levels throughout the year. The questions are based on the staff survey and additional questions are included related to local evaluation or commissioner reporting. The quantitative and qualitative statements are analysed and reported through to Trust Board. At a regional level the themes for the anonymised data inform local activity.

Collective Leadership

As part of the Trust's ongoing cultural development programme, the Board has commissioned staff members as Lead Ambassadors, supported by the Kings Fund, to undertake a diagnostic of the Trust culture against an 'ideal' culture of 'Collective Leadership'. The Collective Leadership model has been developed with Professor Michael West, and describes the culture of an organisation that provides 'high quality, continuously improving, compassionate, care'. The Lead Ambassadors are a group of staff from across the Trust at all levels, locations and professions, supported by service user and carer representatives, and are undertaking the diagnostic utilising five specially developed tools; desk research; online staff survey; focus groups; leadership behaviours questionnaire; and Board Interviews. The outputs from this engagement will inform the Organisational Development Activity Plan for 2016-17.

Summary of Performance – NHS Staff Survey 2015

The Trust launched and communicated a collective ownership model for employee satisfaction in May 2015.

This recognised the influence that a line manager has on the local workplace culture that ultimately impacts on satisfaction levels. This concept re-introduced mandatory 'people management objectives' into manager's appraisals and the launch of a pragmatic development programme for Line Managers.

The Staff Survey

The results of the 2015 National Staff Survey show a greatly improved position since 2014 with 14 of the key findings above average across Mental Health Trusts, 13 average and five below average. Against the 2014 survey, the Trust has achieved eight improvement areas, and fourteen areas that remain unchanged. There have been no areas of decline in the staff experience against any of the key findings since the last survey. The score for staff engagement has risen from 3.62 in 2014 to 3.86 this year, and is now above average. HPFT scores for staff motivation were the highest achieved in the 2015 staff survey within our comparator group.

The Trust's highest ranking scores, all of which are above average are; staff motivation at work; quality of non-mandatory training, learning and development; good communication between senior management and staff; satisfaction with the quality of work and patient care staff are able to deliver; recommending the organisation as a place to work or receive care.

The Trust's bottom five ranking scores, and the only key findings that the Trust are below average on, are; staff experiencing harassment, bullying or abuse from staff; staff working extra hours; staff reporting harassment, bullying and abuse; ability to contribute to improvements at work and; staff reporting violence.

This staff survey represents the best for the Trust in the last five years and of particular note, the key questions relating to care and service user experience have all increased. These include: 'staff recommending HPFT as a place to receive treatment, staff satisfaction with the quality of work and patient care they are able to deliver, percentage of staff agreeing their role makes a difference to service users, staff confidence in reporting unsafe clinical practice and the effective use of service user feedback'.

Summary of performance – NHS Staff Survey 2015

Key Findings (KF)	2015	2014	2015 National Average
Overall staff engagement (KF22, KF24, KF25)	3.86	3.62	3.75
Staff survey response rate	40.1%	54%	45.7%

Top 5 Ranking Scores

Key Findings (KF)	2015	2014	2015 National Average
KF4 staff motivation at work	4.02	3.86	3.88
KF13 quality of non mandatory training	4.11	New	4.01
KF6 percentage of staff reporting good communication between senior management and staff	43%	29%	32%
KF2 staff satisfaction with the quality of work and patient care they are able to deliver	3.97	New	3.84
KF1 staff recommendation of the organisation as a place to work or receive treatment	3.75	3.43	3.63

Bottom 5 Ranking Scores

Key Findings (KF)	2015	2014	2015 National Average
KF26 percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	34%	33%	32%
KF16 percentage staff working extra hours	77%	78%	73%
KF7 percentage Staff able to contribute towards improvements at work	70%	64%	73%
KF27 percentage of staff reporting most recent experience of harassment, bullying or abuse	42%	52%	49%
KF24 percentage of staff reporting most recent experience of violence	80%	87%	84%

The Executive Team and the Board have placed great importance in addressing the issues that impact on the staff experience including staff engagement. There are many drivers to engagement and the preferred model identified to facilitate the delivery of the Trust Strategy highlights four dimensions between individuals and the organisation.

- **Connection** – an employee's identification with the organisation, its value and its core purpose. A sense of belonging, both in terms of sharing the same values and in their readiness to follow the direction the organisation is heading.
- **Support** – the vital role of line managers. The practical help, guidance and others resources provided to help people do a great job. Ensuring that managers support both in good times and in bad times.
- **Voice** – the opportunity to be involved and contribute. The extent to which people are informed, involved and able to contribute to shaping their work environments
- **Scope** – creating the environment to thrive and flourish. Giving the opportunity employees have to meet their own needs grow and develop and have control over their work.

In delivering this model of engagement, each of the four dimensions has a number of steps and approaches that should be adopted. Many of these approaches are already operating within the Trust; however initial areas of opportunity have been identified below and in the recommendations to address the staff survey results

- Effective team working
- Manageable workloads
- Opportunity for staff to contribute to improvements at work

The development of a transformation and innovation hub will facilitate employee engagement and feedback.

Safer staffing for our Trust

The Trust continues to have a rigorous system for checking the identity of applicants; the right of applicants to work in this country; registration of professional staff and qualification checks; employment history and reference checks; criminal record checks and occupational health checks in line with the NHS Employment Checks Standard. The Trust holds monthly pre-employment check meetings, to ensure all processes are standard across staff groups and that any national changes to processes are embedded and aligned internally.

In 2015, the recruitment function implemented a new electronic recruitment system to make the recruitment process more efficient so that the time taken to hire candidates reduces. This has resulted in a more streamlined, effective and safer model of recruiting staff. The above changes have meant a reduction in the time to hire from 17 weeks in 2014 to 13 weeks in 2015. The Trust are also part of the East of England streamlining project which again should result in greater efficiency in the recruitment process.

A number of different approaches have been taken within 2015 with regards to recruitment which has included the use of recruitment fairs, offering student nurses posts, targeted recruitment campaigns, advertising in the national press, and overseas recruitment which has enabled the Trust to reduce its vacancy rate even though there has been an increase in the establishment.

The breakdown of staff by staff group is shown below:

Staff Group	Fixed Term	Permanent	Total FTE
Administration & Estate	28.39	563.53	591.93
Healthcare Assistant & Support Staff	3.49	289.24	292.73
Medical & Dental	50.45	116.08	166.53
Nursing and Midwifery	12.00	983.34	995.34
Scientific, therapeutic and technical staff	24.61	527.26	551.87
Grand Total	118.94	2479.46	2598.41

The breakdown of the current number of male and female staff is shown in the table below:

Staff Group	Female	Male	% Female	% Male	Total
Directors	3	5	38%	62%	8
Non-Exec Directors	4	4	50%	50%	8
Senior Managers	192	73	72%	28%	265
Employees	1926	705	73%	27%	2591
Total	2085	787	73%	27%	2872

Recruitment of staff with a disability

The Trust's Recruitment and Selection Policy ensures that all applicants with a disability who meet the essential criteria are offered an interview, and are asked prior to the interview what adjustments they require for the interview. Successful candidates are asked what adaptations they may require to be able to fulfil their posts. The Trust continues to seek advice from Access to Work to ensure that reasonable adjustments and adaptations are in place for successful candidates or indeed candidates that become disabled. In addition the Trust is working with the new occupational health provider to ensure that reasonable adjustments and adaptations are also made for employees who have become disabled during their employment.

Employee Relations

The Trust continues to work in partnership with full-time and local staff side representatives. The Trust has monthly meetings with the trade unions both formally and informally. As well as the bi-monthly JCNC meetings in which discussions about strategic issues take place, the Trust has also introduced a bi-monthly Operational Partnership Group in which the issues and concerns of staff can be raised and addressed. The group also looks at particular issues of concern and work in partnership to address these. Staff side representatives are fully updated and take a proactive role in change management or TUPE transfers within the Trust. This includes attending open meetings and one-to-one meetings with staff to discuss organisational change and being updated on the outcomes, including redeployment, of any change management programme. The Trust also works in partnership with regards to policy development.

Health and wellbeing

The revised Health and Wellbeing Strategy was launched in 2015. The strategy addresses both support to staff to manage physical health conditions, and increased access to health improvement activities, but also focuses on building increased resilience through growing staff networks and developing relevant competencies.

Underpinning the strategy is the principle of staff involvement. This will be achieved by developing a Staff Engagement and Wellbeing Group which will shape Health and Wellbeing activities undertaken by the Trust, and have greater involvement in staff engagement activities such as the Big Listen.

To assist in delivering the strategy the Trust has appointed a health and wellbeing co-ordinator whose role is to drive elements of the health and wellbeing strategy and wider workforce strategy. The coordinator supports health campaigns such as the flu campaign and promotes healthy lifestyles and will work closely with the Strategic Business Units and Corporate Teams to support wellbeing of our staff and encourage work life balance. A staff health and social committee is also being established. The purpose of the Health & Social Committee is to build local support for Health & Wellbeing initiatives and organizational community.

During 2015 the Trust ran 'Our People Week' sessions which included health and wellbeing events such as mindfulness, massage, and resilience training, alongside local team events. The Working Together as One magazine continued as our regular health and wellbeing communication tool for staff including articles on staff and health promotion activities.

We are working closely with our Occupational Health Provider to support wellbeing and have considered the reasons for sickness and included CBT and physiotherapy services as a result. Our Provider also offers an employee assistance programme which can be accessed on line or over the telephone.

The Trust continues to run quarterly pulse surveys. 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 strategic 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 violence and aggression towards members of staff whilst they are delivering services and has policies to support lone workers. Equally we continue to be committed to reduce the number of staff reporting bullying and harassment. The workforce team have been working in partnership with trade union colleagues to understand the reasons why staff may feel bullied and harassed and have put processes in place to address this including holding focus groups with staff, having a dedicated non-executive sponsor, delivering training on how to give feedback, and trying to establish local issues within the strategic business units.

Sickness absence data

The HR Department continues to work closely with and support managers on the management of sickness absence. During 2015 the Trust continued to run sickness absence sessions for managers to ensure that they understand the legal background and are equipped with the skills to tackle both long and short-term sickness absence. In addition there has been a focus on areas with high sickness absence to try and reduce sickness absence rates.

In April 2015 the Trust implemented a new single occupational health provider. The services offered by the new provider include an employee assistance programme, Cognitive Behavioural Therapy and physiotherapy services. The workforce team are working with the new provider to analyse sickness absence data to ensure that programmes of activity are put in place to support the reduction of sickness absence where it is needed as well as putting proactive initiatives in place to minimise sickness absence.

The Trust continues to provide regular monthly reports to the Strategic Business Units and Corporate areas, and the sickness KPI is an indicator on the Trust Performance dashboard. The Trust Board continues to be provided with workforce information including sickness absence on a quarterly basis.

There is a strong focus on reducing the Trust levels of sickness absence. The table below shows the number of full time equivalent days available in 2015/16 against the full time equivalent days lost to sickness.

Sickness Absence April 2015 – March 2016

Staff Group	FTE Days Available	FTE Days Sickness	%FTE Days Sickness
Add Prof Scientific and Technic	134,466.02	5,263.00	3.91
Additional Clinical Services	244,816.72	15,718.47	6.42
Administrative and Clerical	202,417.33	7,943.65	3.92
Allied Health Professionals	31,250.03	757.35	2.42
Estates and Ancillary	9,081.14	647.73	7.13
Healthcare Scientists	2,043.60	0.00	0.00
Medical and Dental	58,169.63	510.00	0.88
Nursing and Midwifery Registered	245,452.08	12,686.29	5.17
Grand Total	927,696.56	43,526.49	4.69

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 2016, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2016	14
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Of which....

No. that have existed for less than one year at time of reporting	9
No. that have existed for between one and two years at time of reporting	3
No. that have existed for between two and three years at time of reporting	2
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

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 2015 and 31 March 2016, 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 2015 and 31 March 2016	11
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	11
No. for whom assurance has been requested	6

Of which....

No. for whom assurance has been received	6
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 2015 and 31 March 2016

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	2
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	11

Counter Fraud Activities

In order to counter fraud and corruption, the Trust engages a dedicated local counter fraud specialist (LCFS) through RSM Risk Assurance Services LLP. 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 also adopted a Standards of Business Conduct Policy and both policies are accessible through the Trust website.

Committees 2015/16

Audit Committee

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

The committee also reviews accounting policies and draft annual accounts prior for 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 fourth 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 effectiveness of external audit is evaluated annually through an assessment exercise carried out by the audit committee. 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:

- Safeguarding
- CQC action plan
- Fire safety
- Continuing care obligations
- Level and nature of provisions

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

There were five meetings of the committee during the financial period April 2015-April 2016 and members' attendance is shown below

- | | |
|---|----------|
| • Peter Baynham, Non-Executive Director Chair | (5 of 5) |
| • Manjeet Gill, Non-Executive Director | (2 of 5) |
| • Simon Barter, Non-Executive Director | (5 of 5) |
| • Loyola Weeks, Non-Executive Director | (3 of 5) |

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 of 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.

There were five meetings of the committee during the financial period April 2015 – April 2016 and members' attendance is shown below.

Finance and Investment Committee Members

Attended

• Colin Sheppard (<i>Left July 2015</i>)	(2 of 2)
• Manjeet Gill, Non-Executive Director	(5 of 5)
• Peter Baynham, Non-Executive Director	(3 of 5)
• Simon Barter, Non-Executive Director	(4 of 5)
• Sarah Betteley, Non-executive Director	(5 of 5)
• Tom Cahill, Chief Executive	(2 of 2)
• Iain Eaves, Executive Director Strategy & Commercial Development	(5 of 5)
• Jinjer Kandola, Executive Director Workforce & Organisational Development	(2 of 2)
• Keith Loveman, Executive Director Finance	(5 of 5)
• Geraldine O'Sullivan, Executive Director Quality & Medical Leadership (<i>Retired in June 2015</i>)	(0 of 1)
• Oliver Shanley, Executive Director Quality & Patient Safety	(5 of 5)
• Karen Taylor, Chief Operating Officer/Executive Director Integration (<i>Maternity Leave in June 2015</i>)	(1 of 2)
• Kaushik Mukhopadhaya Executive Director of Medical Leadership (<i>Appointed July 2015</i>)	(1 of 4)
• Robbie Burns, Non-Executive Director (<i>Appointed Aug 2015</i>)	(1 of 3)

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 four meetings of the committee during the financial period April 2015-2016 and members' attendance is shown below:

	Attended
● Sarah Betteley, Non-executive Director	(5 of 5)
● Loyola Weeks, Non-executive Director	(4 of 5)
● Simon Barter, Non-executive Director	(0 of 2)
● Michelle Maynard, Non-executive Director	(2 of 3)
● Tom Cahill, Chief Executive	(1 of 2)
● Iain Eaves, Executive Director Strategy and Commercial Development	(5 of 5)
● Jinjer Kandola, Executive Director Workforce & Organisational Development	(5 of 5)
● Keith Loveman, Executive Director Finance	(2 of 2)
● Geraldine O'Sullivan, Executive Director Quality and Medical Leadership (Retired in June 2015)	(1 of 1)
● Oliver Shanley, Executive Director Quality and Safety	(5 of 5)
● Karen Taylor, Chief Operating Officer/Executive Director Integration (Maternity leave June 2015)	(1 of 1)
● Kaushik Mukhopadhaya Executive Director Medical Leadership (Appointed July 2015)	(2 of 3)
● Robbie Burns, Non-Executive Director (Appointed Aug 2015)	(1 of 3)
● Paul Lumsdon Interim Executive Director Service Delivery & Customer Experience	(4 of 5)

In attendance at the meeting are the company secretary, chair of medical staff committee and other nominated directors.

The arrangements for Quality Governance are set out in more detail within sections 4.3 and 6 of the Annual Governance Statement within this report. This includes detail of appropriate internal controls, monitoring and reporting in relation to quality and performance. Additional detail concerning priorities and plans for quality improvement and how these have been agreed with key stakeholders are set out within the main Quality Report (2.1 – Priorities for Quality Improvement 2016/17 p 84).

Analysis of financial performance

Financial overview

This section of the Annual Report provides a commentary on our financial performance in the year and shows that this has been another successful year with particular highlights being:

1. The achievement of a break even position (before asset impairments) with the Trust continuing to “live within its means” at a time when the NHS is facing significant financial challenges which has adversely impacted a number of NHS organisations.
2. The continuing financial support of our commissioners in the delivery of “the parity of esteem” ambition between physical and mental health which is set out in the Five Year Forward View.
3. The continuing capital investment programme which seeks to ensure we provide the high quality accessible infrastructure required to support our clinical teams.

As a NHS foundation trust it is important that over a sustained period the Trust achieves financial surpluses both to strengthen its resilience and to provide the cash to continue to invest in the infrastructure necessary. However this is increasingly difficult as shown by the well-publicised financial challenges being experienced by the majority of NHS Providers. As a consequence of these challenges and the difficulties in implementing the National Tariff in 2015/16 we elected to accept the Enhanced Tariff option which set a 3.5% efficiency target in 2015/16 applied through a reduction to the value of its contract income (circa £6m per annum). In addition our Trust faced significant cost pressures in areas such as agency pay costs, and in the commissioning of bed placements. These two cost pressures applied nationally and led to coordinated actions being taken by Monitor and the other regulators (particularly in relation to agency costs) to address the significant cost escalation that was being experienced.

Despite this as set out in the Financial Statements the Trust has achieved a break even position whilst continuing to deliver high quality services to increasing numbers. This is a testament to the hard work and dedication of our staff who have responded fully to the challenge.

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.

	2015/16 £M	2014/15 £M
Income	208.1	201.3
Expenditure-pay costs	132.6	128.6
Expenditure-non- pay costs (excluding impairments)	75.7	72.7
Surplus for the year (excluding Impairments)	nil	nil
Impairment charged to expenses in the SOCI	3.3	9.9
Loss for the year	(3.3)	(9.9)
Cash flow from operations	9.0	16.4
Capital spend (net of proceeds)	(4.2)	18.7
Loan finance from foundation trust financing facility	(18.4)	(19.0)
Closing cash position	35.7	27.7

Income

As advised above our income is earned largely from contracts with NHS commissioners for activities relating to the provision of health and social care services. We have six main contracts several of which are commissioned jointly and these vary in length mainly being 1-3 years. Our contracts are largely on a block contract basis where the income is fixed however there are some services where income is linked to activity. In 2015/16 we secured additional funding for our services in Hertfordshire as commissioners increased its investment in mental health services.

In the financial year 2015/16 we generated income totalling £208.1m which was an increase of 3.3% of which the majority relates to income from activities as illustrated below:

	2015/16		2014/15	
	£M	%	£M	%
Income from activities	197.5	94.9	191.7	95.2
Other income	10.6	5.1	9.6	4.8

The *Income from activities* arises principally from the contract we have through the Integrated Health and Care Commissioning Team acting on behalf of the Clinical Commissioning Groups of Herts Valley CCG and East & North Hertfordshire CCG and Hertfordshire County Council. This accounts for circa 75% of the total income. The other main contracts are with NHS England (covering a number of specialist mental health and learning disability services) and NHS West Essex CCG (relating to learning disability services in North Essex).

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.

Further in accordance 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, by linking a proportion of a provider income to the achievement of local quality improvement goals. In relation to its contract with Integrated Health and Care Commissioning Team 93% 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 to support the training of medical staff as well as items such as the non-recurrent funding provided to support workforce development.

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. We have met this requirement.

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 £132.6M and represents 63.7% of total Operating Expenses. The comparative figures for 2014/15 are £128.6M and 63.9%

As a Partnership Trust with delegated secondary commissioning responsibilities and operating from over 50 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 (£3.3M) compared to a deficit of (£9.9M) 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 accounting item of (£3.3M) relating to property impairments which is not considered by the Trust to be part of its normal activities. Adjusting for this would give a breakeven position for the year which is similar to the previous year.

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 Financial Sustainability Risk Rating which is applied by NHS Improvement as part of its regulatory oversight includes measures of the Trust's liquidity and its ability to meet its debt obligations. Both these measures are similarly determined by the implementation of effective Treasury Management policies.

The statement of cash flows is set out on page 4 and shows that we continued to proactively manage our cash balances and working capital and ended the year with a strong cash position of £35.7M an increase in the year of £8M. We have an approved 25 year term loan facility of £32M to support our continuing investment programme and a short term loan of £6.9M. No amounts were drawn on the available facilities in the year with repayments of £0.6M repaid in accordance with the loan terms. The current loan amount is £18.4M

Capital Programme

In 2015/16 we continued our investment programme investing in various service developments focussed on service improvement. In addition in the year there was a very successful programme of asset disposals where buildings which were no longer required due to the location or configuration or planning restrictions were sold to generate additional funding to support future investments.

Financial risk rating

We have achieved a Financial Sustainability Risk Rating of 3 at 31 March 2016 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 64 of this report (Regulatory ratings).

Forward look

2016/17 will undoubtedly be another challenging year as the Trust continues to manage the continuing financial constraints which apply across the whole health economy. Our contract income (which as described above is our principal source of funding) has been agreed which will include a National Tariff efficiency requirement of 2.0%. There is an allowance of 3.1% for uplifts to cover the annual pay awards, the general inflation requirement plus the significant increase in employer national insurance. We are delighted that again the Hertfordshire commissioners have sought to increase the investment in mental health services and this will be invaluable in responding to the continuing growth in the need for our services.

Our strong financial position will help us 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 in order to show 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 (SOCi)	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. After making enquiries, the Directors have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. For this reason, 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. So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all the steps they ought to have taken as Directors in order 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 2015/16. 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 2015/16 was £76K, comprising:

Audit Area	Audit Fee £K
Statutory audit work	65
Other work	11

Counter fraud activities

In order to counter fraud and corruption, the Trust engages a dedicated local counter fraud specialist (LCFS) through RSM Risk Assurance Services LLP. 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 also adopted a Standards of Business Conduct Policy and 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 acts 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 2015/16 is available on request from the Director of Finance and Performance Improvement. 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.

Better Payment Practice Code

The Better Payment Practice Code, formerly known as the CBI policy on prompt payment, requires payment to creditors within 30 days of the receipt of goods, or a valid invoice, whichever is the later, unless covered by other agreed payment terms. The Trusts payment policy was consistent with this target and actual achievement in the year was as follows:

	£'000's	Number
Total Non-NHS bills paid in the year	70,105	40,797
Total Non-NHS bills paid within target	56,937	32,133
Percentage of bills paid within target (2014/15 percentages)	81% (84%)	79% (77%)

	£'000's	Number
Total NHS bills paid in the year	9,587	1,004
Total NHS bills paid within target	7,345	795
Percentage of bills paid within target (2014/15 percentages)	77% (83%)	79% (81%)

No interest has been paid under the Late Payment of Commercial Debts (Interest) Act 1998.

NHS Foundation Trust Code of Governance

Board of Directors' statement on corporate governance arrangements

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

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

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

The Trust complied throughout the review period with the main and supporting principles of the Code of Governance with 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.

Remuneration

Annual Statement on Remuneration

This report covers the remuneration of the most senior managers of the Trust – the Board of Directors, including both Executive Directors and Non-Executive Directors as those people who have the authority and responsibility for controlling the major activities of the Trust. Information is provided about the Remuneration Committees, the policy on remuneration and detailed information about the remuneration of the Executive and Non-Executive Directors of the Trust.

The remuneration policy for the Trust's Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in Foundation Trusts of comparable size and complexity. It also takes into account the performance of the Trust, comparability with employees holding national pay and conditions of employment, pay awards for senior roles elsewhere in the NHS and pay/price changes in the broader economy, any changes to individual roles and responsibilities, as well as overall affordability. Independent review of the senior managers' remuneration policy is provided to the Nominations and Remuneration Committee by an external pay specialist and no Board Director is involved in setting their own remuneration. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors of the quality required. There have been no substantial changes made in relation to senior managers' remuneration during the year.

The remuneration for the Executive Team includes an element of performance related pay where performance is assessed in relation to organisational performance against agreed objectives relating to the Trust's strategic goals, and individual performance against annual personal objectives and contribution to the performance of the organisation. Progress towards achievement of these objectives is reviewed and regularly recorded during the year by the Chief Executive for the Executive Directors and by the Trust Chair for the Chief Executive, and subsequently reported to the Nominations and Remuneration Committee.

The Trust does not make termination payments to Executive Directors which are in excess of contractual obligations and there have been no such payments during the past year.

During the accounting period the major decision for the Nominations and Remuneration Committee relates to performance related pay for Executive Directors. For 2015/16 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 2015/16 any award remains subject to consideration of the performance of the Executive Team by the Nominations and Remuneration Committee.

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.



Chris Lawrence
Trust Chair and Chair of the Board of Directors
Nominations and Remuneration Committee

Annual Report on Remuneration

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

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 and is chaired by Chris Lawrence, Trust Chair.

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

• Chris Lawrence	(4 of 4)
• Loyola Weeks	(4 of 4)
• Manjeet Gill	(1 of 4)
• Michelle Maynard (<i>Start date 1/6/15</i>)	(1 of 2)
• Peter Baynham	(2 of 4)
• Robbie Burns (<i>Start date 1/8/15</i>)	(1 of 1)
• Sarah Betteley	(3 of 4)
• Simon Barter	(4 of 4)
• Colin Sheppard (<i>End date 7/15</i>)	(1 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 the Chair
- Approval of appointment of the Chief Executive
- Succession planning for posts of Chair and Non-Executive Directors
- Analysis of action required following appraisal of performance of Board of Governors.

The committee is made up of six Governors: four public, one staff and one appointed. The Chair, Company Secretary, Executive Director of Workforce and Organisational Development and the Chief Executive are usually in attendance. The committee is chaired by the Lead Governor.

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

- Eddie Veale (Appointed Governor) (2 of 6)
- Stuart Asher (Public Governor) (5 of 6)
- Chris Brearley (Chair and Lead Governor) (6 of 6)
- Caroline Bowes Lyon (Public Governor) (5 of 6)
- John Lavelle (Staff Governor) (2 of 6)
- Sarah Hamilton (Public Governor) (2 of 5)
Resigned in February 2016

Service Contract Obligations

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

Policy on Payment for Loss of Office

Executive Directors' contracts contain a requirement for the Trust to provide six months' notice of termination to directors and in turn requires Executive Directors to provide six months' notice to the Trust if they resign from its service. The Trust retains the right to make payment in lieu of the notice period be it in part or for the whole period where it considers it is in the Trust's interest to do so. Any decision on this would be taken by the Board of Directors Remuneration Committee.

Trust Executive Directors are covered by the same policy in terms of conduct and capability as other Trust staff and if found to have engaged in gross misconduct they can be summarily dismissed, i.e. their contract would be terminated without notice. In cases of termination due to organisational change, Executive Directors are covered by the national arrangements for redundancy for NHS staff. This states that one month's pay will be provided for each complete year of reckonable service in the NHS without a break of twelve months or more. Limits are set on this payment in that a maximum of 24 months' pay has been nationally set. In addition to this, from 1 April 2015 the maximum salary upon which redundancy is calculated is set at £80,000 per annum. This equates to an overall cap of £160,000.

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 2015/16 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 2015/16 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
We will successfully embed the significant recent changes to our services for the benefit of service users, carers and staff (20%)	Safe user kept safe	Adult service users with a completed up to date risk assessment	5%	95% average by Q3	95.8%	5%
	Consistently positive service user experience	Service User Friends and Family Test	10%	72% year average	72.5%	10%
	Improved access to services (CAMHS)	CAMHS referrals meeting assessment waiting time standards - ROUTINE (28 DAYS)	5%	95% year average	90.6%	0%
We will recruit and retain staff, reducing our reliance on temporary staffing (20%)	Reduced staff turnover / increased workforce stability	Staff Turnover Rate (baseline 15.7%)	5%	<13% year average	14.5%	2.5%
		Vacancy Rate (baseline 13%) (baseline increased during year of 106 wte vacant posts)	10%	< 10% at Q4	13% (against increased baseline) 9% against baseline	0%
	Lower vacancy level					
	Reduced agency usage	Agency Shifts (baseline: £10.2 million)	5%	50% reduction from last year's spend	Baseline increased spent £11.9m	0%
We will improve staff engagement and motivation (15%)	Engaged and motivated workforce with teams working well together	% Staff reporting feeling engaged and motivated at work	15%	57% by EOY	57.8%	15%
We will live within our means and secure the financial sustainability of our services (20%)	Recurrent delivery of CRES target	Delivery against £8m CRES requirement (CRES target was £7.2m)	20%	100% delivered recurrently	75%	0%

Objective	Outcome	Success Measure	Q4	Value achieved
We will play a leading role working with our partners in developing and rolling out new, integrated models of care (10%)	<p>HPFT Executive Team positioned and recognised as system leaders within Hertfordshire</p> <p>Strategic positioning of HPFT strengthened</p>	<p>- Leadership of key areas of joined up work</p> <p>- Strong relationships with counterparts in other parts of the system</p> <p>- Positive feedback (e.g. through Chairs) on HPFT system leadership role</p>	<p>Chair to Integrated Care Programme Board & Strategic Resilience Group.</p> <p>Operational leadership of Living Well Programme.</p> <p>Leadership of Workforce Improved GP engagement especially in East.</p> <p>Strong endorsement from CCG, (as highlighted in Well Led Governance review).</p> <p>Your Care, Your Future – leadership & engagement.</p>	10%
We will remain the commissioners' provider of choice for our existing services (15%)	Successful negotiation of core CCG contracts for 2016/17 and beyond (10%)	Hertfordshire and Essex contract(s) for 2016/17 secured, safeguarding future investment in mental health and supporting the financial, operational and clinical sustainability of services	Secured	10%
	Retention of NHS England contracts for forensic and CAMHS Tier 4 services (5%)	NHS England contract(s) for 2016/17 secured, safeguarding the financial, operational and clinical sustainability of services	Secured	5%
Total				57.5%

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 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 June 2015.

The Public Governors elected for Hertfordshire, unopposed were:

- Tap Bali
- Sarah Hamilton
- Mathew Kunyeda
- Chris Munt
- Carole Osterweil
- Emma Paisley

The following Staff Governors were elected unopposed:

- Ben Day (Corporate)
- Beke Tshuma (Older People's Services)
- Tara Gouldthorpe (Community Services)

Three seats remain vacant at present for appointed governors; one of which was formally for PCTs and has offered to the CCG, one for Carers in Herts who are still unable to nominate a Governor, and one from MENCAP. We also have three public vacancies following the resignation of governors due to personal circumstances.

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 they 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 settling any disagreements between the Council and the Board of Directors.

The Council of Governors has dealt with a range of issues as part of their statutory duties, including the recruitment of two non-executive directors, one of whom Loyola Weeks, a former governor 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.

A workshop is held annually with governors feeding in views on the Trust's forward plan which includes the views of members, staff members and the public.

Four Council of Governors meetings were held during the past year, each Governor's attendance is shown in the constituency table below. The Chair attended all meetings of the Governors.

Board of Governors

Council of Governors (full Council)		Attendance
Chris Lawrence	Chair	4 / 4
John Allan	Public	3 / 4
Stuart Asher	Public	2 / 4
Tap Bali	Public	3 / 4
Caroline Bowes-Lyon	Public	2 / 4
Emma Paisley	Public	1 / 3
Chris Brearley	Public	3 / 4
Stuart Campbell	Public	3 / 4
Barry Canterford	Public	2 / 4
Chris Munt	Public	2 / 3
Rachel Devonshire	Public	1 / 1
Mark Edgar	Public	0 / 4
Meredith Griffiths	Public	0 / 1
Sarah Hamilton	Public	2 / 4
Dr Masood Moghual	Public	4 / 4
Kwasi Opoku	Public	3 / 4
Carole Osterweil	Public	1 / 4
Richard Pleydell-Bouverie	Public	2 / 4
Angelina Sclafani-Murphy	Public	2 / 4
Mel Wood	Public	4 / 4
Mathew Kunyeda	Public	3 / 3
Colin Stevenson	Public	1 / 1
Tara Gouldthorpe	Staff	3 / 4
John Lavelle	Staff	2 / 4
Janice Lepori	Staff	2 / 4
Beke Tshuma	Staff	2 / 4
Andrew Wellings	Staff	0 / 1
Ben Day	Staff	2 / 3
Gayl Staines	Appointed	0 / 4
Leslie Billy	Appointed	2 / 4
Fran Deschampsneufs	Appointed	3 / 4
David Andrews	Appointed	1 / 4
Jackie Knight	Appointed	1 / 4
Eddie Veale	Appointed	2 / 4
Deborah Fenton	Appointed	0 / 1
Charles Allan	Appointed	0 / 4
Rosemary Farmer	Appointed	1 / 4

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. All governors are invited to participate in the groups, and attendance of governors is

set out below. Group meetings have been attended by Board members and senior managers to support information sharing and engagement with governors.

Performance (Sub Group)		Attendance
Barry Canterford	Public	0 / 3
Leslie Billy	Appointed	0 / 3
Chris Brearley	Public	0 / 3
Chris Munt	Public	2 / 2
Emma Paisley	Public	1 / 2
Jake Griffiths	Public	0 / 1
John Allan	Public	3 / 3
Richard Pleydell-Bouverie	Public	2 / 3
Stuart Asher	Public	0 / 3
Stuart Campbell	Public	3 / 3
Carole Osterweil	Public	1 / 1
Colin Stevenson	Public	1 / 1
Tap Bali	Public	1 / 4
Mark Edgar	Public	1 / 4

Engagement (Sub Group)		Attendance
Barry Canterford	Public	4 / 4
Leslie Billy	Appointed	1 / 4
Chris Brearley	Public	3 / 4
Chris Munt	Public	1 / 2
Emma Paisley	Public	1 / 2
Tara Gouldthorpe	Staff	1 / 4
Jackie Knight	Appointed	0 / 4
Mark Edgar	Public	2 / 4
Mel Wood	Public	4 / 4
Meredith Griffiths	Public	1 / 1
Rachel Devonshire	Public	1 / 1
Mathew Kunyeda	Public	1 / 2

Engagement Quality & Effectiveness(Sub Group)		Attendance
Barry Canterford	Public	1 / 3
Angelina Sclafani-Murphy	Public	1 / 3
Beke Tshuma	Staff	0 / 3
Chris Brearley	Public	1 / 3
Caroline Bowes-Lyon	Public	1 / 3
Chris Munt	Public	2 / 2
Fran Deschampsneufs	Appointed	3 / 3
Gayl Staines	Appointed	0 / 3
Tara Gouldthorpe	Staff	0 / 3
Kwasi Opoku	Public	2 / 3
Mel Wood	Public	3 / 3
Rosemary Farmer	Appointed	1 / 3
Stuart Campbell	Public	0 / 3
Tap Bali	Public	2 / 3

The areas which the groups worked on last year were:

Engagement:

- The group delivered a successful members' day and increased the number of attendees
- Development of information packs for members and presentational materials for community events

Performance:

- The group received performance reports and worked alongside a Non-Executive Director to develop future improvements
- The group was involved with the focus group organised in respect of the CQC inspection.

Quality and Effectiveness:

- Quality Accounts – the group contributed to the process of choosing priorities for the year ahead
- The group has also 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.
- The group was also involved in the CQC inspection preparation and follow-up.

Register of interests:

The register of Governors' interests is available from the Company Secretary at: Hertfordshire Partnership University NHS Foundation Trust, The Colonnades, Hatfield, Hertfordshire. Tel: 01707 253866

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. During the accounting period expenses were paid to 13 governors totalling £1,923 (11 governors, totalling £2,359 - 2014/15).

Membership

Our public membership now stands at 10,551 with a slight decrease during 2015/16. A priority for 2016/17 will be to identify ways of encouraging our membership to keep in touch and inform the membership office of changes of address.

Over the past 12 months we have been working closely with all our services to raise awareness of the Trust and build our membership numbers.

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

Staff membership at the end of the year breaks down as follows:

• SBU MH East & North Herts	920
• SBU MH West Herts	877
• SBU Learning Disability and Forensic Services	762
• Corporate Services	320

We serve a diverse population and community therefore both the Trust and Governors continue to focus on engaging a diverse and representative membership.

Going forward, we will continue to think of innovative ways of recruiting and maintaining membership. We will focus on actively recruiting members at source via clinical contact particularly in our IAPT and Wellbeing services. This year we have also worked with our Governors to produce a new handbook for members and an updated leaflet, which we hope to launch during 2016.

Public members receive 'News from HPFT' two to three times a 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.

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

Membership size and movements

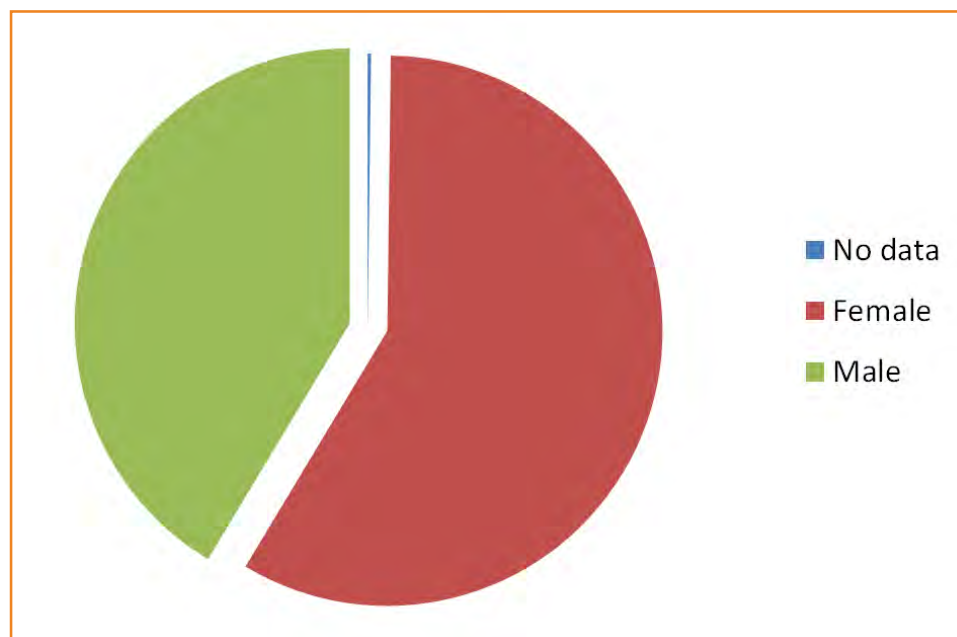
Public constituency (Hertfordshire)	Last year (2015/16)	Next year (estimated) (2016/17)
At year start (April 1)	10192	10169
New members	28	40
Members leaving	51	20
At year end (March 31)	10169	10172

Public constituency (England & Wales)	Last year (2015/16)	Next year (estimated) (2016/17)
At year start (April 1)	469	382
New members	7	15
Members leaving	94	10
At year end (March 31)	382	387

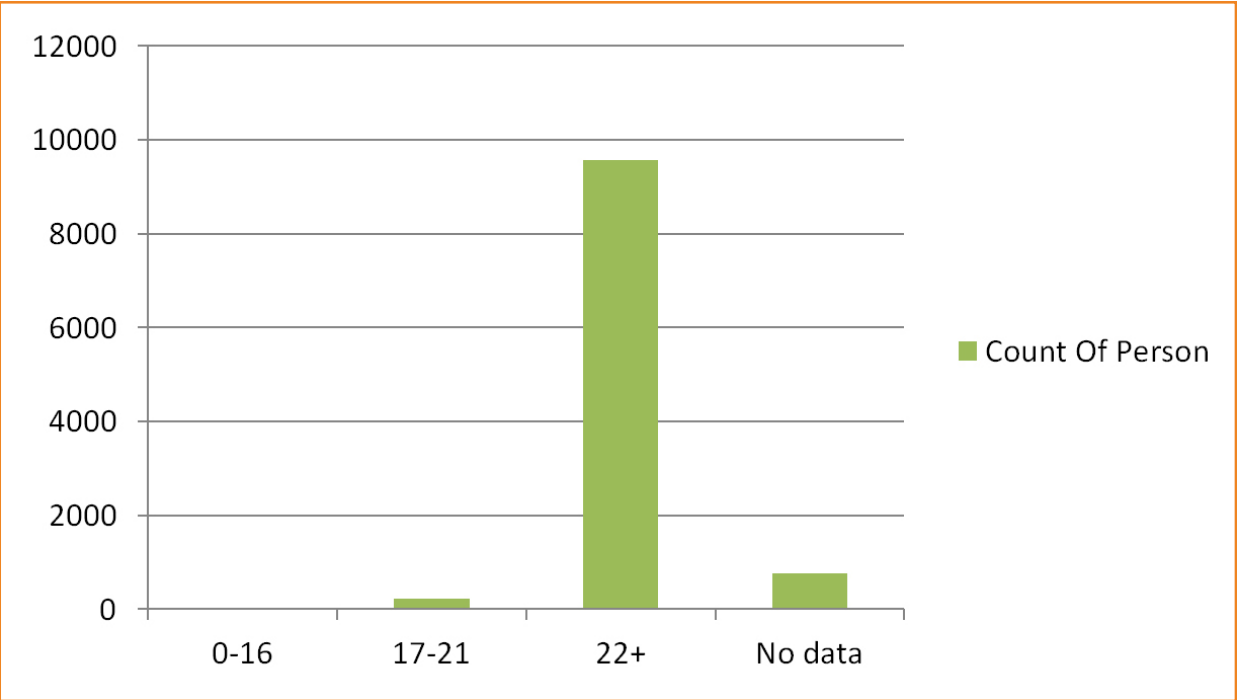
Staff constituency	Last year (2015/16)	Next year (estimated) (2016/17)
At year start (April 1)	2747	2785
New members	466	468
Members leaving	428	432
At year end (March 31)	2785	2821

Gender Distribution

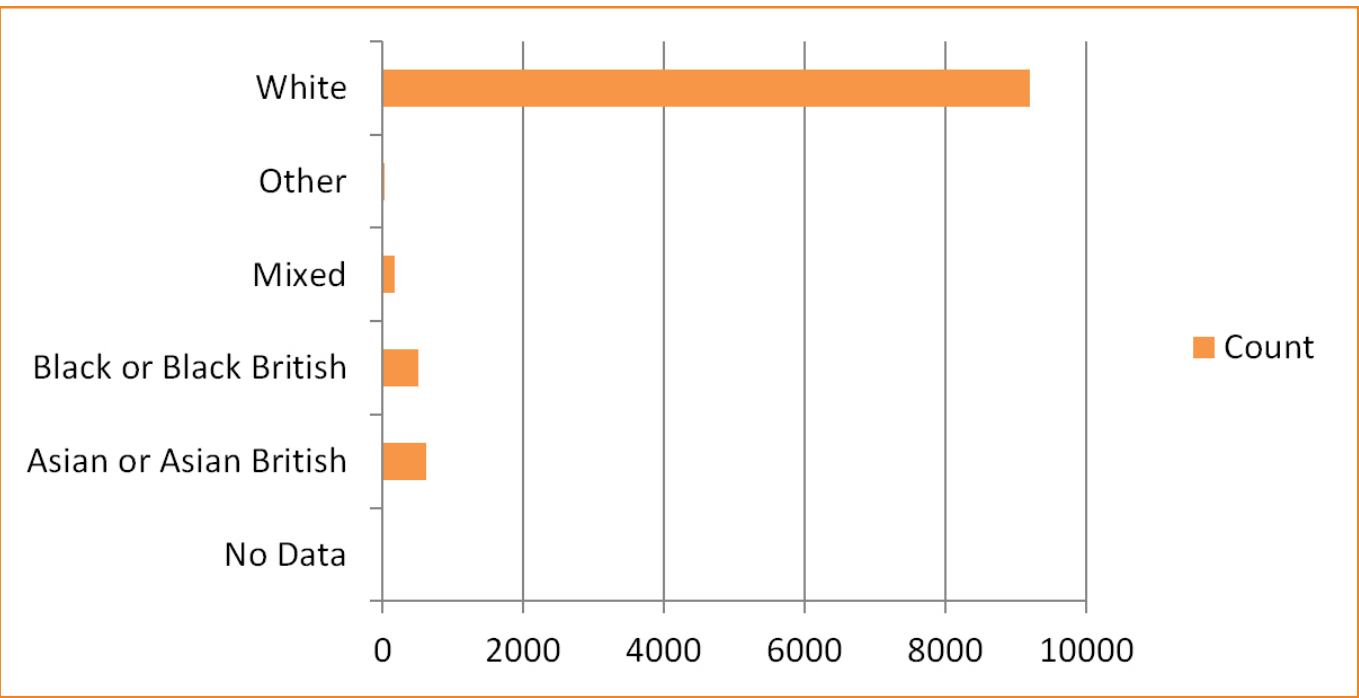
Engaging a diverse and representative membership, which reflect the population and communities we serve, continues to be a focus for the Trust and the Governors.



Age Distribution



Ethnicity Distribution



Governance Reporting

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.

We are required to register with the CQC and we have maintained our registration status in the last year. At the beginning of the year we were subject to a comprehensive inspection across all our services following five key lines of enquiry; to assess if our services are safe, effective, caring, responsive and well-led. Following the inspection we were delighted to receive an overall rating of 'Good'.

The CQC made 10 recommendations where the Trust must take action to improve. These related to use of the Mental Health Act, staffing on 2 acute wards, environmental safety issues, care plans and risk assessments, medication issues and care coordination. An action plan has been agreed with the CQC and this is monitored within the Trust governance processes.

Significant revisions to services include:

The CAMHS crisis service (CCATT) has developed to play an essential role in preventing unnecessary inpatient admissions where appropriate. Of young people presenting in crisis 91% were safely supported in the community, without the need for an inpatient admission.

Developing services over a 24 hour period and across 7 days has been a priority to ensure consistency and to improve effectiveness and efficiency. Key developments include; establishing the Acute Assessment Unit (AAU) on Swift ward. The aim of the (AAU) is to undertake a skilled multidisciplinary initial assessment to determine whether people admitted as inpatients can be managed safely and effectively in the community, thereby improving efficiency of bed usage, and the establishment of an out of hours clinical lead team supporting the acute and rehabilitation wards.

To support the clinical model and centralise services at Kingfisher Court, Consultant cover is now provided seven days a week in the AAU, with resident out of hours medical cover providing rapid assessment of new admissions.

The bed management team has been strengthened to include a discharge facilitator role and joint work with the other business units is underway to support service user pathways and improve the transfer of service users at critical points.

To support work to consider alternatives to Section 136 detentions, a Senior Mental Health Practitioner has been based out of hours in the police control room offering support and advice to police officers regarding people with mental health to ensure they receive appropriate support. Plans are underway to develop this further into a "street triage" model where a practitioner would go out with police officers to carry out assessments and provide support.

This year the Older Peoples Service has begun a scheme to refurbish the Trust's inpatient provision for older people with dementia. Significant financial investment from the Trust will enable the refurbishment of all five inpatient wards for older people over the next three years. The first of the refurbished units opened in June 2015 at Seward Lodge, Hertford.

Seward Lodge is a state-of-the art 16-bed organic assessment and treatment unit designed to meet new standards for dementia care and creating a more appropriate environment for service users. The “new” Seward Lodge boasts a wealthy specialist dementia environment.

During this year, the second of the Older Peoples service refurbishments commenced at Lambourn Grove in St Albans. The new unit due to open in May 2016 will provide 24 specialist continuing healthcare beds for people with dementia.

There is a national programme for people with learning disabilities and/or autism, aiming to drive system-wide change and enable more people to live in the community, with the right support, and close to home. The programme, called Transforming Care focuses on five key areas:

1. empowering individuals
2. right care, right place
3. workforce
4. regulation
5. data.

There are 48 partnerships across England to re-shape local services, to meet individual's needs. This is supported by a new Service Model for commissioners across health and care that defines what good services should look like.

The Trust will continue to be a key partner in the NHSE Transforming Care Programme, and are represented at the Hertfordshire, Norfolk and North Essex Transforming Care Partnership Boards, as well as the Hertfordshire Fast Track Implementation Group.

Compliments, comments and complaints

The Trust places great value on the comments, compliments and complaints sent in by service users, their carers, relatives and friends.

We encourage people to raise concerns with staff on the units using the comments, compliments and complaints leaflets available on all wards and outpatient units. Alternatively contact can be made directly via the link on the Trust website.

All service users and carers are also invited to complete 'Having Your Say' forms or the 'Friends and Family Test' postcards, either on paper or electronically, during their recovery journey to provide ongoing feedback on their experiences. Service experience volunteers visit our adult acute inpatient and rehabilitation units to provide support and an impartial listening ear for service users and carers when providing feedback through Having Your Say. We have eight service experience volunteers and are currently recruiting more.

1 January 2015 was the launch date for the full implementation of the Friends and Family Test (FFT) with all teams expected to offer service users the opportunity to provide feedback on whether they would recommend HPFT services. Feedback has increased over the year, particularly with IAPT teams using postcards to gather quick and easy feedback from their clients. The team has also used innovative methods to gather feedback and this has been recognised at national level by the Trust being shortlisted for the following three NHS England's Friends and Family Awards for 2016:

- **FFT Best Accessibility Initiative** for our new easy read FFT postcards for our learning disability community services
- **Best FFT Initiative** in any other NHS funded service for the Single Point of Access telephone survey
- **FFT Champion(s) of the Year** for the service experience team.

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

We also feel it is important to celebrate what we do well. All teams are encouraged to send details of compliments received by the Patient Advice and Liaison Service (PALS) 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 provides people with advice and assistance if they have a concern or enquiry. This year the number of contacts increased by 7.5% compared to last year. Table B shows the main PALS categories and number of contacts in 2015 in comparison with 2014/15, 2013/14 and 2012/13. 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: Main PALS categories and number of contacts

Category	01/04/12 - 31/03/13	01/04/13 - 31/03/14	01/04/14 - 31/03/15	01/04/15 - 31/03/16
Advice	22	17	12	41
Enquiry	99	61	70	67
Feedback	71	47	76	98
Issues for resolution	223	239	387	363
Other	1	3	0	0
Translation request	1	3	1	1
Not HPFT	25	21	16	36
Total	442	391	562	607

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 2015/16 was 269 compared to 248 received in 2014/15. This is an 8.5% increase. Table A shows the number and primary issue for each complaint, comparing 2012/13, 2013/14, 2014/15 and 2015/16.

Table A: Number of formal complaints and main issues

Main complaint issue	01/04/12 - 31/03/13	01/04/13 - 31/03/14	01/04/14 - 31/03/15	01/04/15 - 31/03/16
Assault / abuse	6	3	11	11
Clinical practice	83	74	92	98
Communication	38	29	23	39
Environment etc.	6	3	7	3
Staff attitude	41	36	30	29
Security	3	2	0	3
Systems & procedures	55	84	83	84
Transport	0	1	2	2
Total	232	232	248	269

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.

The 98 complaints where clinical practice was the primary issue fell into 11 sub-categories. The majority of the complaints fell into the following groups:

- Direct care (50)
- Care planning (24)
- Administration of drugs and medicines (6)

The 84 systems and procedures complaints fell into 22 sub-categories. Most complaints were in the following groups:

- Access to treatment (18)
- Assessment and treatment (10)
- Appointment delays or cancellations (9)
- Direct payments/Fair Access to Care (7)
- Mental Health Act detention (5)
- Discharge (4)

Of the 11 complaints about alleged assault, one was related to the use of restraint techniques, three were about alleged physical abuse by staff to service users, three were about staff allegedly threatening patients, three were about alleged physical abuse to service users by another service users and one was about a service user being verbally abusive to a member of the public. All allegations were carefully considered by the multidisciplinary team, and through safeguarding where appropriate. Three of the complaints were upheld - one was a service user to service user assault, one was inappropriate language used by a member of staff to a service user and one was a complaint about verbal abuse by a service user to a member of the public. During 2015/16 we received four requests for files from the Parliamentary and Health Services Ombudsman (PHSO)/Local Government Ombudsman (LGO). Four decisions were received with no further action. Three complaints were not upheld and one complaint remains under investigation.

The Trust also received three decisions from the PHSO for complaints referred during 2014/15. One complaint was upheld and the Trust has completed the action plan. One was partly upheld and the Trust is completing an action plan to remedy the faults identified by the PHSO which related to recording physical health monitoring information. The third complaint was not upheld.

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 28.5% increase in the number of compliments forwarded to the team.

April 2011 – March 2012	674
April 2012 – March 2013	673
April 2013 – March 2014	942
April 2014 – March 2015	1262
April 2015 – March 2016	1622

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 2015-16 the Trust recorded six times as many compliments as formal complaints.

Regulatory Ratings

Background

For the period to March 31 2016 Monitor was an executive non-departmental public body of the Department of Health and the regulator of NHS Foundation Trusts. Originally established in January 2004 to authorise and regulate NHS Foundation Trusts its role and responsibilities have subsequently been extended and were 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

From 1 April 2016, Monitor is part of NHS Improvement. NHS Improvement brings together Monitor, NHS Trust Development Authority, Patient Safety, the National Reporting and Learning System, the Advancing Change Team and the Intensive Support Teams. NHS Improvement will build on the best of what these organisations did, but with a change of emphasis. Its priority is to offer support to providers and local health systems to help them improve.

Monitor Risk Assessment Framework

Monitor introduced a Risk Assessment Framework which applied from October 1st 2013 under which it sought 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 assigned each NHS Foundation Trust risk ratings related to their financial stability and governance. These remain based upon the Trust's annual plan for the year ahead and are as before revised to incorporate the actual results for each quarter. In relation to the Trust's finances this measured the continuity of service risk rating, with four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. 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.

The Risk Assessment Framework was updated in response to the June 2015 consultation and applied from August 2015. These changes are in addition to those made in March 2015 and include:

- monitoring in year financial performance (income and expenditure margin) and the accuracy of planning
- combining a foundation trust's rating on these 2 measures with the existing elements of the continuity of service risk rating to produce a new single financial sustainability risk rating
- including a value for money governance measure within the existing governance rating
- the requirement for all foundation trusts to submit monthly financial information.

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).

There remain 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 2015/16 is summarised in the table below which also includes the previous year's ratings for comparison. The highlights are;

- The ratings at the end of the financial year (Q4) is a financial risk rating of 3 and no grounds for concern in relation to its governance (rating of green)
- These ratings have been achieved in each of the four quarters.

	Annual Plan 2015/16	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
Under the Risk Assessment Framework					
Continuity of service rating	3	3			
Governance rating	Green	Green			
Under the Risk Assessment Framework (revised August 2015)					
Financial sustainability risk rating			3	4	4
Governance rating			Green	Green	Green

Previous Year's Rating

	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Under the Risk Assessment Framework					
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Green	Green	Green	Green

Accounting Officer for the entirety of the Accountability report.

Tom Cahill,
Chief Executive
Date:

Tom Cahill
26/05/2016

Annual Governance Statement April 2015 - March 2016

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 2016 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 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.

The Board of Directors has put in place a process to assure itself of the validity of its Corporate Governance Statement as required under NHS foundation trust condition 4(8)(b). The Board undertakes an annual self-assessment process of compliance with the requirements of the statement through an assessment questionnaire and report to the Board setting out the detail of the code and compliance with it. If non-compliance is identified, the reason for this is reported to the Board. The outcome of this process forms the basis for making recommendations to the Board of Directors. During 2015/16 the terms of reference and membership of Board sub-committees were reviewed as a result of the self-assessment process in order to further strengthen governance arrangements. As at the end of March 2016 no significant gaps in compliance or risks were identified.

In addition there is an independent external review every three years of the Boards governance arrangements. This has recently been completed and indicates full compliance with Monitors Well Led Framework.

4.5 Quality Governance Arrangements

The Trust's Quality Governance arrangements are described in section 2.2 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 no serious incidents scored at Level 2 during the reporting period.

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 three cases ie Risk 2, 3 and 4 these are likely to continue into future years. Risks 1 should be resolved within the coming year 2016/17 as we have invested further resources into this area and have seen resulting improvement. The risks are:

Risk 1 – Risk that demand for acute admissions outstrips availability of local provision

The demand for acute admission beds remains high but fluctuates on a weekly basis. More recently the Trust has only used beds outside of the Trust for female PICU admissions where the Trust has no in-house provision.

Key mitigating actions: There is a daily review of all service users by a senior nurse and consultant to facilitate discharge together with a weekly Delayed transfers of care (DTC) teleconference including the placement team and community input to agree actions to facilitate discharge. An admission algorithm is used and we have also introduced an acute admissions ward which has relieved pressure.

Risk 2 – Risk that the trust will not be able to recruit and retain high quality staff

Staff turnover has reduced during the year, but remains higher than we would wish, 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 different work life balance this has led to a loss of knowledge and experience within 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 a "refer a friend" initiative did have an impact. A successful overseas recruitment initiative has been undertaken and the process of recruitment and appointment has been accelerated. In addition we are now focusing on retention issues with increased management support and training on staff management issues and leadership skills for front line managers.

Risk 3 – Risk that clinical governance systems with the CAMHs service are not robust enough to sustain high quality services

Key pressure points with the CAMHs service, experienced nationally and reflected locally, are the pressures around recruitment of qualified staff leading to a reliance on bank and agency staff. There is also an increasing level of demand and acuity within the High Risk referral pathway. Together this has led to increasing lengths of stay within in-patient services.

Key mitigating actions: The Trust has taken action to increase management and clinical support the service. Processes have been introduced to support the management team with increased oversight of waiting times, care co-ordination issues and times between contacts to ensure high risk cases are monitored closely.

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 the 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 which oversaw the improvements to estates over the year. 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. Representatives of the Council of Governors also attend at Board a committee meeting which enables them to become more aware of and 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.

The Trust was registered with the Care Quality Commission on 1st April 2010 and was inspected in April 2015 as part of a planned comprehensive inspection and achieved an overall rating of 'Good'. The report focused on 5 different domains of quality, which are "Safe, Effective, Caring, Responsive, and Well-led". The Trust received the written report in September 2015 and has drawn up an action plan with a list of 'Must do' and 'Should do' recommendations from the inspection to address shortfalls that were identified. We provide updates on our progress on a quarterly basis to the CQC and our commissioners.

There are no conditions on the Trusts registration and no enforcement actions have been taken against our Trust and we have not participated in any special reviews during 2015/16.

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.

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:

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, improvements are required to enhance the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Factors and findings which have informed our draft opinion

Four Amber Red (partial assurance) rated final reports have been issued during the year as follows:

- Our review of fire safety identified some compliance issues in relation to the completion of fire safety risk assessments and the need for the Trust to ensure the tender for fire safety works was completed as soon as possible. Further work on this area has been included within our plan for 2016/17.
- Our review of safeguarding highlighted instances in relation to a sample of adult service users raised through Datix where the required referral and supporting documentation to evidence investigation of these could not be located. Further investigation undertaken by the Trust confirmed that whilst these had all been appropriately investigated, the supporting documentation had not been completed. The Trust has continued to work on strengthening the control framework in this area.
- Our review of CRES identified that the Trust were not achieving their CRES targets. We have been assured through our work undertaken as part of this review that the Trust is continuing to work to address underperforming schemes.
- Our review of Benefits Realisation highlighted for some of the schemes reviewed that there was no evidence provided to illustrate original official benefits frameworks had been established, with PIDs, business cases and other documents either not provided, or those documents provided not identifying clear benefits for the project. An agreed action plan is in place to address these issues.

Action plans have been agreed in each of the areas identified above. In addition, it should be noted that the Trust has made significant progress in year in implementing previous internal audit actions as verified through our rolling follow up process.

All other reports have received either Green (substantial assurance) or Amber Green (reasonable assurance) opinions.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

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.

Tom Cahill,
Chief Executive
Date:

Tom Cahill
26/05/2016

Quality Account

Part 1 – Statement on quality from the Chief Executive

Once again, I am delighted to have the chance to introduce you to the 2015/2016 Quality Account. I hope it offers you the chance to find out more about what we do and how well we are delivering. This report tries to describe in a balanced and accessible way how we have approached the challenges of improving the quality of care across all our services last year.

Our year started with a visit from the Care Quality Commission (CQC) who conducted a full and robust inspection where we were awarded an overall rating of 'Good'. I believe that this is a result of the dedication of our workforce to ensure we are delivering high quality services. At the time of publication we were one of Six Mental Health Trusts to achieve such a positive score.

A team of over 90 experts visited our services and inspected all of the Trust services over a period of one week. The robust inspection process included focus groups with service users, carers, staff groups, commissioners and Healthwatch. Not only this, it also included site visits and observations, examining clinical records and interviews with staff at all levels of the organisation, service users, carers and the Mental Health Act assurance group and hospital managers. They also attended multi-disciplinary team meetings and clinical reviews.

The Trust is proud of the 'good' rating, particularly within the context of being in the fifth year of necessary major savings, reflecting the acute pressures on NHS budgets locally and nationally. Services continue to develop and innovate to meet the needs of our service users whilst remaining efficient and clinically effective.

The CQC rating is the one step in our journey of going from good to great. We continue to strive to continually improve and innovate within our services in order to fulfil our objectives. Providing high-quality services and ensuring excellence for every service user and their carer continues to be our focus. There have been so many service developments and innovations it would be difficult to name them all in this report. You will be able to read more about these initiatives including Home First, Rapid Response, and living well in the report.

Going forward our key objectives remain as important as ever:

- We will deliver safe and effective services
- Service users, carers, referrers and commissioners will have a positive experience of our services
- We will transform services, putting the needs of service users and carers at the centre
- Staff will have a positive experience of work
- We will have a productive and high performing workforce
- We will embed a culture that promotes our values
- We will secure the financial sustainability of our services
- We will develop an enviable reputation for quality and innovation, and strong relationships with commissioners, GPs and our key partners.

Awards

Every year many Trust staff members and teams are nominated for local and national awards, and 2015 has been our most successful year to date. Over the last 12 months we have entered HPFT teams and individuals for more than 30 awards, all of which recognise outstanding achievements in the provision of healthcare services. Awards cover a wide range of areas including nursing, patient safety, building design, good value, and innovation in mental health care.

Governors

The addition of two new Governors continues our tradition of having Governors who have used our services in the past. Including people with lived experience as well as other key skills is incredibly important. I am also delighted that we have our first Governor under the age of 20.

Executive team

I am delighted to welcome Dr Kaushik Mukhopadhyaya, who has recently been appointed as our Executive Director for Quality & Medical Leadership. Kaushik continues to practice as a clinician within Older Peoples Service as well as providing medical leadership and working in partnership with Professor Oliver Shanley, Deputy Chief Executive and Executive Director for Quality and Safety, leading on the Quality of the Care that the Trust provides.

Jinjer Kandola, Executive Director of Workforce and Organisational Development fought off stiff competition to pick up the accolade of HR Director of the Year at the prestigious Healthcare People Management Association (HPMA) awards. This award is given to an individual who demonstrated excellent leadership and an outstanding contribution to the HR profession over the past year.

Professor Oliver Shanley, Deputy Chief Executive, was made an OBE in recognition of his services to people with mental health and a learning disability and was named by the Nursing Times in their list of the most inspirational nursing leaders in 2015.

Estates

This year Kingfisher Court was officially opened by Sir Simon Stevens. The building continues to have many visitors and has been received a number of prestigious awards in recognition of the high quality environment.

The Trust has continued to implement our estates strategy and refurbished and has dramatically improved one of our Dementia inpatient units in Hertford, investing £2.5 million to create a more dementia friendly environment. We have also enhanced many of our community sites so that people visiting our services are treated in a modern purpose built environment. On completion of the programme we will have invested approximately £11 million in our community sites including developing hubs. These hubs support us to maximise our efficiency and flexibility through the adoption of having a modern clinical environment.

The Care Act

The Care Act 2014 was enacted in April 2015 with a focus on personalised, appropriate and proportionate assessment and care planning. This built on work undertaken by 'Time to Care' to streamline clinical processes and reduce administrative burden on clinical staff. The introduction of the Act required a review of all of our services and a redesign of some of our processes and systems. We have taken this opportunity to co-produce all our new forms and they have been developed to drive good practice; embedding an approach that is service user and carer focused. This has been reinforced through training, supervision and practice governance forums.

Integration

The NHS 5 Year forward plan sets out the vision for more integrated care. This will lead to more partnership working and the development of new care pathways. We are delighted with the strategy as it aligns with the Trust's direction of travel. The Trust has engaged in work that is being undertaken across the region in relation to integration.

As a partnership Trust, we are already operating in an integrated model and this vision provides us with new opportunities such as supporting the physical health needs of individuals, closer partnership working with District and General nursing in the community to manage and reduce acute admissions, A&E attendance and ambulance conveyance to A&E as well as readmission to General Hospital.

Workforce

I was incredibly proud of the staff survey results, which have shown that we are making progress, and I was delighted to hear that we have the highest score in mental health and learning disabilities nationally for 'motivation at work'. This is a great achievement given the challenges and pressures currently facing our Trust and across the whole of the NHS.

Other highlights include above average scores in staff satisfaction with the quality of work and patient care they are able to deliver, staff family and friends recommending HPFT as a place to work or receive treatment, communications between managers and staff and effective use of patient/service user feedback.

Challenges

Similar to other areas of the NHS, we have challenges in relation to the recruitment and retention of staff and the current financial climate. The Trust is working hard to ensure that we are delivering a safe and effective service. 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. We are determined to move from good to great and build on the positive work that has been undertaken this year.

Declaration:

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 of Directors 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.

Tom Cahill
Chief Executive
Date:




Background

This Quality Account Report is an annual report produced for the public by our Trust about the quality of services we deliver. In producing the report we hope to engage our readers and thereby enhance the accountability and continuously drive the quality improvement agendas. This Quality Report is a mandated document, which is laid out before Parliament before being made available to service users, carers and the public on NHS Choices Website.

What does the Quality Report include?

The content of the Quality Report includes:

- What we plan to do next year, including declarations about our priorities for the coming year and how we intent to address them.
- How we performed last year including highlights which demonstrate the service improvement work.
- Mandatory statements and quality indicators, which allows comparison between trusts.
- Stakeholder and external assurance statements.

Our Trust

Hertfordshire Partnership University NHS Foundation Trust [HPFT] (Our Trust) is a provider of mental health and learning disability services.

The Trust is committed to providing excellent health and social care for people with mental ill health with physical ill needs and those with learning disabilities. Our vision is:

To be the leading provider of mental health and specialist learning disability services in the country.

We provide services that make a positive difference to the lives of patients, service users and their carers, underpinned by the principles of choice, independence and equality.

In 2015/2016 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 and an Assessment and Treatment unit for people with learning disabilities at Astley Court in Norfolk
- Specialist services for
 - adolescents who need mental health inpatient care,
 - peri-natal care (mother and baby)
 - the treatment of severe obsessional-compulsive disorder

- In addition to the enhanced primary care mental health services (in partnership with MIND) that we were already providing in mid and North East Essex we now also provide this service in West Essex as part of a new contract.

We employed 2848 staff based at 56 sites, and we budgeted to spend c. £198m on our services. We received over 22,700 new referrals for secondary care services and almost 24,000 referrals for our wellbeing service through our Single Point of Access service.

The Trust is keen to share information publically about the quality of the services we provide and about our continuous quality improvement work that aims to result in 'great care and great outcomes.' This report provides one of the many ways we are doing this.

Our partnership arrangements with the local authority provide us with an excellent opportunity to develop a recovery orientated approach. This is based on a holistic assessment of an individual's health and social care needs. This partnership enables us to play a full part in the local health and social care economy that we serve by promoting greater integration between mental Health, physical wellbeing and social care.

HPFT is a university trust, with close links to the University of Hertfordshire, providing excellent learning and development opportunities for staff, as well as strengthening clinical research.

Our Commissioners

HPFT is committed to working closely and in partnership with the commissioners of our services. These include both County Council and Clinical Commissioning Groups (CCGs). The Trust has services commissioned by the following organisations.

- East and North Hertfordshire CCG
- Herts Valley CCG
- Hertfordshire County Council (HCC)
- Cambridge and Peterborough CCG
- North Essex CCG
- West Essex CCG
- Mid Essex CCG
- Norwich CCG
- South Norfolk CCG
- North Norfolk CCG
- West Norfolk CCG
- Great Yarmouth and Waveney CCG
- NHS England Midlands and East
- Barnet CCG
- London Borough Hillingdon CCG

Of the Nationally Commissioned Services that, NHS England commissions, the Trust delivers on the following Specialist Services:

- Tier 4 CAMHS
- Perinatal Services
- Low Secure Mental Health
- Medium and Low Secure Learning Disabilities
- Highly Specialist Obsessive-compulsive disorder and body dysmorphic disorder Service

This report

This report can be used to publicise and raise awareness of the work HPFT is doing to provide great care and great outcomes for the people we serve in Hertfordshire, Essex and Norfolk.

If you have comments on anything we have said in this report, or simply want to know about HPFT, please do not hesitate to contact Jane Padmore, Deputy Director of Nursing and Quality quality.account@hpft.nhs.uk

The Quality Account will be published before 1 July 2016 on the NHS Choices website and on our website: www.hpft.nhs.uk.

Paper versions and other formats are available from our Communications team who can be contacted on 01707 253902. Alternatively, you can email the communications Department by contacting Helen Bond at comms@hpft.nhs.uk

Part 2 – Priorities for Improvement and statement of assurance from the Board

Hertfordshire Partnership University NHS Foundation Trust (HPFT) is committed to delivering great care and great outcomes and, with this in mind we have worked in partnership with others, over the years, to identify areas for improvement. The quality priorities fall into three categories:

- patient safety,
- clinical effectiveness,
- patient experience.

This part of the report sets out:

- The priorities that have been identified for 2016/17 and how these were determined.
- Statements of assurance from our Trust Board.
- Our performance against our priority areas for 2015/16.

Our Quality Account gives us an opportunity to share our performance against our priority areas for 2015/16, describe our priority areas for 2016/17 as well as to showcase notable and innovative practice that have taken place across our services this year.

2.1 Priorities for Quality Improvement 2016/2017

This section of the report looks ahead to our priorities for quality improvement in 2016/17. Our Trust Board has agreed our eleven key quality priorities for 2016/17 and the targets will be agreed in the May 2016 Board meeting. The 11 selected quality priorities were identified through considering the feedback from a wide variety of sources and are spread across the three categories of Patient Safety, Clinical Effectiveness and Patient Experience. This included the work that we have done so far to improve the quality of our Services and our commitment to build on what has been achieved to date.

The 11 core targets were chosen through a consultation process but these represent only a small sample of the large number of quality initiatives which are undertaken. The priorities set for 2015/16 will continue to be monitored and worked on to ensure those priority areas remain a focus.

The final 11 priorities for 2016/17 were specifically chosen as they are areas which will potentially have a significant impact on the safety and quality of our services. If an area was identified through the consultation process that will be monitored through a CQUIN in 2016/17, it was not included in the final 11. The rationale for this was that there will be robust monitoring and assurance in place to ensure the quality in that area.

Consultation Process

How we chose our Quality Priorities

Initially 13 quality priorities were developed through considering a wide range of documents, surveys and information available to the Trust about the quality of our services and the priorities for our stakeholders. These were considered alongside the commissioner's commissioning and quality priorities for this year. These included:

- Five year forward view
- The NHS England Business Plan 2015-2016
- NHS Outcomes Framework 2015/16
- Care Quality Commission, from the announced and unannounced inspections that have taken place throughout the year
- Department of Health, with specific reference to
 - *'No health, without mental health'* (2011)
 - *'Mental health: priorities for change'* (2014)
 - *'Future in mind: Promoting, protecting and improving our children and young people's mental health and wellbeing'* (2015)
- Internal assurance inspections
- Hertfordshire Dementia Strategy 2015-2020
- CAMHS Transformation Plan
- Transforming Care: A National response to Winterbourne View Hospital 2012
- Crisis Care Concordat
- Herts Concordat action plan
- Health and Well-being strategy
- Commissioning priorities
- Feedback from people who access our services using 'Having Your Say' form
- Feedback from our staff via 'Pulse survey' and our communication to them in our weekly internal bulletin
- Monitor reporting requirements
- King's Fund report on Quality Accounts
- National Institute for Health & Care Excellence publications including their quality standards
- 'Preventing suicide in England: two years on. Second annual report on the cross-government outcomes strategy to save lives.' Department of Health 2015
- Lessons learnt from complaints and compliments
- Learning from serious incidents
- Internal assurance and internal audit reports
- National guidance

The proposed Quality Priorities were set out with the information about how they would be measured and presented to a wide range of stakeholders so that they could make an informed decision about what they would like the Trust quality priorities for 2016/17 to be. For a detailed description of the chosen priority indicators with the rationale for what is being addressed, why it was being addressed, how it will be measured, see pages 88 to 95.

Direct feedback and contributions on the proposed priorities were sought from the following stakeholders:

- Adult Service User Council
- Carers Council
- Youth Service User Council
- Healthwatch Hertfordshire Mental Health and Learning Disability Service Watch group
- Hertfordshire County Council Scrutiny Committee
- Stakeholder Reference Group (Carers in Hertfordshire, MIND, Viewpoint, Guidepost Trust)
- Our Clinical Commissioning Groups through the regular quality meetings
- Trust's Governors, through the subgroup that leads on Quality
- Trust clinicians and managers

We are grateful to all who have contributed to, supported and worked with us in reviewing and setting our quality plans for 2016/17 and will work in partnership with our stakeholders to deliver great care and great outcomes.

What we heard during the consultation

The stakeholders fed back that they considered that the proposed areas were “all good things to measure” and “sensible.” They found the “lay out of the priorities really clear and detailed” which meant that they could make an informed decision. They also found it reassuring that the Trust is employing an external auditing firm to audit our methodology in gathering and reporting on our findings.

Of particular concern to the stakeholders were:

- Physical health checks
- Liaison with GPs to ensure that all eligible patients/service users are followed up and receive a health check
- Staff satisfaction
- Care co-ordination, in particular the high turnover of staff and workloads
- The way in which “service users” are supported on a very regular basis on such things as remembering to take medication, look after themselves and get involved in the community (either work or other things)
- Measurable outcomes that show good quality services
- Carer involvement
- Workforce satisfaction

Selection and Monitoring

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

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 for both urgent and routine care; enabling service users to move on when they are ready; 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 added a workforce priority to those that were initially consulted on. The priority areas and the targets went to the Trust Board in March 2016 and the priority areas were signed off. The Board wanted to consider further where the target should be set and therefore did not approve the target. The targets will be confirmed at the Trust Board in due course.

The eleven quality priority areas for 2016/2017 that were agreed at the Trust Board are:

	Patient Safety
1	CPA 7 day follow ups (Monitor)
2	CPA Reviews within 12 months (Monitor)
3	Inpatients receiving Physical Health Checks within 24 hours
	Effectiveness
4	Emergency readmissions within 30 days (Monitor)
5	CATT Gatekeeping (Monitor)
6	FEP waits within 14 days (Monitor)
7	Delayed Transfer of Care (Monitor)
	Service User and Staff experience
8	Service Users reporting being treated according to trust values
9	Carers feeling valued by staff
10	Staff who would recommend the Trust as a provider of care to their friends and family
11	Staff would recommend the Trust as a place to work

Detail of each priority

Name of scheme	1. CPA 7 day follow up			
Related NHS Outcomes Framework Domain and who will report on them	<p>Preventing People from dying prematurely</p> <p>Enhancing quality of life for people with long-term conditions</p>			
Detailed descriptor	The proportion of those patients on Care Programme Approach (CPA) discharged from inpatient care who are followed up within 7 days			
Data Definition	<p>Service user is followed up either by face to face contact or by telephone within 7 days of discharge, whether the Trust contacts the service user or the service user contacts the trust.</p> <p>The 7 day period should be measured in days not hours and starts on the day after discharge.</p>			
Exemptions	<ul style="list-style-type: none"> • Patients who die within 7 days of discharge or discharged as a result of death • Where legal precedence has forced the removal of the patient from the country • Patients transferred to NHS psychiatric inpatient ward. • CAMHS (children and adolescent mental health services) • The seven-day period should be measured in days, not hours, and should start on the day after the discharge 			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	A random sample is validated by Data Quality Officers quarterly to ensure that the follow up has been completed as stated in the performance report			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	100.00%	98.74%	99.17%	99.02%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	97.30%	98.30%	100.00%	98.72%

Name of scheme	2. CPA Reviews within 12 months			
Detailed Descriptor	The proportion of those on Care Programme Approach (CPA) for at least 12 months who had a CPA review within the last 12 months			
Data Definition	<p>CPA meetings may occur within community or hospital settings and should be used to fulfil statutory requirements in accordance with Section 117, Mental Health Act (MHA) (aftercare).</p> <p>These meetings will be convened by the care co-ordinator. They should be approached in a flexible manner which encourages full service user involvement and should be supported by an advocate if required.</p>			

Exemptions	<ul style="list-style-type: none"> • Service users not on CPA • Those have received services for less than 12 months in the current spell 			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	An audit undertaken by the Practice Audit & Clinical Effectiveness (PACE) team on a sample of those reported to have had a CPA review within 12 months during 16/17			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	97.00%	97.20%	96.70%	97.70%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	97.89%	96.47%	95.65%	96.28%

Name of scheme	3. Inpatients receiving Physical Health Examinations within 24 hours			
Detailed Descriptor	People with severe mental illness who have received a list of physical checks (in-patients only) in 24 hours			
Data Definition	All inpatients should have a comprehensive physical examination by the admitting doctor within 24 hours of admission. This must be recorded on the Physical Examination form on the Electronic Patient Record (EPR)			
Exemptions	<ul style="list-style-type: none"> • If immediately not possible at the time of admission, the admitting Doctor/Nurse must make arrangements for this to be completed on the next working day • If the patient refuses to consent at the time of admission, this should be recorded in the patient's clinical record. The admitting Doctor/Nurse should still make a record of basic observable physical signs, such as levels of consciousness, skin colouring/condition, etc. • This is only applicable to adult inpatient units 			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	Those service users with an inpatient physical health check are validated by the Performance Officer to ensure accuracy.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	96.57%	98.34%	96.6%	96.31%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	37.20%	84.00%	89.30%	96.40%

Name of scheme	4. Emergency readmissions within 30 days			
Related NHS Outcomes Framework Domain and who will report on them	Helping people to recover from episodes of ill health or following injury			
Detailed descriptor	Emergency readmissions to hospital within 30 days of discharge			
Data definition	<p>This indicator measures the percentage of admissions of people who reside in Hertfordshire who have returned to hospital as an emergency within 30 days of the last time they left hospital after a stay.</p> <p>It aims to measure the success of the NHS in helping people to recover effectively from illnesses. If a person does not recover well, it is more likely that they will require hospital treatment again within the 30 days following their previous admission. Thus, readmissions are widely used as an indicator of the success of healthcare in helping people to recover.</p>			
Exemptions	People who self-discharged are excluded			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	Data is validated by the strategic business unit who look at all re-admissions on a monthly basis to ensure accuracy of the report and give a narrative as to why there was a re-admission.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	6.61%	4.35%	6.43%	3.87%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	10.70%	6.00%	7.20%	4.50%

Name of scheme	5. CATT Gatekeeping (Monitor)			
Related NHS Outcomes Framework Domain and who will report on them	Enhancing quality of life for people with long-term conditions			
Detailed descriptor	The proportion of inpatient admissions gate kept by the crisis resolution home treatment teams.			
Data definition	<p>A crisis resolution home treatment (CRHT) team provides intensive support for people in mental health crises in their own home. It is designed to provide prompt and effective home treatment, including medication, in order to prevent hospital admissions and give support to informal carers. Teams are required to meet all of the fidelity criteria including gatekeeping all admissions to psychiatry inpatient wards and facilitate early discharge of service users.</p> <p>In order to prevent hospital admission and give support to informal carers CATT teams are required to gate keep all admission to psychiatric inpatient wards and facilitate early discharge of service users.</p>			

Data definition (continued)	An admission has been gate kept by a crisis resolution team if they have assessed the service user before admission and if the crisis team was involved in the decision making-process, which resulted in an admission.			
Exemptions	<p>Total exemption from CATT Gatekeeping:</p> <ul style="list-style-type: none"> • Patients recalled on Community Treatment Order. • Patients transferred from another NHS hospital for psychiatric treatment. • Internal transfers of service users between wards in the Trust • Patients on leave under Section 17 of the Mental Health Act. • Planned admission for psychiatric care from specialist units such as eating disorder unit is excluded. <p>Partial exemption:</p> <ul style="list-style-type: none"> • Admissions from out of the Trust area where the patient was seen by the local crisis team (out of area) and only admitted to this Trust because they had no available beds in the local areas. CATT team should assure themselves that gatekeeping was carried out. This can be recorded as gate kept by CATT teams. 			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	There is no validation of the data. An audit has been submitted for approval to the Practice Audit and Clinical Effectiveness Team Annual Programme.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	99.50%	98.30%	99.30%	100.00%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	100.00%	99.60%	100.00%	99.54%

Name of scheme	6. FEP waits within 14 days
Detailed descriptor	The standard requires that more than 50% of people experiencing first episode psychosis (FEP) will commence treatment with a NICE-approved care package within two weeks of referral.
Data definition	<p>From 1 April 2016 the access and waiting time standard for Early Intervention in Psychosis (EIP) standard requires that more than 50% of people experiencing first episode psychosis will commence treatment with a NICE-approved care package within two weeks of referral.</p> <p>There are two conditions relating to the standard and both must be met for it to be deemed achieved, namely:</p> <ul style="list-style-type: none"> • A maximum wait of two weeks from referral to treatment and • Treatment delivered in accordance with NICE guidelines and Quality Standards for psychosis and schizophrenia (in children and young people or in adults).

Exemptions	Service users who do not fulfil the criteria for FEP			
How will this data be collated	Data will be collated by the performance team and report on a monthly basis			
Validation	Performance and service validate the data			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	43.00%	42.00%	46.00%	39.00%
	In total the Trust received 170 new referrals against a target of 150 Note, target and therefore measurement will change as from the 1st April 2016)			
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	100.00%	99.60%	100.00%	99.54%
	In total the Trust received 177 new referrals against a target of 150			

Name of scheme	7. Delayed transferred of care			
Detailed descriptor	A 'delayed transfer of care' occurs when an adult inpatient in hospital no longer requires treatment within an inpatient setting. Sometimes referred to in the media as 'bed-blocking.'			
Exemptions	Children			
How will this data be collated	Acute, Elderly and LD&F have weekly MDT meetings on each ward where the Service User is discussed. If the MDT agree that the Service User no longer require acute treatment, the staff record this as a delayed transfer of Care on the Service Users case notes. This information is then recorded on a delayed transfer of care. This information is reviewed weekly both at the ward level and at a weekly delayed transfer of care meeting (This information is then feedback to the performance team, who produce an overall picture of the Trusts performance on delayed transfer of care.			
Validation	Quality and accuracy of the data is assured through the performance team and data quality officers in accordance with Trust policies.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	5.60%	6.60%	7.02%	5.84%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	5.98%	6.35%	5.02%	4.26%

The Delayed Transfer of Care has been subject to external audit this year for the first time and some issues have been identified. We will be taking the following steps to improve the data quality supporting this indicator:

- Rolling out refresher training to front end staff
- Formally documenting key meetings and retaining evidence to support Start and Stop dates for Delayed Transfers
- Improving our processes to help ensure the completeness and accuracy of delayed discharges recorded more generally.

Name of scheme	8. Service users reporting being treated according to Trust values			
Detailed descriptor	Service users reporting being treated according to Trust values			
Data definition	Having Your Say is offered to all service users at point of entry to the Trust, review meetings and discharge. All questions are set against the Trust Values. Once received they are entered onto the Membership Engagement System (MES) which is the Trust's service experience dashboard, and reported upon by the performance team.			
Exemptions	None			
How will this data be collated	Data will be collated by the performance team and report on a quarterly basis			
Validation	All surveys are re-checked for accuracy and 5% of the monthly inputs are re-checked by the Service Experience Lead. Deloitte's our external auditors also validate the data.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	92.30%	90.90%	87.20%	93.10%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	72.80%	75.70%	78.35%	86.00%

Name of scheme	9. Carers feeling valued by staff			
Detailed descriptor	Carers feeling valued by staff			
Data definition	Having your say is offered to all carers. All questions are set against the Trust Values. Once received they are entered onto the Membership Engagement System which is the Trusts service experience dashboard, and reported upon by the performance team.			
Exemptions	None			
How will this data be collated	Data will be collated by the performance team and report on a quarterly basis			
Validation	All surveys are re-checked for accuracy and 5% of the monthly inputs are re-checked by the Service Experience Lead. Deloitte's our external auditors also validate the data.			

Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	84.50%	76.20%	84.10%	75.00%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	68.30%	72.80%	84.10%	75.00%

Name of scheme	10. The percentage of staff employed by the Trust who would recommend the trust as a provider of care to their family or friends.			
Related NHS Outcomes Framework Domain and who will report on them	Ensuring that people have a positive experience of care			
Detailed descriptor	Friends and family test			
Data definition	<p>The FFT is a feedback tool which allows staff to give their feedback on HPFT services. The FFT asks how likely staff are to recommend the services they work in to friends and family who may need treatment or care and also as the employer of choice. Participants respond to FFT using a response scale, ranging from “extremely unlikely” to “extremely likely”. They also have the opportunity to provide a free text comment after each of the two FFT questions.</p> <p>The percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends. This question is in the Trusts Pulse survey. This is also an NHS England statutory submission.</p>			
Exemptions	None			
How will this data be collated	Staff FFT data is to be collected and submitted quarterly for Q1, Q2 and Q4 after the end of each quarter. For Q3 (when the annual NHS staff survey is undertaken)			
Validation	All surveys are re-checked for accuracy and 5% of the monthly inputs are re-checked by the Service Experience Lead. Deloitte’s our external auditors also validate the data.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	63.7%	62.3%	70.7%	72.5%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	68.88%	63.25%	60%	58.34%

Name of scheme	11. The percentage of staff recommending the Trust as a place to work			
Detailed descriptor	Friends and family test			
Date definition	<p>As stated above the FFT is a feedback tool which allows staff to give their feedback on HPFT services. To measure this target the Trust will follow the same process as described above.</p> <p>The percentage of staff that would recommend the Trust as a place to work.</p> <p>This is also an NHS England statutory submission.</p>			
Exemptions	None			
How will this data be collated	Staff FFT data is to be collected and submitted quarterly for Q1, Q2 and Q4 after the end of each quarter. For Q3 (when the annual NHS staff survey is undertaken)			
Validation	All surveys are re-checked for accuracy and 5% of the monthly inputs are re-checked by the Service Experience Lead. Deloitte's our external auditors also validate the data.			
Performance for Q1 to Q4 in 2015-16	Q1 – 2015/16	Q2 – 2015/16	Q3 – 2015/16	Q4 – 2015/16
	51.2%	49.6%	56.4%	55.6%
Performance for Q1 to Q4 in 2014-15	Q1 – 2014/15	Q2 – 2014/15	Q3 – 2014/15	Q4 – 2014/15
	57.3%	45.2%	47.0%	44.9%

How these targets will be monitored

Progress on the implementation of each of the quality improvement areas will be measured and monitored throughout the year, with additional audits to ensure that the data collected is reliable and valid.

A robust reporting framework has been put in place so that positive progress can be ensured and any challenges can be addressed early. The results will continue to be reported to the Trust Board and our Commissioners every quarter at our Quality Review Meeting. This year we intend to engage with our key stakeholders on our progress throughout the year. Once the targets have been agreed by the Board, trajectories for each quarter will be set, with plans developed to ensure that these priorities are achieved.

Progress to achieve these targets will be reported through the Trust Governance structures with the quality and accuracy of the data being assured by the performance team in accordance with Trust policies.

2.2 Statements of Assurance

This section of the report explains how the Trust has provided assurance in relation to the services it provides. This is demonstrated through clinical networks, audit and our CQC inspection report.

During 2015/16 Hertfordshire Partnership University NHS Foundation Trust has provided 30 relevant health services (listed below). Hertfordshire Partnership University NHS Foundation Trust has reviewed all the data available to them on the quality of care in these 30 services.

1.	Adult Community Mental Health Services
2.	Wellbeing Service delivering Improving Access to Psychological Therapies (IAPT)
3.	Adult Crisis and Alternatives to Admission
4.	Adult Acute Inpatient Services
5.	Service for People in Later Life and those with Dementia
6.	Secondary Commissioning of Placements
7.	Rapid Assessment, Interface and Discharge (RAID) Service
8.	Rehabilitation Service
9.	First Episode in Psychosis
10.	Targeted Provision for Child and Adolescent Mental Health Services
11.	Tier 3 Provision of Child and Adolescent Mental Health Services
12.	CAMHS Crisis Assessment and Treatment Team (C-CATT) Service
13.	Eating Disorder Provision for Child and Adolescent Mental Health Services
14.	Learning Disability Service at Forest Lane
15.	Specialist Learning Disability Assessment and Treatment Service
16.	Single Point of Access
17.	Carers Service
18.	Medicines Management
19.	Mental Health Act Legal Services
20.	Continuing Health Care
21.	Community Forensic Mental Health and Mental Health Liaison Diversion Team
22.	HomeFirst North Herts
23.	In Patient CAMHS

24.	Mother and Baby Unit
25.	Specialist OCD and Body Dysmorphic Service
26.	Psychiatric Intensive Care
27.	West, Mid and North Essex IAPT
28.	Essex In Patient and Community Learning Disability Services
29.	Norfolk Assessment and Treatment Inpatient Service
30.	Forensic Medium Secure Services

The income generated by the relevant health services reviewed in 2015/16 100 % of the total income generated from the provision of relevant health services by Hertfordshire Partnership University NHS Foundation Trust the 2015/16.

National Audits

During that period Hertfordshire Partnership University NHS Foundation Trust participated in 5 (100% that the Trust were eligible for) national clinical audits and 1 (100% that the Trust was eligible for) National Confidential Enquiries into Patient Outcome and Death which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Hertfordshire Partnership University NHS Foundation Trust was eligible to participate in during 2015/16 are as follows:

National Clinical Audit

- National Early Intervention in Psychosis audit
- National Physical Health CQUIN
- The national Prescribing Observatory for Mental Health (POMH-UK) Topic 13b Prescribing for ADHD in children, adolescents and adults
- National Early Intervention in Psychosis audit CQUIN
- National Physical Health CQUIN

National Confidential Enquiry

- National Confidential Enquiry into Suicides and Homicides

The national clinical audits and national confidential enquires that Hertfordshire Partnership University NHS Foundation Trust participated in, and for which data collection was completed during 2015/16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry. The results are summarised in the following table.

Topic	Trust Participation		National Participation	
	Teams	Submissions	Teams	Submissions
National Early Intervention in Psychosis CQUIN	Target Treatment Teams across Adult Community Services and those identified in the CAMHS	80%	* Data not available	* Data not available
National Physical Health CQUIN	All inpatient wards	100%	* Data not available	* Data not available

- POMH UK Topic 15c Use of Sodium Valproate
- POMH UK Topic 9c Use of Antipsychotic medicine in People with a Learning Disability

Topic	Trust Participation		National Participation	
	Teams	Submissions	Teams	Submissions
Topic 9c	19	359	338	5654
Topic 13b	15	184	359	6109
Topic 15c	10	122	*N/A	*N/A

**This information is not yet available.*

Topic 9c is a supplementary audit for a quality improvement programme addressing the use of antipsychotic medication in people with a learning disability. The practice standards were as follows:

Standard		Trust compliance	National average
The indication for treatment with antipsychotic medication documented in the clinical records		99%	Information Not Available
The continuing need for antipsychotic medication should be reviewed at least once a year.		98%	Information Not Available
Side effects of antipsychotic medication should be reviewed at least once a year, including:	presence of extrapyramidal side effects (EPS),	67 %	45%
	Obesity	84%	70%
	Hypertension	60%	60%
	Blood glucose and lipids	72%	75%

The reports of 5 national clinical audits were reviewed by the provider in 2015/16 and Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

The action plans for topic 13b and 15c have not been published yet. In relation the topic 9c actions are below:

For practice standard 1

Clinical Leads in each service area have reminded clinical staff to:

1. Review and revisit the diagnosis when care plan reviewed
2. Document clearly and accurately the indication for the treatment with antipsychotic medication
3. Communicate to GPs the indication for treatment with antipsychotic medication

For practice standard 2

1. Service users to have a medication review at least once a year
2. Audit by the medicines management team to review compliance with this standard

For practice standard 3

1. Medication review including antipsychotic side effects monitoring at least once a year
2. Develop a standardised physical health check list / tool to ensure that body weight, blood glucose levels and blood lipids are monitored at least annually
3. To distribute 'Physical Health' Leaflets to service users, their families or support workers regarding the importance of monitoring weight and blood pressure
4. Information to be given to patients/carers regarding the importance of monitoring weight and BP.
5. Our Trust staff to access and document in PARIS blood test results for serum lipids and HbA1c via ICE if available or via GP surgery

The two other national audits have not yet published their reports however our Trust does have a local action plan for the Early Intervention in Psychosis Service has been put in place.

Local Audit

The reports of 42 local clinical audits were reviewed by the provider in 2015/16 and Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided below. A further 68 local audits were registered with the Practice Audit and Clinical Effective (PACE) Team by clinicians from throughout the Trust. The full details of all these audits are beyond the scope of this report but detailed below are examples of the results that were found.

Our PACE Team ensures that all our audits, whether local or on a programme, are subjected to the same scrutiny. An audit will only be approved if it reaches an acceptable standard with Specific, Measureable, Achievable, Realistic and Time Orientated (SMART) action plans that ensure improvements are made.




Our PACE Team also provides bespoke training, as well as assistance in an advisory and supportive capacity, which ensures that staff are competent and confident in conducting audit work. The team ensure that there are audits that look at our compliance with NICE guidelines, along with a number of service evaluations, which all support the assurance of quality services.

Where audits said we did well




Potassium levels

An audit was conducted by one of our junior doctors and he was successfully shortlisted in the Junior Doctor Audit competition hosted by the Clinical Audit Support Centre in conjunction with the Healthcare Quality Improvement Partnership (HQIP). This audit led to a reduction in the need for repeat blood tests and no patients needing transfer to Watford General Hospital with false high potassium levels.

Incidence of potassium levels in samples

Result	Audit [January 2015]	Re-Audit [June 2015]	Movement
High Potassium Levels	16 (23%)	6 (7%)	
Normal	54 (77%)	78 (90%)	
Low Potassium Levels	0 (0%)	3 (3%)	




Repeat of high potassium samples

Result	Audit [January 2015]	Re-Audit [June 2015]	Movement
Repeated normal	7 (44%)	1 (16.6%)	
Repeated high potassium	1 (6%)	1 (16.6%)	
Not Repeated	8 (50%)	4 (66.6%)	

Care Co-ordination

This audit considered the use of care co-ordination within the Trust with the aim of ensuring that care reviews were of a high quality and worked towards recovery. Table A below shows the percentage of our service users that had an agreed goal that was personal rather than just a treatment goal.

Table A – Care co-ordination

Result	2015	2014	Movement
Evidence of care co-ordination having taken place	100%	98%	
Is there an agreed goal?	98%	85%	
Is the goal a personal goal rather than a treatment goal?	88%	53%	

Community Eating Disorders Services (CEDS)








This audit considered whether a service user was with the right team and getting the right treatment through an analysis of the services and care pathway. It considered service users who had an established diagnosis of Emotionally Unstable Personality Disorder (EUPD) as well as an eating disorder. The audit won 1st prize at the Royal College of Psychiatrists' conference. The findings lead to dedicating time from one of our consultant Psychologists to support clinicians to enhance their skills in providing Dialectic Behaviour Therapy (DBT) as well as reviewing the treatment programme.

Host Families

This project reviewed the work of the host families and looked at ways to progress the host family scheme in the future. The findings of the evaluation were used to support a "Sharing Best Practice" seminar, which included attendees from other Trusts who were interested in setting up a similar project in their area. The evaluation found that the Number of Host Families has risen year on year. Other information gathered highlighted the number of "Bed days" saved by using the Host Family scheme as an alternative to hospital.

Capacity to consent to treatment

This audit looked at the capacity to consent within our dementia services. This showed a significant improvement in performance in this area by the team.

	First Audit 26/6/15 to 27/7/15		Second Audit 1/10/15 to 1/11/15		Movement
Section	%	No.	%	No.	
Patient name	84%	16/19	100%	21/21	 16%
Date of Birth	84%	16/19	100%	21/21	 16%
Section	84%	16/19	100%	21/21	 16%
Responsible Clinician	84%	16/19	100%	21/21	 16%
If patient has consented is there a signature?	10%	1/10	47%	7/15	 37%
If patient is unable to consent has the clinician signed?	100%	9/9	100%	7/7	
Is there a S62?	60%	3/5	100%	1/1	 40%

Where audit said we need to improve

CAMHS DNA Audit

The audit indicates a variance of compliance against key aspects of the CAMHS DNA follow up process. The expected level of compliance is 100% for each of the below criteria.

Audit area	% compliance
Care professional assessing the risk of non-attendance	43
Evidence of parent/carer being contacted	70
Reasons for non-attendance documented	52
Notification in writing to the GP	22
Consideration of alternative venues	9
Consideration of flexible appointment times	4
Appropriate discussion of concerning cases	29
Referral/involvement of Children's Social Care if appropriate	86

The majority of DNAs within the sample are within the 16-18 age range, suggesting consideration should be given to alternative ways to engage these individuals. This is perhaps the group which would benefit the most from consideration to flexible appointments and venues as stated in the policy. These criteria demonstrated the poorest levels of compliance within the audit at 4% and 9%.

A lack of one clear process within both policies may also be a factor in varying compliance and will be addressed in order to provide clinicians with clear guidance. In addition to this, additional clinical and managerial support has been put into the service.

GP Letter after CPA Reviews

Good communication of key clinical information for each service users following a CPA is an essential aspect of communication and support to GPs. This audit sampled a range of CPAs conducted across all adult community services found that improvement was required as letters were only present in 42% (38/90) cases. This area of work will be a CQUIN target for 2016/17 and therefore be subject to a focus for work and scrutiny over the next year.

Research and Development

The number of patients receiving relevant health services provided or subcontracted by Hertfordshire Partnership University NHS Foundation Trust in 2015/6 that were recruited during that period to participate in research approved by a research ethics committee is 168. Details can be found on the National Institute of Health Research (NIHR) website <https://www.ukctg.nihr.ac.uk> and is detailed in table J:

Study ID	Study Acronym	Total
6113	PRAISe	33
6116	ConMan - Service User Module	3
15271	Psychological Intervention Alcohol Misuse Learning Disability	1
16588	Wordless Intervention for Epilepsy in Learning Disabilities (WIELD)	6
16966	EpAID	9
17026	OTO	17
18338	ERIC-PPCI	8
18629	EQUIP TRIAL	24
5655	NCISH	17
11207	Homicide by patients with schizophrenia: a case-control study	1
14412	Long-stay patients in high and medium secure forensic-psychiatric care	3
14796	LonDownS cohort	6
18727	LP-MAESTRO (WS1)	2
18957	Prospective memory in Mild Cognitive Impairment	28
19878	The mATCH study	10

The Trust works closely with, and receives funding from the NIHR as well as the Eastern Clinical Research Network (CRN Eastern) to help us deliver and take part in a number of research programs. The Trust is the NHS contractor for the following NIHR Research for Patient Benefit (RfPB) funded studies:

Study	Acronym	Stage of recruitment
Extended Brief Intervention in Learning Disability	EBI-LD	Completed recruiting
Wordless Intervention for Epilepsy and Learning Disability	WIELD	Completed recruiting
Optimal Treatment in Obsessive Compulsive Disorder	OTO	Currently recruiting
People with Autism detained within hospitals	MATCH	Currently recruiting
Herts and Minds Study	HAM	Currently recruiting

The Trust work with a number of collaborating academic institutions on the above studies, including

- University of Hertfordshire
- University College London
- University of East Anglia
- University of Cambridge
- University of Kent
- University of Southampton
- The Anna Freud Centre

Our Trust also recruits to a number of other research studies that are on the NIHR portfolio, and we are working to increase the number of studies available to our service users and carers year on year. All research that takes place within the Trust has the appropriate level of ethical approval in place.

If you are interested in participating in any of our research projects please contact Prof Tim M Gale, Lead for Research & Development via e mail t.gale@herts.ac.uk or telephone: 01707 253837.

Commissioning for Quality and Innovation (CQUIN) 2015/16

The Trust has CQUIN goals that are agreed with our commissioners, local and specialist at the beginning of each year.

A proportion of the Hertfordshire Partnership University NHS Foundation Trust income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between Hertfordshire Partnership University NHS Foundation Trust and any person or body we entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2015/16 and for the following 12 month period are available electronically in 'Trust Papers' in the 'About Us' section of the Trust's website:

www.hpft.nhs.uk/about-us/trust-papers

2.5% of our income (£3,077,000) in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between us and our commissioners through the CQUIN payment framework. At the end of Q3 our Trust had achieved £2,865,302 which was 93% of the total amount available to that date. The final amount achieved had not been confirmed at the time of writing. In 2014/15 we achieved £2,739,008, which was 92% of the £2,991,000 available.

The table below details how the financial achievement against each target. At the time of writing confirmation of the amount achieved for the year had not been received.

Goal	Description of Goal	Goal Value and weighting (£ [%available])	Achieved £ [%]
Making Our Services Safer (MOSS) – year 2	To improve the safety of inpatient care across the Trust.	430,780 [14]	Information Not Available
Strengthening Community mental health services	To improve the safety and stability of community mental health services, so that service users and carers receive consistent high quality care, based on continuity of care and robust care co-ordination	430,780 [14]	Information Not Available
Improved service user flow in acute mental health services	To improve the admission and flow of service users and their discharge experience by ensuring systematic admission and discharge using best practice in the acute mental health services.	430,780 [14]	Information Not Available
Communication with GPs/primary care	To improve the communication and working relationship between clinicians in HPFT and GPs; one of the planned outcomes is also to join up the physical and mental health care of people with mental health problems.	430,780 [14]	Information Not Available
Improving physical healthcare to reduce premature mortality in people with severe mental illness (national CQUIN 4a and 4b)	To demonstrate full implementation of appropriate processes for assessing, documenting and acting on cardio metabolic risk factors in inpatients with psychoses and community patients in Early Intervention psychosis teams	615,400 [20]	Information Not Available
Improving diagnoses and re-attendance rates in A&E (national CQUIN 8a and 8b)	Mental Health Trusts to reduce re-admission rates of people with mental health needs at A&E	307,700 [10]	Information Not Available
Greenlight toolkit (year 2)	The Green Light Toolkit is a guide to auditing and improving mental health services so that they are effective for supporting people with learning disabilities and autistic spectrum disorders.	430,780 [14]	Information Not Available
	Totals:	3,077,000 [100]	Information Not Available

In summary this equates to:

	Commissioner	Value	Achievements up to Q3 of 2015-2016
1	Hertfordshire CCG	£3,077,000	90%
2	Specialist	£447,000	100%
3	West Essex	£221,000	100%
4	Essex IAPT	£100,000	100%
5	Norfolk	£49,000	100%

Clinical Coding

Clinical coding considers the information we gather in relation to our service users. This information is then used to pull the data that informs our quality indicators. This section will outline the data that was collated for the Hospital Episode Statistics. It is important to note that for clinical coding the results should not be extrapolated further than the actual sample audited and all our in-patient services were reviewed within the sample.

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

- 97.2% for admitted patient care
- 99.3% for outpatient care

The percentage of records in the published data which included the service users valid General Medical Practice Code was:

- 97.2% for admitted patient care
- 99% for outpatient care

At the end of March we submitted our Information Governance Toolkit to the Health and Social Care Information Centre (HSCIC) and achieved an overall score of 81% up from 79% in 2014/15, level 2, with a green satisfactory rating. We were also able to confirm that 95% of our staff had completed their annual Information Governance e-learning.

The results for each area of the Toolkit are broken down as follows:

Information Governance Management	86%
Confidentiality and Data Protection Assurance	95%
Information Security Assurance	75%
Clinical Information Assurance (good clinical records management)	80%
Secondary Use Assurance (data used for any other reason other than directly caring for the service user)	70%
Corporate Information Assurance (good corporate records management)	88%

The Trust was not subject to the Payment by Results clinical coding audit during the year by the Audit Commission. However we were audited in October 2015 by The London Clinical Coding Academy.

The results were:

Primary Diagnosis correct 98%

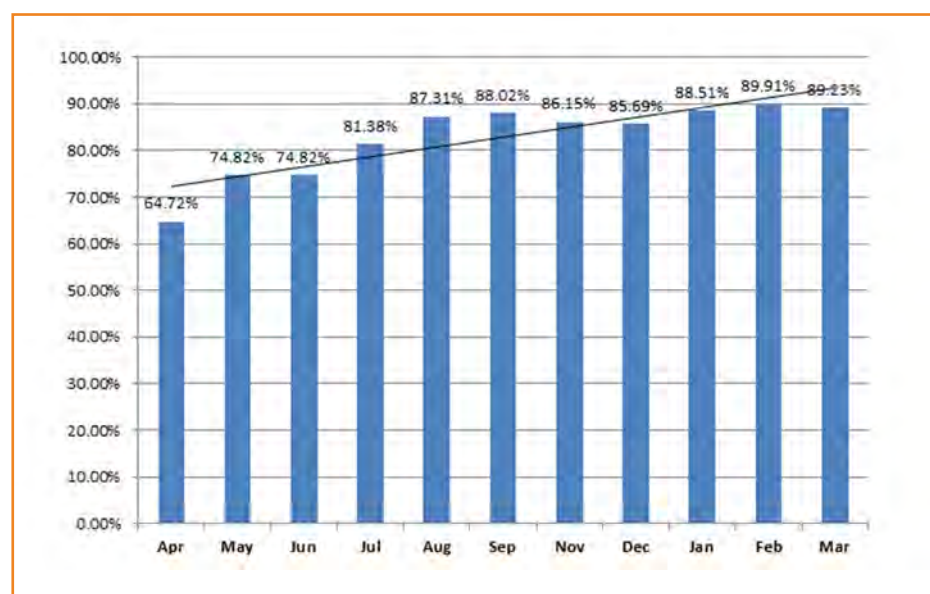
- This is a decrease from 2014/15 by 2%.

Secondary Diagnosis correct 97.73%

- This is an increase from 2014/15 by 0.08%.

The Ethnicity recording proved a challenge for the Trust at the beginning of the year but progress has been made and was at 89.6% at the end of Q4, the highest level of recording achieved to date. All services monitor ethnicity recording closely and the 90% target is predicted to be achieved by the end of Q1 2016/17.

Ethnicity April 2015 - March 2016



The Trust plans to take the following action to improve the data quality and clinical coding by:

- Developing a robust system that produces timely and accurate discharge summaries to support the coding process.
- Continue to carry out regular coding audits on PARIS.
- Continue to undertake an annual audit of clinical records keeping standards.
- Continue the working relationship with CIVICA to ensure that the coding requirements are embedded within PARIS.

Patient Safety

This section will consider how our Trust ensures that it is providing safe care. It will do this by initially considering the Duty of Candour followed by the actions that the trust has taken in relation to the Mazars report. This will be followed by a number of initiatives such as Spot the Signs and Save a Life, Sign up to Safety Campaign, Making Our Services Safer, Safer Care Pathways Project, Learning Lessons, falls and the learning disability mortality review programme, safeguarding and Acute Assessment Unit (AAU).

Duty of Candour

The Trust is committed to the principles of openness, honesty and transparency for the purposes of learning from incidents and serious incidents and engaging services users and families in the review process. The Trust has a Duty of Candour policy which sets out definition, duties and responsibilities of senior staff post incident, identifying those incidents where Duty of Candour applies and reporting processes.

Immediate support is offered to the service user, the family or the carer by the local team where the incident occurred. A Duty of Candour letter is sent to the family and held in the serious incident file. The family is provided with contact details for the investigator throughout the process and the investigator is expected to make every effort to engage with the service user or the family and consider any questions and concerns raised during the review process.

An overview of the Duty of Candour is included in Root Cause Analysis training provided by the Trust for those who undertake investigations. The serious incident investigation report includes detail of support offered and how the service user or family have been involved in the review process.

The Trust follows best practice in relation to families bereaved by suicide and recognises the profound effect on families and loved ones. The Department of Health Help is at Hand booklet which provides guidance and support to families affected by suicide is sent out with the Duty of Candour letter.

The Trust routinely shares a copy of the full Serious Incident report with the service user, family or carer as part of demonstrating our commitment to NHS Duty of Candour and our commitment to openness, transparency and learning from incidents.

In the coming year the Trust will be adding Duty of Candour to the Datix incident reporting system to enable reporting on compliance.

Following our review of the duty of candour a number of actions were undertaken including duty of candour considerations being incorporated into the serious investigation framework and report. Minutes of strategic business units meetings showed us that this requirement had been discussed and its implications for practice discussed.

Actions taken by the Trust in response to the Mazars Report on Southern Health

Following the publication of the Mazars report into investigation of deaths within Southern Health Trust a review of the learning from the report has been undertaken. A Death Oversight

Group has been established and this meets every month and reviews every reported death to consider the level of investigation required, cause of death where known and the learning from the cases for sharing across the Trust.

As a result of the establishment of the group changes are being made to the incident reporting policy and Datix to ensure we capture the level of information required to make an informed decision about the deaths. The maintenance of a close working relationship with the Hertfordshire Coroner and Hertfordshire Registrar's office has been a key aspect of this work.

The commissioners have met with the Trust to review processes following the Southern Health report and have confirmed their view that they are assured by our systems and processes in relation to investigations of deaths and serious incidents.

All services have been informed of the need to report all deaths to enable a review of the circumstances to be made in a timely manner. Systems are in place to review all deaths immediately they are reported to ensure timely reporting. All deaths previously reported as natural causes are reviewed to ensure that there are no further opportunities to learn.

Learning Disability Mortality Review Programme

Based on previous data, each trust in England are likely to have 5-10 deaths of people with learning disabilities requiring a review each year. The trust has begun the work on this and we will demonstrate our participation in the programme by:

- having an internal system in place that flags the need for a review when a person with a learning disability dies
- notifying deaths of people with learning disabilities to the LeDeR programme
- contributing to the reviews of deaths of people with learning disabilities
- having a process in place through which to implement and monitor progress against local actions plans.

Spot the Signs and Save a Life

In January 2015, inspired by Dr Ed Coffey's pioneering work on suicide prevention in Detroit, the Trust launched Spot the Signs, Save a Life suicide prevention campaign in collaboration with Hertfordshire Mind Network, local GP surgeries and other services. This became one of four 'Zero Suicide' Programme sites developed across the East of England region, funded by the Strategic Clinical Network. Funding for this work in Hertfordshire was matched by East and North Herts Clinical Commissioning Group.

Other stakeholders involved in the project include Mind in Mid Herts, Herts Valley CCG, Herts County Council, including Public Health and the Samaritans. Several businesses such as John Lewis, Skanska, and Boots have also been involved to date, as well as schools, police and job centres.

The overarching goals of the project were to educate the general public on depression and suicide; educate GP's, GP receptionists, district nurses, and community nurses about screening, identifying and managing suicidality effectively in primary care.

To date training has been delivered to

- **179** GP's
- **140** non-clinical staff
- **55** staff members from the East & North Herts Clinical Commissioning Group
- **53** people from third sector agencies

Feedback from these sessions indicates

- **91%** found the training useful
- **94%** found it relevant.

A further **82** participants signed up for training that is due to be delivered by the end of April 2016.

The Hertfordshire community has been asked to support the campaign and make a commitment to themselves, and to members of their community, to talk openly about suicide and suicide prevention:

- **358** signed individual pledges
- **17** signed Organisational pledges have been made.

Data on service users bereaved by suicide year on year is monitored in the Quarterly Patient Safety Reports that are presented to the Integrated Governance Committee and the Board of Directors. The Quarter 4 Patient Safety report highlighted that the Trust predicted suicide rate per 1,000 service users for 2015/16 (25) is higher than the suicide rate for 2014/15 (21). However, the rate remains lower than the latest for mental health service users provided by the National Confidential Inquiry.

When comparing the Trust's service user suicide rate for 2015/16 with the last available national rate provided by the National Confidential Inquiry (2013), the Trust remains below the national rate of suicides amongst those in contact with mental health services. One suicide in our Trust is too many therefore the Trust is redoubling efforts for zero suicide.

In order to address this in 2016/17 there are plans to extend the campaign by

- Increasing social media presence
- Increasing the number of information stalls across the county
- Developing training for private corporations, supporting them to support their staff
- Extend the team; moving towards co-production with service-users and carers with lived experience and a bringing on board a team of volunteers
- Working with young people across the county by developing a suicide and self-harm prevention focussed peer-led support for young people in schools

Sign up to Safety Campaign

The Trust signed up to this campaign and committed to delivering a safety improvement plan which will show how our organisation intends to save lives and reduce harm for patients over the next three years.

The proposed Trust pledges are:

Put safety first – We will:

- Increase the number of patients receiving Harm Free Care as measured through the NHS Safety Thermometer with particular focus on falls in our older peoples services
- Improve safety by encouraging reporting of incidents and using intelligence to identify areas of learning to share across the organisation
- Implement the key actions for year 1 in the Trust Clinical Risk Strategy 2015 -2018
- Continue to implement the projects within the Safer Care pathways programme

Continually learn – We will:

- Continue to undertake and develop processes for systematic review of the quality and safety of the services we provide including the internal Quality Visits Programme and Executive visits.
- Improve measurement and monitoring of the outcomes of incident investigations, complaints, audits and claims to ensure the outputs are effective in reducing risk and enhancing patient safety.
- Disseminate and discuss local and national learning from service users who die by suicide to enable us to inform clinical practice on areas of suicide risk. This in turn will enable us to achieve a year on year reduction with the aim of achieving our aim of Zero Tolerance.
- Take every opportunity to hear patient and carers views through increasing responses to the Friends and Family Test, sourcing service-specific patient feedback wherever possible and continuing the 'Patient Story' programme for presentation at Trust Board and wider learning.
- Develop tools for monitoring quality and safety including patient experience dashboards and nurse-sensitive quality indicator dashboards.
- Develop effective systems to benchmark indicators of safety with peer organisations and look for opportunities to identify further performance measures.

Honesty – We will:

- Provide training and support to staff in being open with patients and carers when things go wrong in line with the NHS Duty of Candour and monitor our compliance with this.
- Continue to review all incidents, comments and complaints with an honest and transparent approach.
- Display patient safety information on wards in a consistent and clear way for patients and visitors to see.
- Publish safety related performance information on our Trust website, including staffing levels.
- Be accurate and open in reporting our achievements or challenges in improving patient safety in our annual Quality Account.
- Articulate and publicly display our yearly Quality Priorities throughout the organisation and monitor and publicly report progress with these.

Collaborate – We will:

- Be active participants in the Regional Academic Health Sciences Network and Patient Safety Collaborative.
- Continue to work with our local primary health and social care partners to improve communication and take a system-wide approach to standardising care, streamlining patient pathways and reducing harm where possible.

Support – We will:

- Provide training on incident reporting and investigation, quality improvement and Human Factors across the multidisciplinary teams and ongoing support.
- Focus on continuous improvement in our approach to quality and safety in the Trust.
- Improve our mechanisms for staff to be made aware of actions taken and lessons learned in response to incidents and near misses.
- Continue to promote our Trust values encouraging the types of behaviours that support patient safety.
- Undertake Values Based Recruitment to ensure we have a workforce who adopt a person-centred approach to providing safe and compassionate care.
- Value staff through continuous professional development, appraisal, listening to feedback and recognising achievements.

Making Our Services Safer

The Making Our Services Safer (MOSS) strategy is in place to support greater collaboration and co-production with service users, carers and staff to understand and minimise restrictive interventions. We aim to reduce the impact of such interventions on recovery.

The purpose of the 'Making Our Services Safer' Strategy is to complement the excellent work already in place to ensure services are well informed and using best practice, care is delivered in partnership and the best interests of service users are served and prioritised at all times.

The work aims to reduce the numbers of incidents and interventions where staff and service users are harmed, so all involved report feeling safer through:

- Evidence-based models of support and intervention.
- Standardising assessment processes and support plans.
- Trust wide and service wide monitoring of interventions.
- Support for all following an incident.

In order to support this work the Trust is currently involved with the NHS Benchmarking Network in relation to Restraint, the Minimum Mental health Data Sets and the implementation of Safewards initiative.

The rate of acute inpatients feeling safe has marginally missed the target of 80% at 79.8%, an 11% improvement on Q3 figures. Additional training has been provided to the service areas by the Practice Development & Patient Safety Lead. Looking at feeling safe has also been explored with the Peer Experience Listeners (PEL) and the Practice Audit and Clinical Effective

(PACE) team. A series of focus groups has been held across the 6 acute inpatient areas and separately with the Modern Matrons and the Team Leaders.

Safer Care Pathways Project

Concluding in July 2016 after 2 years, this project brought together a group of staff, service users and carers to work with engineers from Cambridge University. They applied methods from aviation safety to look at what could go wrong.

The project team considered “What could go wrong along the pathways?” and then rated the risks. Those areas that scored the highest and where there was most concern were looked at in more detail. We then thought about measures that could be put in place to reduce or eradicate the hazard.

The input of our service users at this point was essential as clinicians tended to look at the same types of system changes and measures, whereas the service users challenged our thinking and assumptions. They gave us insights into what it was like to be experiencing the care and transfers between services.

This work resulted in piloting 2 interventions:

- 1.** Moving on Plan
- 2.** Care Calls

These 2 interventions are currently being evaluated and will be reported on in next year's Quality Account.

Safeguarding

The Trust has delegated responsibilities from the local authority.

Recent changes to the Care Act 2014 have meant that the trust and the Local Authority have needed to review how the delegate social care functions are delivered. Both partners are committed to working together to ensure high quality and safe services are delivered and a plan has been put in place to ensure this happens which includes regular meetings to review issues and have oversight of the current arrangements.

Making Safeguarding Personal (MSP) is a key requirement of the Care Act which the Trust has addressed by raising awareness of the key principles of MSP amongst its operational staff. The Trust is now in the process of robustly shaping practice within its safeguarding investigation teams to ensure that outcomes wanted by service users are identified at the beginning of the process.

Learning from incidents

The Department of Health published a “learning from mistakes league,” ranking trusts on their “openness and honesty,” based on data on safety reporting and the NHS staff survey. The table splits trusts into four divisions (outstanding levels of openness and transparency, those which are good, those which have significant concerns, and those with a poor reporting culture. HPFT was ranked as 81 out of 230 trust and was rated as ‘good.’

In 2014/15 and 2015/16 the number of unexpected deaths meeting serious incident reporting criteria is the same (28). It should be noted that some of these cases are apparent suicides but the number may reduce when the conclusion is recorded at the Coroner's inquest. No homicide were reported in 2014/2015 and 2 Homicide were reported in 2015/2016.

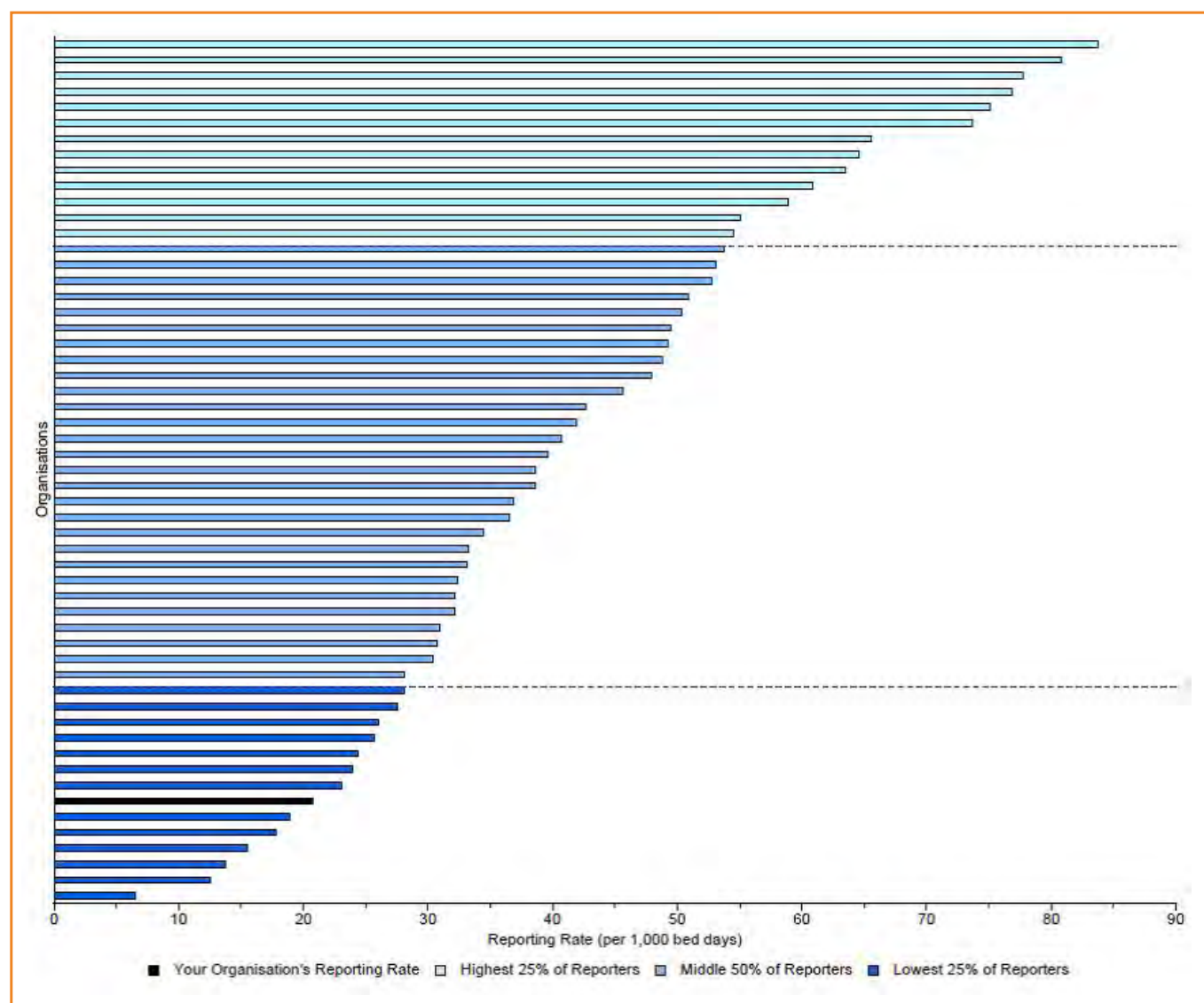
Safety Incidents involving serious harm or death as a proportion of all patient safety incidents.

The Trust reports and analyses the number and type of incidents that take place. The information below provides an overview of HPFT's number and type of incidents reported to the NRLS in the past year and a comparison to data reported by other Mental Health and Learning Disability Trusts. This data was published by NRLS in April 2016.

April 2015 - September 2015

- 1, 787 incidents reported by the Trust
- Rate per 1,000 bed days – 20.79
- Severe Harm – 1 incident reported
- Death - 12 incidents reported

The comparative reporting rate per 1,000 bed days for 56 mental health organisations including our Trust during this period is shown in the graph below.



For the same period, the incidents reported by degree of harm for the 56 mental health organisations including our Trust are shown below.



- Highest reporting MH Trust – 6,723 incidents
- Lowest reporting MH Trust – 8 incidents
- Highest number of incidents resulting in Severe Harm – 74 incidents
- Lowest number of incidents resulting in Severe Harm – 3 Trusts reported no Severe Harm incidents
- Highest number of Deaths reported – 95 incidents
- Lowest number of Deaths reported – 2 Trusts reported no Deaths

It can be seen that our Trust was a relatively low reporter of overall severe harm incidents but at approximately the same level as our peers for deaths in this period. As there can be variation in reporting of incidents between Trusts like for comparisons cannot be made with a degree of certainty.

October 2015 to March 2016

The following data is provided on a provisional basis only for the purposes of initial comparison with the previous reporting period; it should be treated with caution as it has not yet been validated by the National Reporting and Learning System (NRLS).

- 1,996 incidents in total reported by the Trust (as at 21/04/2016)
- Safety incidents involving severe harm (as a percentage of all patient safety incidents reported) – 2 (0.1%).
- Safety incidents involving death (as a percentage of all patient safety incidents reported) – 13 (0.7%).

	April 15 to Sept 15	Oct 15 to Mar 16
Total patient safety incidents	1,787	1,996
Rate per 1000 bed days	20.79	Not yet available
Severe harm incidents as % of all	2 (0.1%)	2 (0.1%)
Deaths as % of all	10 (0.6%)	13 (0.7%)

The latest reporting rate published by NRLS shows that for our Trust is currently within the lowest 25% of Mental Health services reporters. The NRLS system is used for analysing and reporting on certain types of incident only. In addition to the role of the managers in reviewing incidents to ensure factual accuracy and to monitor any potential trends, the Safer Care Team undertakes an additional quality assurance check of all incidents before they are uploaded to NRLS to ensure accurate reporting according to the NRLS criteria. An initial review of incidents reported up to the 1 May 2016 shows a 14% increase in the number of incidents reported when compared to the NRLS data reported above.

Actions being taken in 2016/17

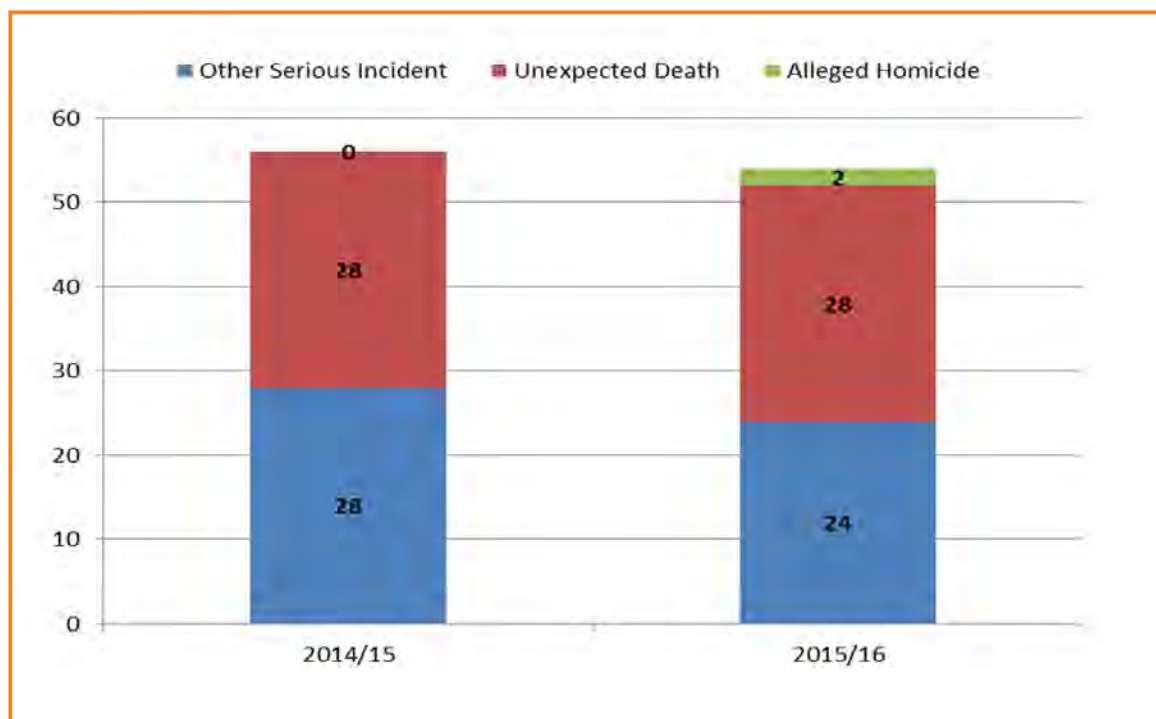
A substantive Datix Lead was appointed in January 2016 who has taken on responsibility for NRLS reporting. Some mapping work has taken place which has provided assurance that the Trust is consistently reporting the correct type of incidents to NRLS. For 2016/17 the following actions are being taken:

- Rolling programme of training for staff and managers
- Datix workshops held across the Trust
- Introduction of a Safer Care team newsletter to highlight lessons learned and how incident reporting has a direct influence on quality and safety
- Engaging the Practice Governance Leads in each of the SBU's to continue to raise the importance of ensuring that all incidents are reported
- Updating of the incident reporting form and categories

In addition to analysis and reporting at Operational level, detailed analysis of specific incident data is undertaken by groups including the Trust Falls Group, Safer Staffing Group, the Making our Services Safer Group, and the Health Safety and Security Committee. Where felt to be required Task and Finish Groups are commissioned by the specific groups to look at specific patient safety related issues.

Serious Incidents

Overall the Trust reported a total of 54 serious incidents in 2015/16 compared to a total of 56 in 2014/15 despite the Trust taking on new services. The Trust continues to err on the side of caution, and in keeping with the National Serious Incident Framework, March 2015, will always report and investigate those cases where there is felt to be the opportunity to learn and improve. Other serious incidents reported in 2015/16 included falls resulting in fractures, infection control outbreaks, and safeguarding incidents.



Falls

In Q3 and Q4 14/15 there was an increase in falls with harm within the in-patient services with seven falls resulting in harm that met the criteria for Serious Incident Reporting. As a result of this a decision was made that the Trust needed to take targeted action to address the root causes of the falls.

What did we do?

- Reestablishment of the Trust wide falls group meeting monthly.
- Implementation of a falls Root Cause Analysis tool to enable effective analysis of the root causes of falls with harm.
- Engagement of pharmacy lead in the falls group and root cause analysis process.
- Dedicated champion identified in older peoples services (where most falls occur) with focussed group in older peoples services to implement local actions.
- Review of incident data to identify themes and trends to share across services.
- Review and update of post falls protocol now implemented and embedded across all services.
- Review of multi-factorial risk assessment leading to identified need for physiotherapy in older peoples services.
- Sign up to safety commitment to reduce falls.
- Engagement with local university to ensure falls prevention training builds on learning from root cause analysis
- Wide range of staff accessing falls prevention training.
- Falls Root Cause Analysis process determines if falls were avoidable based on known risk of falls.

What has been the outcome?

- 28% reduction in all falls from Q3 14/15 to Q3 15/16
- Zero falls that met Serious Incident reporting criteria in Q3 and Q4 15/16

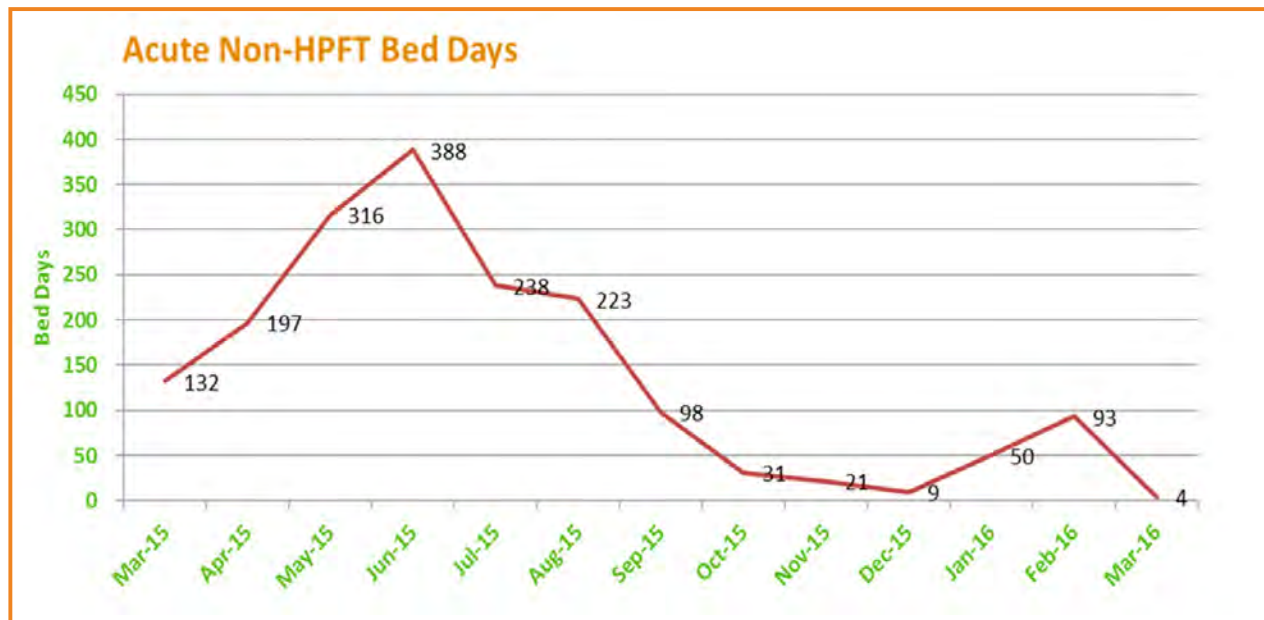
Acute Admissions Unit (AAU)

Reducing pressures on acute inpatient care continues to be a major quality priority for the Trust. Weekly reporting to the Executive Team continues. At peak times private sector beds has been sought. It is worth noting that the purchase of beds has significantly decreased across Q4 with no acute beds being purchased.

In May 2015, following a review of the previous service, a new Acute Admissions Unit (AAU) was set up. The review recommended changes to the AAU model which included increasing the number of AAU beds from 16 to 18 and the assessment period should from 72 hours up to 10 days. In addition this there was an increase in staffing across the professional groups.

The AAU has been monitoring its progress and performance. In November 2015 a review examining the effectiveness and safety was written and presented to the trust board. The continuation of the service was approved.

The AAU has approximately 80 service users admitted every month, of whom around half are discharged home with support from other services. More service users have been discharged within 72 hours than under the previous model, and the length of stay has decreased. As the flow of service uses has improved there has been an associated increase in the availability of treatment beds and fewer out of area beds being used and more service users admitted during working hours.



Workforce

This part of the report will now consider our workforce including the NHS Staff Survey that NHS England undertakes on behalf of the Department of Health. The Trust maintains its commitment to staff engagement, and values the input of all members of staff at all levels and as such there is a planned programme of events throughout the year sponsored and delivered by the Executive Team to ensure effective two-way participation in the making of key decisions and. These events capture staff ideas and feedback all of which is collated, analysed and reported in a 'you said we did' summary held on the intranet.

Engagement events have taken place, including the Big Listen events which are open to all staff in the organisation. They provide the opportunity for the Executive Team to hear the views of our employees around key topics and priorities, informing actions and improving employee satisfaction and wellbeing. Initiatives that have developed from these events include:

- Managing Service Excellence Programme to improve people management capability in the organisation,
- Health and social committee
- Staff lottery to support wellbeing and community events at a local level
- Improved support to flexible working processes

The Senior Leaders' Forums brings together the top 70 leaders from across the organisation bi-monthly for a multi-disciplinary, strategically focused engagement session, including joint problem solving and development topics. The Chief Executive holds breakfast meetings, approximately bi-monthly, inviting different groups of staff, providing an informal opportunity to feedback their views and experiences of working for the Trust and how we can improve the quality of care for service users. The Executive Team involved the whole organisation in the development of the core narrative for the Trust Strategy 'Good to Great'. This included face-to-face engagement sessions and involvement from over 300 staff.

Pulse Survey

In addition to the face to face engagement events the Trust holds quarterly 'pulse surveys' to review staff satisfaction levels throughout the year. The questions are based on the staff survey and additional questions are included related to local evaluation or commissioner reporting. The quantitative and qualitative statements are analysed and reported through to Trust Board. At a regional level the themes for the anonymised data inform local activity.

Collective Leadership

As part of the Trust's ongoing cultural development programme, the Board has commissioned the Lead Ambassadors, supported by the Kings Fund, to undertake a diagnostic of the Trust culture against an 'ideal' culture called 'Collective Leadership'. The Collective Leadership model has been developed with Professor Michael West, and describes the culture of an organisation that provides 'high quality, continuously improving, compassionate, care'. The Lead Ambassadors are a group of staff from across the Trust at all levels, locations and professions, supported by service user and carer representatives, and are undertaking the diagnostic utilising five specially developed tools; desk research; online staff survey; focus groups; leadership

behaviours questionnaire; and Board Interviews. The outputs from this engagement will inform the Organisational Development Activity Plan for 2016 -17.

Summary of Performance – NHS Staff Survey 2015

The Trust launched and communicated a collective ownership model for employee satisfaction in May 2015. This recognised the influence that a line manager has on the local workplace culture that ultimately impacts on satisfaction levels. This concept re-introduced mandatory 'people management objectives' into manager's appraisals and the launch of a pragmatic development programme for Line Managers.

The results of the 2015 National Staff Survey show a greatly improved position since 2014 with 14 of the key findings above average across Mental Health Trusts, 13 average and five below average. Against the 2014 survey, the Trust has achieved eight improvement areas, and fourteen areas that remain unchanged. There have been no areas of decline in the staff experience against any of the key findings since the last survey. The score for staff engagement has risen from 3.62 in 2014 to 3.86 this year, and is now above average. The Trust scores for staff motivation were the highest achieved in the 2015 staff survey within our comparator group.

The Trust's highest ranking scores, all of which are above average are; staff motivation at work; quality of non-mandatory training, learning and development; good communication between senior management and staff; satisfaction with the quality of work and patient care staff are able to deliver; recommending the organisation as a place to work or receive care.

The Trust's bottom five ranking scores, and the only key findings that the Trust are below average on, are; staff experiencing harassment, bullying or abuse from staff; staff working extra hours; staff reporting harassment, bullying & abuse; ability to contribute to improvements at work and; staff reporting violence.

This staff survey represents the best for the Trust in the last five years and of particular note, the key questions relating to care and service user experience have all increased. These include: 'staff recommending HPFT as a place to receive treatment, staff satisfaction with the quality of work and patient care they are able to deliver, percentage of staff agreeing their role makes a difference to service users, staff confidence in reporting unsafe clinical practice and the effective use of service user feedback'.

Summary of performance – NHS Staff Survey 2015

Key Findings (KF)	2015	2014	Against other trusts
Overall staff engagement (KF22, KF24, KF25)	3.86	3.62	Above Average
Staff survey response rate	40.1%	54%	Below Average

Top 5 Ranking Scores

Key Findings (KF)	2015	2014	2015 National Average
KF4 staff motivation at work	4.02	3.86	3.88
KF13 quality of non mandatory training	4.11	New	4.01
KF6 percentage of staff reporting good communication between senior management and staff	43%	29%	32%
KF2 staff satisfaction with the quality of work and patient care they are able to deliver	3.97	New	3.84
KF1 staff recommendation of the organisation as a place to work or receive treatment	3.75	3.43	3.63

Bottom 5 Ranking Scores

Key Findings (KF)	2015	2014	2015 National Average
KF26 percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	34%	33%	32%
KF16 percentage staff working extra hours	77%	78%	73%
KF7 percentage Staff able to contribute towards improvements at work	70%	64%	73%
KF27 percentage of staff reporting most recent experience of harassment, bullying or abuse	42%	52%	49%
KF24 percentage of staff reporting most recent experience of violence	80%	87%	84%

Key Findings (KF)	2015 Trust Result	Compared to other trusts	Change since 2014
KF 19 - % staff experiencing harassment, bullying or abuse from staff in last 12 months	28%	Below Average	No change
KF 27 - % believing Trust provides equal opportunities for career progression or promotion	84%	Average	No change

The Executive Team and the Board have placed great importance in addressing the issues that impact on the staff experience including staff engagement. There are many drivers to engagement and the preferred model identified to facilitate the delivery of the Trust Strategy highlights four dimensions between individuals and the organisation.

- **Connection** – an employee's identification with the organisation, its value and its core purpose. A sense of belonging, both in terms of sharing the same values and in their readiness to follow the direction the organisation is heading.
- **Support** – the vital role of line managers. The practical help, guidance and others resources provided to help people do a great job. Ensuring that managers support both in good times and in bad times.
- **Voice** – the opportunity to be involved and contribute. The extent to which people are informed, involved and able to contribute to shaping their work environments
- **Scope** – creating the environment to thrive and flourish. Giving the opportunity employees have to meet their own needs grow and develop and have control over their work.

In delivering this model of engagement, each of the four dimensions has a number of steps and approaches that are being adopted.

Compliments, comments and complaints

The Trust places great value on the comments, compliments and complaints sent in by service users, their carers, relatives and friends. We encourage people to raise concerns with staff in our services, to use the comments, compliments and complaints leaflets available on all wards and outpatient units. Alternatively contact can be made directly from the link on the Trust website.

In addition, all service users and carers are invited to complete 'Having Your Say' forms or the Friends and Family Test postcards, either on paper or electronically, during their recovery journey, to provide ongoing feedback on their experiences. Service Experience Volunteers visit our adult acute inpatient and rehabilitation units to provide an impartial listening ear for service users and carers and support when providing feedback through Having Your Say. We currently have eight Service Experience Volunteers and are currently recruiting more.

1 January 2015 was the launch date for the full implementation of the Friends and Family Test (FFT) with all teams expected to offer service users the opportunity to provide feedback on whether they would recommend HPFT services. The amount of feedback has grown over the year. The Trust has also used innovative methods to gather feedback and this has been recognised at national level by the Trust being shortlisted for three NHS England's Friends and Family Awards for 2016 as follows:

- FFT Best Accessibility Initiative for our new easy read FFT postcards for our learning disability community services
- Best FFT Initiative in any other NHS funded service for the Single Point of Access telephone survey
- FFT Champion(s) of the Year for the Service Experience Team

Information received through comments and complaints, together with the outcomes of any investigations, is used to improve our services. We feel it is important to celebrate what we do well, and all 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 provides people with advice and assistance if they have a concern or enquiry. The number of contacts increased by 7.5% compared to last year. Table B shows the number and main categories of PALS contacts, comparing 2015/16 with 2014/15, 2013/14 and 2012/13. 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	01/04/12 – 31/03/13	01/04/13 – 31/03/14	01/04/14 – 31/03/15	01/04/15 – 31/03/16
Advice	22	17	12	41
Enquiry	99	61	70	66
Feedback	71	47	76	98
Issues for resolution	223	239	387	363
Other	1	3	0	0
Translation request	1	3	1	1
Not HPFT	25	21	16	36
Total	442	391	562	605

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 2015/16 was 269 compared to 248 received in 2014/15. This is an 8.5% increase. Table C shows the number and primary issue for each complaint, comparing 2012/13, 2013/14, 2014/15 and 2014/16.

Table C: Number of formal complaints and main issues

Main complaint issue	01/04/12 – 31/03/13	01/04/13 – 31/03/14	01/04/14 – 31/03/15	01/04/15 – 31/03/16
Assault / abuse	6	3	11	11
Clinical practice	83	74	92	98
Communication	38	29	23	39
Environment etc.	6	3	7	3
Staff attitude	41	36	30	29
Security	3	2	0	3
Systems & Procedures	55	84	83	84
Transport	0	1	2	2
Total	232	232	248	269

Emerging themes

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.

The 98 complaints where clinical practice was the primary issue fell into 11 sub-categories. The majority of the complaints fell into the following groups:

- 50 concerned direct care
- 24 concerned care planning
- 6 concerned administration of drugs or medicines.

The 84 Systems and Procedures complaints fell into 22 sub-categories. Most complaints were in the following groups:

- 18 about access to treatment
- 10 about assessment and treatment
- 9 complaints appointment delays or cancellations
- 5 about Direct Payments / Fair Access to Care
- 5 about Mental Health Act Detention
- 4 about discharge.

All allegations were carefully considered by the multidisciplinary team, and through safeguarding where appropriate. 3 of the complaints were upheld, one was a service user to service user assault, one was inappropriate language used by a member of staff to a service user and one was the complaint about verbal abuse by a service user to a member of the public.

During 2015/16 we received four requests for files from the Parliamentary and Health Services Ombudsman (PHSO)/ Local Government Ombudsman (LGO). Four decisions were received with no further action. Three complaints were not upheld and one complaint remains under investigation.

The Trust also received three decisions from the PHSO for complaints referred during 2014/15. One complaint was upheld and the Trust has completed the action plan. One was partly upheld and the Trust is completing an action plan to remedy the faults identified by the PHSO which related to recording physical health monitoring information. The third complaint was not upheld.

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 28.5% increase in the number of compliments forwarded to the team.

01/04/11 – 31/03/12	674
01/04/12 – 31/03/13	673
01/04/13 – 31/03/14	94
01/04/14 – 31/03/15	1262
01/04/15 – 31/03/16	1622

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. Significant work took place in 2014 to ensure that compliments were recorded systematically, resulting in a significant increase in the number that has continued to 2016. In 2015-16 the Trust recorded six times as many compliments as formal complaints.

Clinical Networks

The Trust participates in a number of different regional Clinical Networks.

We are members of the following networks:

- LD Managed Clinical Network
- Peri-natal Quality Network
- Membership of Clinical Outcomes and Research Evaluation (CORE) CAMHS
- Membership of AIMS Accreditation Scheme (Royal College of Psychiatrists)
- The Trust is part of the larger Eastern Clinical Research Network (CRN). CRN is funding 3 consultant research sessions (Old Age Psychiatry; LD; OCD)
- The Quality Network for Forensic Mental Health Services (Adult Forensic)

In addition to this the Trust participated in the following accreditation schemes:

Service accreditation programme and Quality Improvement Network	HPFT	National
Eating Disorder Inpatient Wards	0	32
Forensic Mental Health Units	3	123
Inpatient Child and adolescent Wards	1	108
Inpatient Rehabilitation Units	2	52
Learning Disability Inpatient Wards	3	42
Mother and Baby Units	1	17
Older Peoples In patient Wards	1	68
Psychiatric Intensive Care Wards	1	39
Working Age Inpatient Wards	0	146
Child and Adolescent Community Mental Health Teams	0	64
Crisis Resolution and Home Treatment Teams	0	40
Electroconvulsive Therapy Clinics	0	99
Memory Clinics	4	105
Perinatal Community Mental Health Teams	0	17
Psychiatric Liaison Teams	2	52

Our Electroconvulsive Therapy Clinic has recently registered with the programme and will be aiming to become accredited within the next year.

Care Quality Commission

Hertfordshire Partnership University NHS Foundation Trust was registered with the Care Quality Commission on 1st April 2010 to carry out the following legally regulated activities:

- Treatment of disease, disorder or injury
- Assessment or medical treatment for persons detained under the 1983 Act

The Trust was inspected in April 2015 as part of a planned comprehensive inspection and achieved an overall rating of 'Good'. The report focused on 5 different domains of quality, which are "Safe, Effective, Caring, Responsive, and Well-led". The Trust received the written report in September 2015 and has drawn up an action plan with a list of 'Must do' and 'Should do' recommendations from the inspection to address shortfalls that were identified. We provide updates on our progress on a quarterly basis to the CQC and our commissioners.

There are no conditions on the Trust's registration and no enforcement actions have been taken against our Trust and we have not participated in any special reviews during 2015/16 nor have there been any investigations. This table gives an overview of the rating we received from CQC.



Last rated
8 September 2015

Hertfordshire Partnership University NHS Foundation Trust



	Safe	Effective	Caring	Responsive	Well led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Requires improvement	Good	Good	Good	Good	Good
Forensic inpatient/secure wards	Requires improvement	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Good	Good	Good	Good	Good
Community-based mental health services for adults of working age	Good	Requires improvement	Good	Good	Good	Good

	Safe	Effective	Caring	Responsive	Well led	Overall
Community-based mental health services for older people	Good	Good	Good	Good	Good	Good
Long stay/rehabilitation mental health wards for working age adults	Good	Good	Good	Good	Good	Good
Mental health crisis services and health-based places of safety	Requires improvement	Good	Good	Good	Good	Good
Community mental health services for people with learning disabilities or autism	Good	Good	Good	Good	Good	Good
Wards for people with learning disabilities or autism	Good	Requires improvement	Good	Good	Requires improvement	Requires improvement
Child and adolescent mental health wards	Requires improvement	Good	Good	Good	Good	Good

At the Quality Summit, CQC fed back that there was a great deal that the trust can be proud of. They noted that peoples' needs, including physical health needs, were assessed and care and treatment was planned to meet individual need. Staff had good opportunities for learning and development and showed a good practical understanding of the Mental Health Act and the Mental Capacity Act including Deprivation of Liberty Safeguards.

Caring was consistently of a good standard and they found staff to be dedicated, kind and patient focused. The CAMHS substance misuse team deserved recognition in terms of the care and treatment offered but also the responsiveness of the services provided to patients. The services at Logandene and Elizabeth Court had improved greatly since previous inspections. They also observed some good caring practice in the community services for people with a learning disability or autism.

However, as with any detailed inspection, there are areas in which we need to take action. The inspectors found our Trust to be operating at a 'good level' but identified a small number of areas that 'require improvement,' as indicated in the table. We acknowledge these concerns and are by no means complacent but these areas of development relate to issues of which we were previously aware, committed to improving and in many cases already taking action.

The inspection identified some areas that required improvement and the CQC set these out as thirteen 'must do's'. A comprehensive action plan was agreed with the CQC and shared with Monitor. Oversight of the implementation of the plan is through the Integrated Governance Committee to the Board. Updates to the plan are routinely shared with the executive committee, Trust management group, commissioners and CQC.

Progress against the plan continues and is embedded within the Strategic Business Units. An internal audit confirmed this process was in place. The Trust has undertaken a range of actions to address the following areas identified in the inspection:

- Staffing levels, monitored on an ongoing basis but immediate actions were taken to increase staffing levels in the areas identified in the report.

- Application and understanding of the Mental Health Act and Mental Capacity Act, the Trust plans to sign off this action as completed at the Integrated Governance Committee in July 2016.
- Environmental issues in an acute unit and adolescent services. Immediate actions were taken, work is ongoing and the programme of work, along with the timescales, has been reviewed.
- Care coordinators, care plans and risk assessments and record keeping. The electronic record system was enhanced in May 2016 to support this work.
- Medicines management. The Trust is now using a form that indicates clinical responsibility when using unlicensed medication. Current practice is that unlicensed medication is discussed with service users and carers. The Trust Medicines Policy also supports this. The Trust plans to sign off this action as completed at the IGC 21.07.2016

Appropriate immediate actions were taken to address the areas identified in addition to the robust action plan that was developed. The majority of the actions are due to be completed by the end of July 2016 and the others are monitored and reported on an ongoing basis.

2.3 Reporting against Core Indicators

This section of our Quality Report sets out how we performed against the 2015/16 priorities. These are the priorities we set at the beginning of the year and set out in the 2014/15 Quality Report. Each will be looked at in turn after considering the national mandated quality indicators set by Monitor.

It is always our intention to share with you our performance in comparison with other providers of health services. This has proved challenging as, many of the targets set are tailored to our local economy and therefore we are unable to benchmark ourselves against other mental health trusts.

Our National Quality Indicators

The Trust is required to report on a number of mandated Quality Indicators. These are detailed in Table D on page 130. This table indicates that we have achieved the targets that were set. The Trust contacted Monitor, NHS England, Health and Social Care Information Centre and the Healthcare Quality Improvement Partnership and were not able to obtain the national averages and the NHS Trusts with the best and worst scores to be used as a comparison.

The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons stated after each indicator.

The number and, where available, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death is reported later below the table. This is also true for the trust's 'Patient experience of community mental health services' indicator score with regard to a patient's experience of contact with a health or social care worker during the reporting period.

Table D

Quality Indicator	Target (%)	Q1 14/15 (%)	Q2 14/15 (%)	Q3 14/15 (%)	Q4 14/15 (%)	Q1 15/16 (%)	Q2 15/16 (%)	Q3 15/16 (%)	Q4 15/16 (%)
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.	95	97.3	98.3	100	98.7	100	98.74	99	99.2
The percentage of admissions to acute wards for which the Crisis Resolution Home Treatment Team acted as a gatekeeper during the reporting period.	85	100	99.6	100	99.54	99.5	98.3	99.3	100
Adults on CPA receiving annual care review	95	97.9	96.5	95.7	96.3	97.0	97.2	96.7	97.7
The percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.	<=7.5%	10.5	6.0	7.2	4.5	6.61	4.35	6.43	3.87
Early Intervention Psychosis	150 new cases a year	51	48	34	44	99.69	99.67	99.67	99.84
Delayed transfers of care	<7.5	5.98	6.35	5.02	4.26	5.6	6.6	7.2	5.84
SMHMDS data completeness – identifiers	97	99.6	99.7	99.5	99.6	99.69	99.67	99.67	99.84
MHMDS data completeness – outcomes	50	74.7	89.2	57.3	55.7	55.59	54.33	58.34	57.93

7 Day follow up

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is regularly subject to both internal and external audit processes and we have acted on any recommendations.
- The data and key areas of challenging or good practice are shared with key individuals on an on-going basis. This is translated into direct action that addresses any challenges.
- Regular meetings are held with Managing Directors where any issues are addressed.
- Discharges are followed up on a daily basis with a robust system of monitoring in place.

The data shows the Trust has consistently achieved the standard of 95% which contributes to the safety of our service users including the prevention of suicides.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Admissions to acute wards for which the Crisis Resolution Home Treatment Team acted as a gatekeeper during the reporting period.

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is regularly subject to both internal and external audit processes and we have acted on any recommendations.
- All data is validated on a monthly basis by the Performance Team and the relevant operational manager.
- Regular meetings are held with Managing Directors where any issues are addressed.
- Discharges are followed up on a daily basis with a robust system of monitoring in place.

The Hertfordshire Partnership University NHS Foundation Trust has consistently achieved the target that was set and we will continue to undertake robust checks and monitor this to ensure that performance remains at a consistently high level.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Adults on CPA receiving annual care review

The data is regularly subject to both internal and external audit processes and we have acted on any recommendations.

- All data is validated on a monthly basis by the Performance Team and the relevant operational manager.
- Regular meetings are held with Managing Directors where any issues are addressed.
- Weekly reports are sent to the teams to ensure care reviews are scheduled and any that are outside the time period are highlighted to the manager so that appropriate action can be taken.

Hertfordshire Partnership University NHS Foundation Trust has consistently achieved over the target of 95% which contributes to the delivery of high quality services. This is an improvement from the previous year where, at quarter 4, the Trust performance was at 64%. Our Trust will continue to undertake robustly monitor this indicator and take appropriate action to ensure that performance remains at a consistently high level.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Readmissions within 30 days

This is a locally defined data target set in our contract and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- All data is validated on a monthly basis by the Performance Team and the relevant service line lead.
- Regular meetings are held with Managing Directors where any issues are addressed.

Hertfordshire Partnership University NHS Foundation Trust has achieved against the target set for this year, in contrast to the previous year where performance was inconsistent. We will continue to undertake robust checks and monitoring to ensure that performance remains at a consistently high level.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Early Intervention in Psychosis – 150 cases per year

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- All data is validated on a monthly basis by the Performance Team and the relevant manager.
- Regular meetings are held with Managing Directors where any issues are addressed.

Hertfordshire Partnership University NHS Foundation Trust has achieved the target that was set. This is no longer a Monitor Indicator from 2016/17 when it changes to the proportion of people receiving treatment according to NICE guidance within 14 days. The Trust has a group of experts leading this work who have developed a robust plan to meet the new indicator and improve the service we provide to people with a first episode of psychosis.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Community Mental Health Survey

This is a national survey and the data source that was used was the report of the 2015 National Community Mental Health Survey. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- This is a survey that is conducted by an external agency to ensure rigour.

The National community Mental Health Survey includes services provided under the Care Programme Approach (CPA), in NHS trusts in England. The survey results are available for England as a whole compared with the previous year's results. Results, where available, are also published for each individual trust showing where they have performed 'better' or 'worse' than would be expected, when compared with all other trusts, and showing changes since the 2014 survey.

Although the CQC rated us as about the same as comparable Trusts across all the areas we sought to improve by prioritising the questions with differences greater than or equal to 4% from the comparator trusts are highlighted as either Green or Red. This is shown first for comparisons between our performance in 2015 and 2014, and then for comparisons between 2015 and the national averages for that year.

	HPFT 2014/HPFT 2015	HPFT 2015/National 2015
Red	3	9
Green	16	2

The 2015 survey demonstrated one of improved performance on many indicators compared to the previous year, but performance tended to be below the national average in several areas. This is summarised in the table E on page 134 and summarised CQC Community Mental Health Survey Results 2015 .

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year, particularly in relation to the physical healthcare needs of service users, and ensuring that action is taken when the results of the 2016 survey are published.

Table E





























Question	HPFT 2014 (%)	HPFT 2015 (%)	Rating from 2014 to 2015	National 2015 (%)	HPFT to National
When was the last time you saw someone from mental health services? Answer: 4 months or more ago	12	21		24	
In the past 12 months do you feel you have seen NHS mental health services often enough?	77	81		78	
Did the people you saw understand how your mental health needs affect other areas of your life?	86	90		87	
How well does the mental health person organise the care you need?	88	93		88	
Have you agreed with someone from NHS mental health services what services you will receive?	83	78		76	
Does this agreement take your personal circumstances into account?	90	94		93	
Did you feel decisions were made together by you and the person you saw?	90	94		94	
What impact have changes of care had on the services you receive? A: it got better	New	19		25	
What impact have changes of care had on the services you receive? A: it got worse	38	32		29	
Did you know who was in charge of organising your care when the changes were taking place?	45	40		55	
Do you know who to contact out of hours if you have a crisis?	New	75		68	
When you tried to contact them did you get the help you needed?	New	70		75	
Were you involved as much as you wanted to be indecisions about medicines?	85	92		88	
Were you given information about medicines in a way you could understand?	76	83		85	

Table E (continued)

Question	HPFT 2014 (%)	HPFT 2015 (%)	Rating from 2014 to 2015	National 2015 (%)	HPFT to National
In the past 12 months has a mental health worker asked you how you are getting on with your medicines?	74	80		78	
In the past 12 months have you received any non-medical treatments?	52	45		47	
In the past 12 months have mental health services given you support with your physical health needs (if you needed it)?	49	60		64	
In the past 12 months have mental health services given you support with financial advice (if you needed it)?	51	56		57	
In the past 12 months have mental health services given you support with accommodation (if you needed it)?	41	52		57	
Has someone from the NHS mental health services supported you in taking part in an activity locally?	43	54		58	
Have NHS MH services involved a family member or someone else close to you as much as you would like?	74	79		75	
Have you been given information by NHS mental health services about getting support from people who have experience of the same MH needs as you? (if you wanted this)	38	45		51	
Do the people you see in NHS mental health services help you with what is important to you?	New	76		80	
Do the people you see in NHS mental health services help you feel hopeful about what is important to you?	New	73		78	

Hertfordshire Partnership University NHS Foundation Trust has worked to address the areas highlighted in this report, in particular in relation to the physical healthcare needs of our service users.

Delayed Transfers of Care

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- All data is validated on a weekly basis by the manager of the service.
- Regular oversight of the delays are reviewed by senior managers and Managing Directors and appropriate actions are taken.

Hertfordshire Partnership University NHS Foundation Trust works with partners in health and social care to ensure timely discharge of people from inpatient services. We acknowledge that there is pressure on inpatient beds across our services and undertake to ensure that we make considered decisions with the people who use our services to optimise their recovery and minimise risk. In some cases this will result in delayed transfers of care.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

MHMDS data completeness – identifiers

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- This data forms part of the statutory The Mental Health Services Data Set (MHSDS) reporting and is subject to robust validation both internally and by HSCIC.

Hertfordshire Partnership University NHS Foundation Trust has consistently achieved over the required target and is committed to maintaining this.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

MHMDS data completeness – outcomes

This is a nationally defined data target set by Monitor and the data source that was used was our electronic patient record. The Hertfordshire Partnership University NHS Foundation Trust considers that this data is as described for the following reasons:

- This data forms part of the statutory MHSDS reporting and is subject to robust validation both internally and by HSCIC.

Hertfordshire Partnership University NHS Foundation Trust has consistently achieved against the target that were set but plans to improve recording of employment and accommodation status over 2016/17. This will be achieved by regular reporting and scrutiny that will be translated into action plans. Additionally our Trust's upgraded Electronic Patient Record system, will be tailored to ensure that completion of the record is made easier to complete.

Hertfordshire Partnership University NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing the work of the last year and ensuring that action is taken at the earliest opportunity if challenges or threats to performance and hence service user experience are identified.

Part 3 – Other information

This part of the report gives us an opportunity to celebrate some of the notable and innovative practice that has taken place across our services in 2015/16 as well as to present information that is relevant to the quality of the health services provided by our Trust. It is not mean to be an exhaustive list, rather a sample of the many and varied initiatives our staff, service users and carers have developed and implemented in order to improve the quality of our services.

Local Quality Indicators

The local quality indicators were set out in the Quality Account 2014/15. The performance against each target is set out in table F. Information is not available in relation to historical and benchmarking data for each of these indicators. In addition to this the performance against the CQUIN goals for Q4 had not been confirmed at the time of writing.

Table F

	Indicator	End of Year target	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16
1.	Achievement of MOSS CQUIN Goal	Yes/No/Partial	Fully achieved	Fully achieved	Fully Achieved	Information Not Available
2.	Achievement of Reducing Acute MH Pressures CQUIN Goal	Yes/No/Partial	Fully achieved	Fully achieved	Fully Achieved	Information Not Available
3.	Completion of risk assessments at least annually	95%	86.8%	88.08%	91.36%	95.8%
4.	CAMHS 28 day waiting time target for routine referrals	95%	70%	85.51%	89.68%	90.6%
5.	Lengths of Stay on MHSOP inpatient units					
	Functional	30	53.4	40.2	43.9	44.3
	Organic	45	47.2	63.2	59.0	61.4
6.	Specialist Community LD Teams:					
	28 waiting time target for routine referrals	98%	92.2%	96.49%	96.3%	98.2%
	24 hours for urgent	98%	100%	100%	100%	100%
7.	All Essex IAPT services – access to treatment targets met					
	18 week	95%	99.8%	99.26%	99.8%	99.86%
	6 week	75%	93.7%	94.45%	96%	95.83%
8.	Achievement of Physical Health CQUIN Goal	Yes/No/Partial	Fully achieved	Partially achieved	Partially achieved	Information Not Available

9.	Friends and Family Test - Service Users	70%	78%	80.9%	86.5%	88.5%
10.	Friends and Family (as a place to receive care) – Staff	70%	58.3%	49.6%	70.7%	72.5%
11.	Staff reporting feeling engaged and motivated at work	55%	53%	53%	57%	58%

Progress was made through the year and this is summarised in table G

	Q1 15/16	Q2 15/16	Q3 15/16	End of Year
On track (at target)	7	6	8	8
Partial achievement (up to 5% from target)	3	3	3	1
Behind target (more than 5% from target)	4	5	3	2
To be confirmed	0	0	0	3

We have met 8 of the local quality goals that we set last year which. In addition to this we met all the National Quality Indicators. We partially met 1 indicator, did not meet 2 and have yet to confirm 3. Our goal is to see continued improvement across all services in 2016/17 and these quality indicators will continue to be addressed and monitored. Each of the local indicators will now be considered in turn.

Indicator 1: Achievement of Making Our Services Safer (MOSS) CQUIN Goal

Making Our Services Safer (MOSS) is delivered through the MOSS strategy. This strategy is in place to support greater collaboration and co-production with service users, carers and staff. The aim of the approach is to work together to understand how to minimise restrictive interventions and the impact of such interventions on recovery. It has 5 areas of work that are being implemented across the Trust:

1. The effective use of data
2. Restrictive interventions
3. Support planning
4. Debrief
5. Training

This major programme across Trust inpatient services contains several initiatives, including the introduction of the Safe Wards standards, training of staff in new restraint skills and raising awareness of best practice in preventing violence and aggression in inpatient care.

For the second year, this indicator was identified as a CQUIN Goal and achievement is measured by whether each quarter commissioners consider our progress to be satisfactory. This was the case in 2014/15 (Quality Indicators Data Set 2014/15 – Annual Report). The CQUIN also included implementation of a peer listening project in order to understand more about why

inpatients might feel unsafe. This target was met for the first three quarters and the fourth quarter is yet to be confirmed at the time of writing.

Baseline and benchmarking data was not available as this was a new area of work.

Indicator 2: Achievement of Reducing Acute MH Pressures CQUIN Goal

Over the past year it has, at times, been necessary to arrange acute inpatient care outside the Trust due to our beds being at full capacity. A programme of work has been developed to ensure the efficient use of beds which considers admissions, the experience of inpatient care and discharge. Progress is measured through audit and re-audit, with the results being validated by commissioners. This target was met for the first three quarters and the fourth quarter is yet to be confirmed at the time of writing.

Baseline and benchmarking data is not available for this indicator.

Indicator 3: Completion of risk assessments at least annually

This indicator measured the percentage of service users who have a risk assessment completed annually, as a minimum standard. Improvements in this indicator were seen in 2014/2015 although our Trust had not met the target of 90%. The Trust achieved 87.2% in that year (Quality Indicators Data Set 2014/15 – Annual Report). In order to maintain the improvement, where it had been achieved, and improve practice in other areas, this remained a key focus for quality within the Trust. Child and Adolescent Mental Health Services (CAMHS) were the main area of concern.

At Q2 this indicator was at 88%, in Q3 an improvement to 91.4% was recorded, 3.6% from the target. Significant improvement has been seen in CAMHS through Q3, and, by the end of the year, we exceeded the target of 95%.

Indicator 4: CAMHS achievement of the 28 day waiting time target for routine referrals

A range of waiting times targets are in place for specialist CAMHS clinics but this quality indicator relates to the 28 day waiting time target for routine referrals. Considerable improvements had been achieved in 2014/15 where the Trust achieved 87.9% against a target of 75% (Annual Report 2014/15 – para. 4.5.1 pg. 75). In order to ensure these improvements were maintained, this was chosen as a quality indicator for 2015/16. Demand for CAMHS remains high and complexity of those referred is increasing.

At Q2 this indicator was at 86%, in Q3 to the end of the year, reaching 91%. Unfortunately this was 4% from the target. Progress was slow despite additional funding being agreed by commissioners, due to the challenges associated with recruitment in CAMHS nationally.

Indicator 5: Maintenance of Baseline Average Lengths of Stay (LOS) on Mental Health Services for Older Peoples Inpatient Units

This Quality Account priority was set in order to recognise that, if the reorganised community services for older people with mental health issues are working well, this will be reflected in appropriate use of inpatient care.

Within the trust, our clinicians recognised that we needed to ensure we were effectively using our assessment and treatment beds in a way that was most beneficial to individuals requiring a focused inpatient admission. Specifically we recognised that the needs of individuals with a functional and an organic presentation had very different needs and as such we began to tailor our services accordingly. In this context our clinicians agreed to work to an internal stretch target of 30 and 45 days respectively. Whilst we have fallen short of our internal target we have maintained our position of making zero external placements for older adults in this period which has ensured individuals have received their care locally.

It should be noted that the data has been significantly skewed by two service users who required complex packages of care. Benchmarking data is not available as this is a local indicator.

Indicator 6: Access to Specialist Community Learning Disability Teams in Hertfordshire

For Learning Disability Services, an indicator was selected that relates to service user access to the Specialist Community LD Teams. In 2014/15 our Trust achieved 86.9% against a target of 98% for 28 days waiting time target and 100% for the 24 hour target (Trust Board Performance Report 2014/15 – 29-04-15). The 28 days waiting time target for routine referrals was achieved in 2015/16 by the last quarter, and was consistently 100% for the 24 hour target for urgent referrals throughout the year.

Indicator 7: Achievement of access to treatment numbers

This target relates specifically to the IAPT services in Mid, West and North East Essex. The Trust took over these services in 2014/2015 and there has been a considerable improvement in the numbers, skills and management of staff where necessary during the transition period. As a new service we are not able to provide historical nor do we have benchmarking data. This indicator was chosen for the Essex services to make ensure that GPs and individuals were making referrals to the levels expected by commissioners. We exceeded the target set throughout the year for the two subsets of this quality indicator and will continue to ensure we achieve this in the forthcoming year.

Indicator 8: Achievement of Physical Health CQUIN Goal

Many of the factors which lead to considerably reduced life expectancy for people with severe mental illness are avoidable. As well as going Smoke Free in 2015, the Trust has continued to improve its vigilance to other risk factors such as obesity and drug and alcohol misuse and has taken greater responsibility for ensuring physical health needs are met.

For the second year this is also a national CQUIN Goal – divided into two halves, better assessment and healthy lifestyle interventions for inpatients with psychosis, and better communication with GPs about mental and physical health diagnoses and medicines. This target was met for the first quarter, partially met for the second two quarters and the fourth quarter is yet to be confirmed at the time of writing.

Baseline and benchmarking data is not available for this indicator.

Indicator 9: Friends and Family Test - Service Users

Asking service users whether they would recommend Trust services to friends or family, if they needed them, is now a key national patient experience indicator, mandatory in all NHS Trusts. The Trust receives over 1,000 responses to this question from service users each quarter. These are analysed alongside our other feedback from service users and carers as part of our Having Your Say system.

Each quarter over 2015/16 we have achieved the target that was set. In addition to this we have made significant improvements, increasing our percentage by just over 10% to reach 88.5%.

As this is a new test that was phased in over the previous year there is no benchmarking or historical data available. (Note:- Similar measures for 2014/15 resulted in a 78% outcome (Trust Board Performance Report 29-04-15) however the criteria are not directly comparable).

Indicator 10: Friends and Family Test – Staff

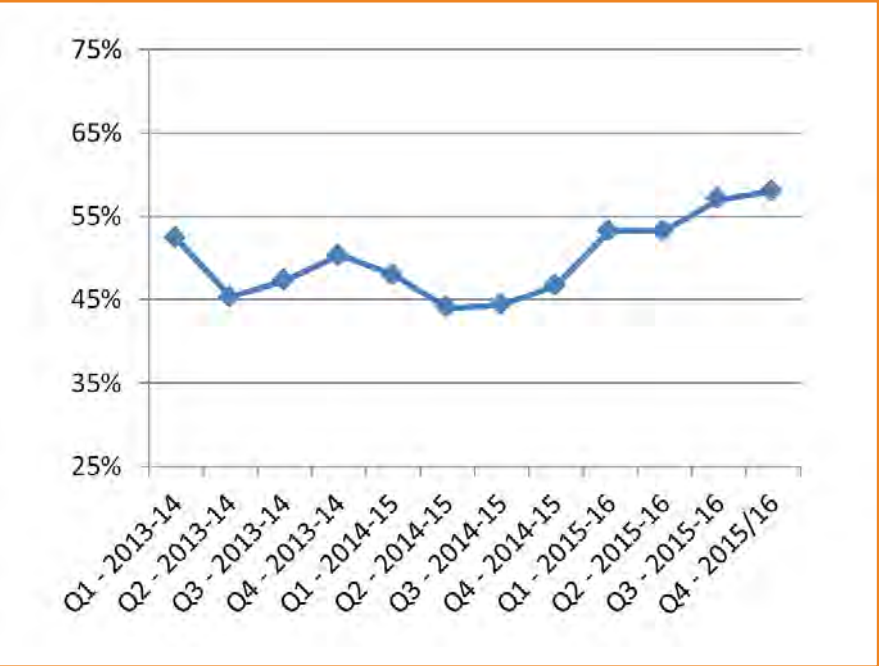
This indicator complements indicator 9, asking staff whether they would recommend the Trust as a place to receive care. We started the first half of the year below the target that was set with a decline in performance to under 50%. Significant work took place engaging the workforce and listening to what they had to say. In the second half of the year we saw a much improved picture, exceeding the target and improving 23% from 50% in quarter 2 to 73% at the end of the year.

As this is a new test that was phased in over the previous year there is no benchmarking or historical data available. (Note:- Similar measures for 2014/15 resulted in a 58.3% outcome (Quality Indicators Data Set 2014/15 – Annual Report) however the criteria are not directly comparable).

Indicator 11: Staff reporting feeling engaged and motivated at work

This indicator offers a different perspective on staff morale, taken from the quarterly pulse survey. As this is a local survey there is no benchmarking data available. This asks the workforce how engaged and motivated they feel. In the first quarter the result was below the target but in second half of the year we saw an improvement and the Trust surpassing the target of 55%. This result was supported in the National Staff Survey results, however the data is not directly comparable.

Staff Engagement and motivation from Q1 2013-14



Annex %– Statements from partner agencies



Healthwatch Hertfordshire's Response to Hertfordshire Partnership University NHS Foundation Trust (HPFT) Quality Account 2016

Healthwatch Hertfordshire (HwH) is pleased to submit a response to HPFT's Quality Account which clearly shows how the Trust performed in 2015/16 and what the key priorities are for the coming year. Explanation boxes and quotes from a variety of sources helps to illustrate and inform the report.

We are pleased to have met with the Trust regarding the quality priorities and it is evident that the Trust has consulted widely to agree the final priority areas. HwH is happy with the indicators chosen for 2016-17 and will be keen to review progress against the targets set. In particular, the positive working methods developed with carers is something HwH welcomes and would like to see continuing.

In general this has been a very good year for HPFT and we are continually aware of their absolute commitment to quality improvement, their honesty in looking at the improvement needs and their openness with partners, service users and their families and the fact that they are a very 'listening' organisation, and willing to innovate and collaborate widely in order to aim for their target of excellence. As an example of this commitment we were impressed with the Trust's responsiveness to concerns we raised about the quality of dual diagnosis services.

Nearly all percentages in terms of improved practice across the board are up, which indicates real improvement and success overall. In particular the issues of staff morale, satisfaction, recruitment and retention have been addressed and improved, as indicated by the figures, though are not yet solved. This issue very properly remains within the priorities.

HwH is pleased to see that physical health checks are a key priority for 2016/17. The Healthwatch Hertfordshire Mental Health and Learning Disabilities Service Watch Group, however, has also been concerned about the liaison with GPs on this issue and the need for the Clinical Commissioning Groups to work, together with the HPFT and GPs, to ensure that all registered Mental Health and Learning Disability patients/service users living in the community actually receive the annual health checks to which they are entitled to. We would also be interested to know whether there is a universal standard placed on GP surgeries to follow up people who may not respond to their first letters inviting them to the surgery for a health check.



Child and Adolescent Mental Health Services (CAMHS) improvement is underway, but there is still concern over the overall quality of that service and the achievement of the 28-day waiting time target. Safety of services is also still an issue with this cohort of service users. The CAMHS Review and Report are addressing this thoroughly across the board through a new joint and collaborative organisational structure, but this does need to be regarded as a priority and reported on at year end.

There is, as indicated by the CQC inspection outcomes, a need to look at the quality of inpatient care in the round for Learning Disability patients.

There has been concern about the waiting times for a referral to the Early Memory Diagnosis and Support Service (EMDASS) for dementia services. However recovery plans appear to be reducing waiting times and it is hoped that this is maintained in the coming year.

The work HPFT is conducting on suicide prevention is to be applauded and it is also good to see that this work will be further developed in 2016/17. Similarly the commitment of the Trust to improve the experience of transgender service users and their carers through the development of a specific policy to support their needs is welcomed by HwH.

Healthwatch Hertfordshire welcomes the many ways that it is able to engage with HPFT to develop and improve service user experience and outcomes and looks forward to working with the Trust to support further quality improvements in the coming year.

A handwritten signature in blue ink, appearing to read 'M. Downing'.

Michael Downing, Chairman Healthwatch Hertfordshire, May 2016

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 2015/16, based on the data submitted during the year as part of the on-going quality monitoring process. We appreciated the opportunity to comment on an earlier draft version of the Quality Account and welcome the changes that the Trust has made as a result of our comments.

The Trust's achievement in receiving a 'Good' rating from the Care Quality Commission is to be commended, and is the result of a great deal of hard work and focused leadership and management within the Trust to deliver good quality care to many people. We will continue to work with the Trust on the areas that required improvement and ensure that these reach the same standards.

We are pleased to be able to acknowledge the reductions in waiting times for CAMHS services during the year, and the improvements in support for Children and Young People (CYP) in crisis after the introduction of the CAMHS Crisis Assessment and Treatment Team. We recognise that there is more to do for Children and Young People and our CAMHS Transformation Plans, supported by significant investment from commissioners, should lead to further improvements over the coming year in both the services the Trust delivers and more broadly across the system. This includes improvements in transition from services for Children and Young People into adult services. Commissioners expect to see a significant improvement following the additional resource that we have made to expanding the Community Eating Disorder service with an expectation that HPFT will meet the national access and waiting time standards as well as intervening earlier and improving outcomes for CYP who present with an eating disorder. In line with the CAMHS transformation, commissioners would like the Trust to evidence the impact that this has had on CYP and families by collecting evidence of and reporting of improved satisfaction levels and outcomes.

The Trust has made good progress on key areas such as completion of risk assessments and has been working hard to improve its data quality and ability to meet the report requirements of commissioners and we look forward to further improvements over the coming year, including in relation to the Trust's social care responsibilities.

After significant changes to community services in 2014/15 performance has consolidated in 2015/16. The investment we agreed in services to reduce admissions to inpatient services has had a positive impact on the number of people being placed in out of area beds. This

will remain a priority in 2016/17. Commissioners also expect reductions in the number of delayed transfer of care in 2016/17 and will work with the health and social care system on this.

We have agreed significant investment in Early Intervention in Psychosis services to ensure national targets are met during 2016/17. The Trust's improvement in delivering big increases in the number of people using psychological therapies (IAPT) over the past two years have been impressive, and much welcomed by commissioners. The increasing number of people referring themselves to the services is valued and will need to be maintained to ensure delivery of this key target. The Trusts excellent recovery rates, particularly in Herts Valleys, are very welcome and demonstrate the impact of this service on the almost 20,000 people using it over the past year. The fact that the Trust is already comfortably exceeding the new national waiting time targets for IAPT is another key strength of this service.

Waiting times and assessment capacity in the dementia diagnosis (Early Memory Diagnosis and Assessment Service) are a concern, and will continue to be a key commissioner focus in 2016/17. The programme of work to modernise the physical environment within a number of inpatient units is valued and we look forward to this continuing in 2016/17.

The Trust has worked effectively in collaboration with commissioners on the Transforming Care agenda for people with Learning Disabilities and has effectively supported commissioners to reduce the number of people with learning disabilities in inappropriate independent hospital placements. This has included substantial input into Care and Treatment Reviews and expert clinical input to the Hertfordshire Learning Disability Transforming Care Fast Track pilot.

Commissioners continue to share the Trust's concerns about the difficulty of recruiting and retaining staff across a range of services, including CAMHS, adult community, learning disability and dementia services, which we recognise is a national challenge. This includes particular pressures in specialist posts such as Approved Mental Health Professionals (AMHPs). This remains one of the main challenges facing us as a system with a continuing impact on the quality and consistency of services provided.

Commissioners recognise the many areas where HPFT deliver good quality care and the improvements that we have seen in key areas such as CAMHS and community services over the past year. We look forward to working jointly with HPFT over the coming year to tackle the parity of esteem agenda together.



Cameron Ward
Accountable Officer
Herts Valleys CCG



Beverley Flowers
Chief Executive
East & North Herts CCG



Chairman Health Scrutiny Committee

**Seamus Quilty
County Councillor
Bushey South**

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Dear Jane Padmore

There has been regular communication between the Health Scrutiny Committee (HSC) and the Trust over the past 12 months. Progress and areas that need to be addressed have been raised at the Committee and during visits to the Trust's sites, This interaction gives members the assurance that the Trust is aware of issues and has in place measures to tackle them. Furthermore, the collaborative approach adopted by the Trust supports the Committee in undertaking effective scrutiny.

Unfortunately, we are unable to respond this year's Quality Account due to capacity issues as a result of the HSC Budget Café. Additionally, we are constrained by the purdah rules as relating to the European referendum. . Despite this, the committee anticipates working with the Trust on future Quality Accounts.

Yours sincerely

Seamus Quilty
Chair, Health Scrutiny Committee

Annex 2 – Statement of directors' responsibilities for 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 2015 to end of April 2016
 - papers relating to quality reported to the board and the Integrated Governance Committee over the period April 2015 to end of April 2016
 - feedback from the commissioners, dated May 2016
 - feedback from governors, dated February 2016
 - feedback from Hertfordshire Healthwatch, dated May 2016
 - 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
 - the 2015 national patient survey
 - the 2015 national staff survey
 - the Head of Internal Audit's annual opinion over the Trust's control environment, dated May 2016
 - Care Quality Commission report, 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 26/5/16

Chief Executive 

date 26/5/2016

Annex 3 – Independent auditor's report

Independent auditor's report to the council of governors of The Hertfordshire Partnership University NHS Foundation Trust on the quality report

We have been engaged by the council of governors of The Hertfordshire Partnership University NHS Foundation Trust to perform an independent assurance engagement in respect of The Hertfordshire Partnership University NHS Foundation Trust's quality report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of The Hertfordshire Partnership University NHS Foundation Trust as a body, to assist the council of governors in reporting The 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 2016, 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 The 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 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of patients on Care Programme Approach (CPA) who were followed up within seven days after discharge from psychiatric inpatient care during the reporting period; and
- the percentage of non-acute patients (aged 18 and over on admission) per day under consultant and non-consultant led care whose transfer of care was delayed during the reporting period, as a proportion of the total number of occupied bed days during the reporting period.

We refer to these 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 section 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; 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

- board minutes for the period April 2015 to 29 April 2016;
- papers relating to quality reported to the board over the period April 2015 to 31 March 2016;
- feedback from the Commissioners dated May 2016;
- feedback from the governors dated May 2016;
- feedback from local Healthwatch organisations, dated May 2016;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016;
- the national patient survey dated 21 October 2015;
- the national staff survey dated 22 March 2016;
- Care Quality Commission Intelligent Monitoring Report dated 25 February 2016;
- Care Quality Commission reports; and
- the Head of Internal Audit's annual opinion over the trust's control environment dated 13 April 2016.

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.

Basis for qualified conclusion

The indicator for Delayed Transfers of Care measures the percentage of non-acute patients (aged 18 and over on admission) per day under consultant and non-consultant led care whose transfer of care was delayed during the reporting period, as a proportion of the total number of occupied bed days during the reporting period.

Our procedures included testing a risk based sample of items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

In respect of the population used to calculate this indicator we found that for:

- 17% of our sample had been recognised as a Delayed Transfer of Care for fewer days than they should have been; and
- 13% of our sample the discharge date recorded by the Trust was on average three days later than the actual discharge date;

Due to the lack of an audit trail (detailed below) we were unable to definitively quantify the effect of these findings on the reported indicator.

As a result of the issues identified, we have concluded that there are errors in the calculation of the percentage of non-acute patients (aged 18 and over on admission) per day under consultant and non-consultant led care whose transfer of care was delayed during the reporting period, as a proportion of the total number of occupied bed days during the reporting period. We are unable to quantify the effect of these errors on the reported indicator.

Our testing also identified that the Trust does not retain an adequate audit trail to confirm the date that they met the following three conditions and were therefore fit for discharge:

- a clinical decision had been made that the patient was ready for transfer;

- a multi-disciplinary team decision had been made that the patient was ready for transfer; and
- the patient was safe to discharge/transfer.

As a result there is also a limitation upon the scope of our procedures which means we are unable to complete our testing and are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting Delayed Transfer of Care.

The section on page 92 of the Trust's Annual Report summarises the actions the Trust is taking post year end to address the issues identified in relation to these issues.

Qualified conclusion

Based on the results of our procedures, except for the effects of matters described in the 'Basis for qualified conclusion' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- 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 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; 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
Chartered Accountants
St Albans
26 May 2016

Glossary

ADHD	Attention Deficit Hyperactivity Disorder
AMH	Adult Mental Health
BMJ	British Medical Journal
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

PACE	Practice Audit and Clinical Effectiveness
PBR	Payment by Results
POMH UK	Prescribing Observatory for Mental Health – UK
Q	Quarter (3 month period)
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

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 25%. The Trust received a total of 242 requests compared with 194 for 2014/15 and 190 for 2013/14.

Who has asked for information?

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

Requests have been received from the following applicants (where identifiable):

Type of requester	Number of requests 2015/16	Number of requests 2014/15	Number of requests 2013/14
Other/Unknown	182	128	88
Companies	10	24	48
Journalists	38	25	32
Staff/Other NHS Trusts	6	12	14
Students	3	5	4
MPs	3	0	4
Total Number	242	194	190

Timescales for responses

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

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

Information has been provided to applicants within the following timescales:

Response Time (in working days)	Number of requests 2015/16	Number of requests 2014/15
1 - 5 days	45	39
6 - 10 days	38	46
11 - 15 days	36	28
16 - 20 days	43	17
21+ days	61	64
Requests currently being processed	19	0

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 2015/16:

- Section 12: Cost of compliance exceeds appropriate limit
- Section 21: Information available by other means
- Section 22: Information intended for future publication
- Section 40: Personal information
- Section 43: Commercial interests

Year	No of requests with exemptions applied	Exemptions used and frequency
2015/16	30	Section 12 x 1
		Section 21 x 23
		Section 22 x 2
		Section 40 x 2
		Section 43 x 2

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 this exemption for 23 requests received during the period 2015/16 this is a slight increase against 2014/15. This is a good indication that as we are continuing to publish more information and make the disclosure log more informative. In addition to this in September 2015 we updated The Trust's Publication Scheme¹.

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 2015/16 in total the Trust received 466 Subject Access Requests (SARs); this compares to 383 for the same period in 2014/15.

383 Subject Access requests in 2014/15

466 Subject Access requests in 2015/16

This is an increase of 18% against 2014/15.

¹ 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.

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 2015 – 31 March 2016, 410 SARs were processed within the following timescales:

Response Time	Number of SAR requests 2013/14
Within 21 calendar days	64
Within 40 calendar days	122
40+ calendar days	114
No longer required or closed during processing	113
In progress	53

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.

We receive SARs from a variety of sources, the largest number came from the sources below.

Type of requester	East & North	Learning Disability & Forensic	West
Solicitors	64	31	73
Service User	42	16	35
Relatives	17	0	5
Other	36	18	29
Total Number	173	69	149

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 2015/16.

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 (29th May 2015 V5.1)

a) Summary of Serious Incidents Requiring Investigation (SIRI) for 2015/16 scored at level 2

In 2015/16 there were no level 2 Serious Incidents Requiring investigation.

b) Summary of Serious Incidents Requiring Investigation (SIRI) for 2015/16 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*	122
C	Lost in transit	3
D	Lost or stolen hardware	2
E	Lost or stolen paperwork	9
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	18

**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 report

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 86% an increase of 5% from last year.

Energy and Carbon Reduction Performance

With the end of the wet windy winter, 2015/16 has been one of the warmest winters on record, thus impacting positively upon the utility usage and costs across the estates portfolio; but the challenge remained of maintaining an ageing portfolio, and the associated maintenance issues, whilst simultaneously trying to reduce the energy usage.

2015/16 has marked a more settled year in the management of the Trust's energy portfolio, as the movement of our energy monitoring to the TFM contractor energy bureau has properly bedded-down. This process has been aided by the continuing collaboration of Estates, Procurement and the TFM contractor, both in terms of the energy portfolio management and new energy initiatives. The on-going transformation of our estate, however, continues to make reliable tracking and comparison of energy consumption and spend difficult.

The movement of our gas and electricity supplies onto Crown Commercial Service (CCS) public sector tariffs is now complete and we will shortly migrate much of the energy portfolio on to the new framework agreements for larger electricity supplies and all gas supplies. The new framework for smaller electricity supplies will come online in 2017, as will the opportunities arising out of the national deregulation of water supplies.

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.

At the Trust level, we are actively reducing our energy consumption through consideration at the design stage of all new builds, to ensure that our emerging estate is as energy efficient as possible. Additionally, we have begun an exercise which will culminate with the reprogramming of all the BMS (Building Management Systems) around the Trust, in order to better match heating need with actual building occupancy throughout each 24-hour period.

This has been another challenging year regarding estates issues mainly at Kingsley Green, which had 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 had been increased utility costs due to high volume loss of water. This ageing infrastructure continued to prove problematic, but HPFT have finally closed all remaining buildings, which meant that the boiler plant was finally isolated.

Another positive from these closures was the complete isolation of the aging mains water infrastructure, thus providing increased assurance of less water wastage across the site.

Following the final closure and move away from the existing 'still in use buildings' at Kingsley Green in 2015, the estates are 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.

The final building completion and opening of Kingfisher Court has enabled HPFT to close some of its ageing portfolio, the main advantages has been 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 buildings, Seward Lodge, 99 Waverley Road and areas of the Lister Hospital.

The process has continued throughout the refurbishment programmes to replace inefficient services both under the control of HPFT and landlords, to install efficient heating and hot water boiler plant, LED lighting, natural ventilation and BMS control systems. These energy saving initiatives are too be continued and carried forward into all current and future refurbishment programmes.

There are other schemes to be delivered during the coming year, Lambourn Grove, Logandene and new premises in Hemel Hempstead, all of which should have positive results regarding expenditure, usage and CO2 emissions.

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 HPFT 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 & BC Plan continues to be updated in line with current legislation and changes to services within the Trust.

Training exercises have been carried out for the Trust Strategic Business Units and the Trust Executive Team during 2015

The Trust has again completed and registered the NHS core standards self-assessment and is compliant with the core standards issued by NHS England for Emergency Planning, Response and recovery and achieved fully compliant rating of 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 Local Councils.

Travel

The number of miles covered by Trust vehicles in the Transport Department has decreased this year due to the loss of a contract. There has been a 5.6% decrease of miles to 1008384 miles travelled by our vehicles.

The fuel costs for the Department have decreased by 12.9%.

The Trust continues to rationalise the daily journeys and weekly work we carry out to ensure this is managed and run with Carbon Management reduction in mind.

All vehicles have tracking facilities on them and hand held devices to ensure that there are no wasted journeys and drivers can be redirected to enable the most efficient use of driver and vehicle.

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
- Carer work
- Peer led work
- Advocacy
- Service Experience (service satisfaction including Friends & Family Test)
- 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

HPFT organisational values	<p>The Trust's values have continued to be embedded throughout the organisation. As of September 2015, 86% of staff have been trained in the Trust values as well as all new starters now receiving values training as part of their induction.</p> <p>The Trust has further rolled out values based appraisal to ensure staff reflect on their behaviours, identifying areas for improvement.</p> <p>January 2016 will see the launch of the values based recruitment process which, amongst a range of changes to the process, will require all interview panels to include at least one question at interview that explicit relates to candidates understanding of equality and diversity.</p>																								
Bullying & Harassment Procedures	<p>The Trust 2014 staff survey results identified some concerns for the Trust in relation to the proportion of staff reporting bullying and harassment from other colleagues. There were also disproportionalities identified for both staff from ethnic minority backgrounds and staff with disabilities. However, in April 2015 the trust comprehensive CQC inspection, which rated the Trust as good, found that staff experience of bullying and harassment is not as widespread. This mirrors results of work the Trust has carried out internally. Our quarterly pulse surveys have shown a trend of reducing reports of bullying and harassment within the organisation, from more than 20% in Q1 2013-14 to less than 15% in Q3 this year.</p> <div data-bbox="384 1686 962 2074"> <table border="1"> <caption>In the last 3 months I have personally experienced harassment, bullying or abuse at work</caption> <thead> <tr> <th>Quarter</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Q1 - 2013-14</td><td>21%</td></tr> <tr><td>Q2 - 2013-14</td><td>23%</td></tr> <tr><td>Q3 - 2013-14</td><td>22%</td></tr> <tr><td>Q4 - 2013-14</td><td>21%</td></tr> <tr><td>Q1 - 2014-15</td><td>19%</td></tr> <tr><td>Q2 - 2014-15</td><td>19%</td></tr> <tr><td>Q3 - 2014-15</td><td>18%</td></tr> <tr><td>Q4 - 2014-15</td><td>21%</td></tr> <tr><td>Q1 - 2015-16</td><td>16%</td></tr> <tr><td>Q2 - 2015-16</td><td>19%</td></tr> <tr><td>Q3 - 2015-16</td><td>14%</td></tr> </tbody> </table> </div>	Quarter	Percentage	Q1 - 2013-14	21%	Q2 - 2013-14	23%	Q3 - 2013-14	22%	Q4 - 2013-14	21%	Q1 - 2014-15	19%	Q2 - 2014-15	19%	Q3 - 2014-15	18%	Q4 - 2014-15	21%	Q1 - 2015-16	16%	Q2 - 2015-16	19%	Q3 - 2015-16	14%
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Q3 - 2015-16	14%																								

	<p>In other important indicators, the Trust has also shown consistent improvement, such as recommending the Trust as a place to work, which has risen from 47% in Q1 2013-14, to 56% in Q3 this year, and recommending Trust services to friends and family which has risen from 60% to 71% in the same period. This has been achieved against a backdrop of considerable organisational transformation. Comments from the CQC inspection illustrate how the culture, as reflected in the 2014 Staff Survey, did not match the experience and observations of the inspectors.</p> <ul style="list-style-type: none"> • <i>“Staff were caring, respectful and protected patient’s dignity.”</i> • <i>“Staff told us they were proud of the job they did and felt well supported in their roles.”</i> • <i>“Staff knew and agreed with the Trust’s values. The team’s objectives reflected the Trust’s values and objectives.”</i> • <i>“The Trust’s vision and values were visible ... and the work that the leadership team were undertaking to instil these throughout the organisation in order to promote a caring, transparent and open culture, was notable.”</i> • <i>“We found the Trust to be well-led at Board level.”</i> • <i>“We noted the important role that non-executive directors and the board of governors performed in implementing quality and value throughout the Trust.”</i> • <i>“Directors regularly visit services as a way of staying in touch ... staff told us that these visits were much appreciated.”</i> <p>To main improvements for staff from protected groups, the Trust is approaching this in a number of ways. A Diversity Role Models programme is launching in 2016 (see later information) and the Trust response to the new NHS Workforce Race Equality Standard is seeing a review of a number of employment processes in order to identify and address inequalities. Information about the WRES can be found online at http://www.hpft.nhs.uk/about-us/equality-and-diversity/wres/</p>
<p>Workforce Race Equality Standard</p>	<p>The Workforce Race Equality Standard (WRES) launched in April 2015 in an effort to improve the inequalities seen in the NHS re: representation of BME senior leaders across organisations. The Trust published its initial WRES baseline by 1st July 2015 in line with national requirements – we were one of only 50% of Trusts to do so.</p> <p>A project lead for the WRES has been appointed and a management group overseeing progress has been put in place chaired by the Deputy CEO/Executive Director of Quality & Safety. At the time of writing this paper, a new WRES tracker was being put in place by the Trust to better track performance in relation to the WRES metrics and beyond.</p>

	<p>In September 2015 a workforce conference was jointly held with Unison focused on 'Raising the Standard for Race Equality' which focused on how the Trust can improve its approach to race equality in the workforce.</p> <p>Positively, in relation to WRES implementation, the Trust Executive Team committed to each mentor at least one BME staff member this year. This has focused on staff bands 7 and above and all mentees have now been appointed a mentor. This process will be reviewed and, if successful, rolled out to the wider senior management team re: them becoming mentors for staff.</p>
HPFT Equality Inclusion & Human Rights Policy	<p>Following the development of the Trust strategy in 2014, the Trust has now implemented a new Equality, Inclusion & Human Rights Policy for operational services. This was a required of changes to the Mental Health Act in April 2015 and provides an opportunity to ensure that front line services are working in the interests of protected groups and identify areas of possible inequality.</p>

2.2 Advance equality of opportunity

Diversity Role Models	<p>A new development for 2015/16 has been the Trust Diversity Role Models programme which will officially launch in February 2016. This programme engages staff who are BME, LGBT, Female or have a Disability in being role models and support contacts for people from similar backgrounds. It is adding another layer of support for staff and it is hoped will help identify some of the informal issues that may not be reported through formal processes.</p> <p>This year has seen the start of a training programme for role models and the beginnings of a new online resource that will profile role models in order to inspire and engage other staff.</p>
Diversity Champions & Stonewall Top 100	<p>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. It has this year signed up as a member for a further two years.</p> <p>In January 2016, the Trust was successful in its bid to be rated as one of the top 100 LGB friendly employers in England & Wales (Number 86). This was an achievement of the Trust between 2009 – 2012 but has since missed out on a top 100 placement. This is, in part, due to a review of the Trust approach some of its workforce support for LGBT staff as well as an increase in front line service activity, particularly in relation to CAMHS services work around LGBTQ training. (see specific item).</p>

Recovery Conference	In October 2015 the Trust hosted its ninth national recovery conference. 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 10th anniversary recovery conference in 2016.
Peer Support Work	<p>As reported in 2014/15, the Trust had moved forward with its work around Peer Support within community mental health services. During 2015, an evaluation of the success of this service was carried out.</p> <p>It found a number of significant benefits to the service and also some areas where improvements can be made. Following this a piece of work has been undertaken to better target the role of Peer Support Workers in relation to discharge planning. It is hoped this will enable people who have used services to identify community based supporting to support their ongoing recovery journey.</p>
Staff Survey Results	The results of our 2014 staff survey (received in 2015) have again shown a top score for staff having received equality & diversity training. However, some areas of concern include staff development and equal opportunities in relation to this. The Trust is currently reviewing its Equality training so will take account of how this is evaluate to ensure that it is positively impacting on practice and staff behaviours.
LGBT*Q CAMHS Training	<p>A big success for 2015/16 has been the development and delivery of a new CAMHS LGBT*Q training course for staff. This has been possible following a successful bid to the national CYP-Programme and has been co-designed and co-delivered between CAMHS clinicians and young LGBT people with experience of using CAMHS services.</p> <p>The training has been extremely positively evaluated and will be rolled out further over the coming year.</p>
Supporting Trans* people in and services	This year the Trust has drafted new guidelines for services on supporting people who are Trans * (transgender) in relation to appropriate treatment and care, awareness of the gender reassignment journey and what gender identity services are available (and how we should work with them). The guidance has received input from HPFT Trans service users as well as the wider Herts Transgender Health Implementation Group (set up to oversee the Hertfordshire Transgender Health Needs Assessment).

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:

International Day Against Homophobia, Biphobia & Transphobia (IDAHOBIT day)	<p>The Trust hosted its annual workshop in May 2015. The focus this year was chosen as 'Delivery LGBT*Q Friendly Services' and attracted a range of professionals from HPFT and the Third Sector.</p> <p>A highlight of the day included people using art that have been produced by a service user of HPFT services to express his sexual orientation and ethnicity. He requested that those who attended used the art as an exercise to get in touch with their own identities which highlighted for many the importance of imagery and symbolism in how we identify ourselves.</p>
Carers Week Conference	<p>The Trust hosted a conference for Carers Week in 2015. The event was extremely popular with carers and professionals. For carers there was an opportunity to hear speakers followed by a range of alternative therapies.</p> <p>Feedback has been so positive that it will be run as an annual event for carers.</p>
'Raising the Standard' conference	<p>In September, the Trust partnered with Staff Side Unions to host a conference focused on improving the Trust position and the experiences of staff in relation to the Workforce Race Equality Standard. The day included some powerful speakers and testimonies from staff about their experiences. It is felt the conference could be repeated but that it will be important to engage a wider non-BME audience in order to fully understand issues that BME staff may face in the workplace.</p>

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/hpft-psed-compliance-2015-16-for-web.pdf
(where a full breakdown of statistics can be found)








Equality Delivery System 2

The Trust completed its grading of the NHS Equality Delivery System 2 in January 2016. The Trust took the opportunity to reassess all but two of the EDS2 outcomes. A key difference this year saw the grading process split into service provision outcomes (external stakeholders involved) and workforce outcome (internal staff stakeholders involved). This enabled a more thorough and robust scrutiny of the evidence presented given the expertise of stakeholders in those respective areas.

The outcomes that were reviewed by the Trusts stakeholders in January 2016 are reflected in the table below. These grades relate to performance throughout 2015. The grading colours for the EDS2 relate to:

- **Red** – Underdeveloped
- **Amber** – Developing
- **Green** – Achieving
- **Purple** – Excelling

Goal	Outcome	Jan 2016
1. Better Health Outcomes	1.1 Services are commissioned, procured, designed and delivered to meet the health needs of local communities.	
	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.	
	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.	Not Graded
2. Improved patient access and experience	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.	
	2.3 People report positive experiences of the NHS.	
	2.4 People's complaints about services are handled respectfully and efficiently.	
3. Empowered, engaged and well-supported staff	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.	Not Graded

Goal	Outcome	Jan 2016
3. Empowered, engaged and well-supported staff (continued)	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.	
	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.	
4. Inclusive leadership	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.	
	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.	
	4.3 Middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination.	

Contact

For any further information about any of the Trust work relating to Equality & Diversity, please contact equality@hpft.nhs.uk

Section Two

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

1 April 2015 – 31 March 2016



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 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.

Tom Cahill,
Chief Executive
Date:


26/05/2016

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 Annual 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 Annual Financial Statements contact:

Matthew Hooper
Head of Financial Services
Hertfordshire Partnership University NHS Foundation Trust
99 Waverley Road
St Albans
Hertfordshire
AL3 5TL
Telephone number: 01727 804 764

Signed



Mr Tom Cahill, Chief Executive

Date 26 May 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2016

		2015/16	2014/15
		£000	£000
Operating Income from continuing operations	note 4	208,137	201,343
Operating expenses of continuing operations	5	(206,923)	(206,272)
OPERATING SURPLUS/(DEFICIT)		1,214	(4,929)
FINANCE COSTS			
Finance income	9.0	124	94
Finance expense - financial liabilities	9.1	(413)	(302)
Finance expense - unwinding of discount on provisions	9.1	(77)	(72)
PDC dividends payable		(4,184)	(4,688)
NET FINANCE COSTS		(4,550)	(4,968)
DEFICIT FOR THE YEAR		(3,336)	(9,897)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	13	(11,508)	(4,099)
Revaluations	11	5,544	6,070
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(9,300)	(7,926)

Whilst the deficit for the financial year was £3,336k (£9,897k deficit in 2014/15) 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:

		2015/16	2014/15
		£000	£000
Financial performance for the year:			
DEFICIT FOR THE YEAR (as above)		(3,336)	(9,897)
Impairments charged to the SOCI following an independent revaluation	13	5,123	11,439
Reversal of prior year's impairment charges no longer required	13	(1,789)	(1,513)
(Deficit)/Surplus after adjusting for the above items		(2)	29

STATEMENT OF FINANCIAL POSITION

31 March 2016

		31 March 2016	31 March 2015
	note	£000	£000
Non-current assets			
Intangible assets	10	16	48
Property, plant and equipment	11	165,439	177,049
Total non-current assets		165,455	177,097
Current assets			
Inventories	14	19	20
Trade and other receivables	16	5,181	4,526
Assets held for sale	15	0	7,309
Cash and cash equivalents	17	35,660	27,716
Total current assets		40,860	39,571
Current liabilities			
Trade and other payables	21	(20,969)	(22,075)
Borrowings	19	(572)	(571)
Provisions	20	(2,212)	(4,084)
Other liabilities	22	(4,661)	(4,297)
Total current liabilities		(28,414)	(31,027)
Total assets less current liabilities		177,901	185,641
Non-current liabilities			
Borrowings	19	(18,004)	(18,574)
Provisions	20	(10,906)	(8,776)
Total non-current liabilities		(28,910)	(27,350)
Total assets employed		148,991	158,291
Financed by (taxpayers' equity)			
Public dividend capital	18	83,063	83,063
Revaluation reserve		44,929	55,717
Income and expenditure reserve		20,999	19,511
Total taxpayers' and others' equity		148,991	158,291

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 26 May 2016

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 March 2016**

		Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve
	note	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2015 - brought forward		158,291	83,063	55,717	19,511
Deficit for the year	SOCI	(3,336)	0	0	(3,336)
Transfers between reserves		0	0	(1,907)	1,907
Impairments	13	(11,508)	0	(11,508)	0
Revaluations - property, plant and equipment	11	5,544	0	5,544	0
Transfer to retained earnings on disposal of assets		0	0	(2,917)	2,917
Taxpayers' Equity at 31 March 2016		148,991	83,063	44,929	20,999

The £1,907k transfer between the Revaluation Reserve and the Income and Expenditure Reserve relates to the amount held in the Revaluation Reserve where there was also an impairment in prior years. This has been released in 2015/16.

The £2,917k transfer between the Revaluation Reserve and Income and Expenditure relates to realisation on disposal of the amount held in the Revaluation Reserve.

See notes 11 and 13 for further details on the impairments and revaluations.

**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
Taxpayers' and others' equity at 01 April 2014 - brought forward		166,485	83,331	54,153	29,001
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
Taxpayers' Equity at 31 March 2015		158,291	83,063	55,717	19,511

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 Public 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 CASH FLOWS FOR THE YEAR ENDED
31 March 2016

	note	2015/16 £000	2014/15 £000
Net cash inflow from operating activities	24	9,034	16,442
Cash flows from/(used in) investing activities			
Interest received	9	129	90
Purchase of property, plant and equipment and investment property		(6,846)	(19,126)
Sales of property, plant and equipment and investment property		10,994	442
NHS charitable funds - net cash flows from/(used in) investing activities		4,277	(18,594)
Net cash generated (used in)/from financing activities			
Public dividend capital repaid		0	(268)
Loans received from the Department of Health		0	10,200
Loans repaid to the Department of Health		(530)	(232)
Capital element of finance lease rental payments		(39)	(103)
Interest paid		(402)	(252)
Interest element of finance lease		(11)	(50)
PDC dividend paid		(4,385)	(4,876)
Net cash generated (used in)/from financing activities		(5,367)	4,419
INCREASE IN CASH AND CASH EQUIVALENTS	17	7,944	2,267
Cash and Cash equivalents at 1 April	17	27,716	25,449
Cash and Cash equivalents at 31 March		35,660	27,716

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 £129k in the statement above, compared to £124k 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 CSU Watford, 151 Rickmansworth Rd, The Kestrels, Eric Shepherd Unit & Crossways, 75 Hill End Lane, Marlowes Health Centre and Shrodells Unit at Watford General Hospital.

The Public Dividend Capital repaid in 2014/15 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 is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the FT ARM which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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 2015/16 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 (based on recent actual settlements) 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 2016 in line with note 1.6.

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, fully or partly, in the following year, that income, or part thereof, is deferred.

Interest revenue is derived from balances held with the Government Banking Service 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. 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 share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

1.4 Employee Benefits (continued)

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.

c) Scheme provisions

The NHS Pension Scheme provides 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 1995 and 2008 Schemes are "final salary" schemes. 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.

The 2015 Scheme is a "Career Average Revalued Earnings (CARE)" scheme. Annual pensions are based on 1/54th of each year's pensionable earnings. Members who are practitioners as defined by the 1995 and 2008 Scheme Regulations will now fall under the same regulations as non-practitioners.

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 the 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 based on modern equivalent assets.

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

A revaluation was conducted by the District Valuer, Giles Awford, as at 31st March 2016 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:

	Years
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.

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

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.

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

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 in the Statement of Financial Position 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 de-recognised 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 income and expenditure; 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 income and expenditure

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

These are financial assets held for sale.

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 income and expenditure

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 income and expenditure. 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 principal purpose is a public service, rather than carrying on a trade or any commercial activity.

1.18 Value Added Tax

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

1.19 Foreign currencies

The NHS FT's functional currency and presentational currency is sterling. There are no material foreign currency transactions in the 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 NHS FT is the corporate trustee to Hertfordshire Partnership NHS Foundation Trust Charity. The NHS FT has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS FT is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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

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

1.24 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 2015/16. The application of the Standards as revised would not have a material impact on the accounts for 2015/16, were they applied in that year:

IFRS 11 (amendment) – acquisition of an interest in a joint operation
IAS 16 (amendment) and IAS 38 (amendment) – depreciation and amortisation
IAS 16 (amendment) and IAS 41 (amendment) – bearer plants
IAS 27 (amendment) – equity method in separate financial statements
IFRS 10 (amendment) and IAS 28 (amendment) – sale or contribution of assets
IFRS 10 (amendment) and IAS 28 (amendment) – investment entities applying the consolidation exception
IAS 1 (amendment) – disclosure initiative
IFRS 15 Revenue from contracts with customers
Annual improvements to IFRS: 2012-15 cycle
IFRS 9 Financial Instruments

1.26 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. The NHS FT has no such grants.

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. £19.2m was drawn down in previous years (£10.2m in 2014/15, £9m in 2013/14). No further drawdown was required in 2015/16.

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".

	2015/16 Total	2014/15 Total
	£000	£000
Income from activities		
Cost and volume contract income	5,511	5,402
Block contract income	190,150	184,404
Clinical partnerships providing mandatory services (including S75 agreements)	698	795
Other clinical income from mandatory services	1,187	1,116
Total income from activities	197,546	191,717
Other operating income		
Research and development	473	463
Education and training	2,456	2,417
Non-patient care services to other bodies	922	777
Other **	4,288	4,442
Profit on disposal of land and buildings	429	0
Profit on disposal of assets held for sale	18	0
Reversal of impairments of property, plant and equipment (see note 13)	1,789	1,513
Rental revenue from operating leases - minimum lease receipts	216	14
Total other operating income	10,591	9,626
Total operating Income	208,137	201,343

** Analysis of other income (above)	2015/16 Total	2014/15 Total
	£000	£000
Transformation funding provided by commissioners	537	2,105
Non recurrent funding from commissioners	1,905	761
Contribution to Kingsley Green site costs	364	0
Clinical excellence awards	47	108
Staff accommodation rentals	5	5
Other	1,430	1,463
Total	4,288	4,442

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.

	2015/16 Total	2014/15 Total
	£000	£000
Income from Activities		
NHS Foundation Trusts	21	126
NHS Trusts	375	16
CCGs and NHS England	37,964	37,279
Local Authorities	159,141	154,251
Non NHS: Other	45	45
Total Income from Activities	197,546	191,717

The NHS FT's main source of income (78%) is included in 'Income from Local Authorities' and is 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.

	2015/16	2014/15
	£000	£000
Income from Commissioner Requested Services	197,546	191,717
Income from non-Commissioner Requested Services	10,591	9,626
	208,137	201,343

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 2015/16 is £13k (£13k in 2014/15).

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

	2015/16 £000	2014/15 £000
on leases of Buildings expiring:		
- not later than one year;	13	13
- later than one year and not later than five years;	52	52
- later than five years.	5	18
	70	83

Notes to the Accounts - 5 Operating Expenses of continuing operations**5 Operating Expenses of continuing operations****5.1 Operating Expenses (by type)**

	2015/16	2014/15
	£000	£000
Services from NHS Foundation Trusts	686	839
Services from NHS Trusts	1,607	2,605
Services from CCGs and NHS England	2,252	1,879
Purchase of healthcare from non NHS bodies	11,234	12,330
Purchase of social care (under s.75 or other integrated care arrangements)	16,002	15,200
Employee expenses - executive directors	1,428	1,304
Remuneration of non-executive directors	111	87
Employee expenses - staff	130,832	127,154
Supplies and services - clinical (excluding drug costs)	622	445
Supplies and services - general	5,747	6,365
Establishment	2,239	2,177
Research and development - (included in employee expenses)	306	231
Transport (business travel only)	1,932	1,958
Transport (other)	1,122	1,125
Premises - business rates payable to local authorities	1,460	1,254
Premises - other	3,764	3,396
Increase/(decrease) in provision for impairment of receivables	49	4
Inventories written down (net, including inventory drugs)	1	2
Drug costs (non inventory drugs only)	2,168	2,390
Drugs Inventories consumed	372	271
Rentals under operating leases - minimum lease payments (note 6)	3,193	2,551
Depreciation on property, plant and equipment	5,112	4,424
Amortisation on intangible assets	32	46
Impairments of property, plant and equipment	5,123	11,185
Impairments of assets held for sale	0	254
Audit services- statutory audit	65	61
Other auditor remuneration (external auditor only)	11	11
Clinical negligence - amounts payable to the NHSLA (premiums)	374	239
Loss on disposal of land and buildings	199	0
Loss on disposal of other property, plant and equipment	0	8
Loss on disposal of assets held for sale	38	0
Legal fees	356	247
Consultancy costs	835	1,192
Internal audit costs - (not included in employee expenses)	86	94
Training, courses and conferences	1,111	1,123
Patient travel	37	30
Car parking & security	595	531
Redundancy - (not included in employee expenses)	423	(472)
Early retirements - (not included in employee expenses)	295	85
Insurance	397	352
Other services, e.g. external payroll	4,100	3,151
Losses, ex gratia & special payments- (not included in employee expenses)	53	6
Other	554	138
Total Operating Expenses	206,923	206,272

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 2015/16

There were 7 exit packages agreed in 2015/16 totalling £446k.

	Number of exit packages	Cost of exit packages
Exit package cost band (including any special payment element)		£000s
<£10,000	1	2
£10,001 - £25,000	1	24
£25,001 - 50,000	1	31
£50,001 - £100,000	2	145
£100,001 - £150,000	2	244
£150,001 - £200,000	0	0
>£200,000	0	0
Total	7	446

Reporting of other compensation schemes - exit packages 2014/15

There were 7 exit packages agreed in 2014/15 totalling £355k.

	Number of exit packages	Cost of exit packages
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
>£200,000	0	0
Total	7	355

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															
2015/16		2014/15		2013/14		2012/13		2011/12		2010/11		2009/10		2008/09	
Salary and fees (bands of £5,000)	Other remuneration (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 remuneration (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 remuneration (bands of £5,000)
£000	£000	£	£000	£000	£000	£000	£000	£000	£00	£000	£000	£000	£000	£000	£000
50 to 55						50 to 55	40 to 45							40 to 45	
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	
15 to 20						15 to 20	10 to 15							10 to 15	
15 to 20						15 to 20	10 to 15							10 to 15	
10 to 15						10 to 15									
10 to 15						10 to 15									
5 to 10						5 to 10	20 to 25							20 to 25	
							0 to 5							0 to 5	
170 to 175		5,400	5 to 10		182.5 to 185	370 to 375	165 to 170		5,400	10 to 15		125 to 127.5	185 to 190		
135 to 140			5 to 10		45 to 47.5	145 to 150	140 to 145			10 to 15		22.5 to 25	280 to 285		
135 to 140			5 to 10		17.5 to 20	190 to 195	140 to 145			10 to 15		42.5 to 45	175 to 180		
125 to 130		3,400	5 to 10		225 to 227.5	150 to 155	125 to 130		3,800	10 to 15		85 to 87.5	180 to 185		
125 to 130			5 to 10		50 to 52.5	360 to 365	125 to 130			5 to 10		42.5 to 45	225 to 230		
125 to 130			5 to 10		40 to 42.5	180 to 185	130 to 135			10 to 15		125 to 130	185 to 190		
55 to 60			5 to 10			105 to 110	110 to 115			10 to 15			125 to 130		
30 to 35						30 to 35	40 to 45						40 to 45		
155 to 160					57.5 to 60	155 to 160									
140 to 145						140 to 145									
25 to 30						80 to 85									
85 to 90			5 to 10		12.5 to 15	105 to 110	85 to 90			5 to 10		12.5 to 15	110 to 115		
Barbara Suggett (Company Secretary)															
Band of highest paid director's total remuneration															
£33,690															
Ratio															
5.2															

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".

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

** The performance related bonus for 2015/16 notes the maximum estimated amount payable. No payment has been made and the award remains subject to consideration by the Remunerations and Nominations Committee in accordance with the terms of the deferred performance pay scheme. The detail of the scheme is contained within the Remuneration section of the Annual Report.

*** 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. In 2015/16 due to an increased salary the pension related benefits also increased.

Signed



Mr Tom Cahill, Chief Executive Date 26 May 2016

Notes to the Accounts - 5.4.2 Pension Benefits

5.4.2 Pension Benefits

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2016 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2016 (bands of £5,000)	Cash Equivalent Transfer value at 31 March 2016	Cash Equivalent Transfer value at 31 March 2015	Real increase in Cash Equivalent Transfer value
Tom Cahill	£000 7.5 to 10	£000 22.5 to 25	£000 85 to 90	£000 260 to 265	£000 1,589	£000 1,415	£000 112
Oliver Shanley	0 to 0	0 to 0	55 to 60	175 to 180	1,069	1,064	0
Iain Eaves	2.5 to 5	0 to 0	10 to 15	0 to 0	112	83	20
Keith Loveman	0 to 2.5	2.5 to 5	30 to 35	100 to 105	529	597	18
Kaushik Mukhopadhyaya	7.5 to 10	20 to 22.5	35 to 40	105 to 110	647	447	114
Harjinder Kandola	2.5 to 5	0 to 2.5	40 to 45	115 to 120	708	661	29
Karen Taylor	0 to 2.5	0 to 0	25 to 30	80 to 85	399	373	15
Jess Lievesley	0 to 2.5	0 to 2.5	20 to 25	65 to 70	331	287	7
Barbara Suggitt	0 to 2.5	2.5 to 5	25 to 30	75 to 80	582	550	18

Non-Executive Directors do not receive pensionable remuneration.

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 Date 26 May 2016

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 2015/16 the NHS FT entered into one significant new property operating lease agreement, which has led to a significant increase in both annual lease expenditure and future minimum lease payments.

Analysis of operating lease expenditure 2015/16

	Total £000	Buildings £000	Other £000
Minimum lease payments	3,193	2,907	286
Total	3,193	2,907	286

Analysis of operating lease expenditure 2014/15

	Total £000	Buildings £000	Other £000
Minimum lease payments	2,551	2,269	282
Total	2,551	2,269	282

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

**Arrangements containing an operating lease
2015/16**

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	1,626	1,436	190
- later than one year and not later than five years;	5,033	4,830	203
- later than five years.	7,523	7,523	0
Total	14,182	13,789	393

**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
Total	12,086	11,719	367

Notes to the Accounts - 7 Employee expenses**7 Employee expenses****7.1 The employee expenses incurred during the year were as follows**

	2015/16	2014/15
	£000	£000
Salaries and wages	100,116	98,377
Social security costs	8,350	8,204
Pension cost - defined contribution plans employer's contributions to NHS pensions	12,130	11,778
Pension cost - other	55	80
Termination benefits	0	0
Agency/contract staff	11,915	10,250
Total Staff Costs	132,566	128,689
Analysed into Operating Expenditure in note 5.1:		
Employee expenses - staff	130,832	127,154
Employee expenses - executive directors	1,428	1,304
Research & development	306	231
Redundancy	0	0
Total Employee benefits excl. capitalised costs	132,566	128,689

'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 2016, the net pension asset is £2,741k (£1,592k as at 31 March 2015). The amount chargeable to operating profit is £24k (£79k as at 31 March 2015) and a gain of £1,131k (£480k as at 31 March 2015) is recognisable in the Hertfordshire County Council Statement of Other Comprehensive Income.

Total employer pension contributions totalled £11,900k (£11,858k in 2014/15).

7.2 Number of employees

The average number of employees during the year was as follows (expressed in full time equivalents)

	2015/16	2014/15
	FTE's	FTE's
Medical and dental	157	162
Administration and estates	584	564
Healthcare assistants and other support staff	572	571
Nursing, midwifery and health visiting staff	655	656
Scientific, therapeutic and technical staff	442	415
Social care staff	78	84
Agency and contract staff	161	133
Bank staff	382	402
Other	10	7
Total	3,041	2,994

Notes to the Accounts - 7 Employee expenses

7.3 Retirements due to ill-health

During 2015/16 there was 1 (5 in 2014/15) early retirement from the NHS FT on the grounds of ill-health with an estimated additional pension liability of £106k (£410k in 2014/15).

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 2015/16 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 9.1) arising from claims made under this legislation.

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

9 Finance Income

	2015/16 £000	2014/15 £000
Interest receivable on bank deposits	124	94

Interest receivable as stated in the Statement of Cash Flows is the actual cash received by the NHS FT in year (£8k relating to 2014/15 and £121k relating to 15/16), whereas the figure above comprises the £121k received relating to 2015/16 and also includes £3k accrued interest receivable.

9.1 Finance Expenses

	2015/16 £000	2014/15 £000
Capital loans from the Department of Health	402	252
Finance leases	11	50
Unwinding of discount on provisions	77	72
Total	490	374

Notes to the Accounts - 10 Intangible Assets**10 Intangible Assets**

	2015/16 Software licences £000	2014/15 Software licences £000
Opening cost at 1 April	427	427
Additions - purchased	0	0
Disposals	0	0
Gross cost at 31 March	427	427
Opening amortisation at 1 April	379	333
Provided during the year	32	46
Disposals	0	0
Amortisation at 31 March	411	379
<u>Net book value</u>		
At 1 April	48	94
At 31 March	16	48

The expected remaining economic life of these assets is less than 1 year. This reflects the licence held for the management of staff rostering.

Notes to the Accounts - 11 Property, Plant and Equipment

11

Property, Plant and Equipment as at 31 March 2016

11.1 Balances as at 31 March 2016	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
Valuation/ gross cost at 1 April 2015 - brought forward	181,468	53,802	114,164	191	3,982	1,527	4,878	2,924
Additions - purchased	6,275	0	2,185	0	3,370	0	438	282
Impairments charged to operating expenses	(5,123)	(3,354)	(1,648)	0	(13)	(53)	0	(55)
Impairments charged to the revaluation reserve	(11,508)	(9,066)	(2,438)	0	0	(2)	0	(2)
Reclassifications	0	0	3,533	0	(3,542)	0	0	9
Revaluations	3,542	345	3,193	4	0	0	0	0
Disposals	(3,475)	(1,695)	(1,765)	0	(15)	0	0	0
Valuation/ gross cost at 31 March 2016	171,179	40,032	117,224	195	3,782	1,472	5,316	3,158
Accumulated depreciation at 1 April 2015 - brought forward	4,419	0	286	6	0	792	2,349	986
Provided during the year	5,112	0	3,799	6	0	86	956	265
Reversal of impairments credited to operating income	(1,789)	0	(1,789)	0	0	0	0	0
Revaluations	(2,002)	0	(1,990)	(12)	0	0	0	0
Accumulated depreciation at 31 March 2016	5,740	0	306	0	0	878	3,305	1,251
Net book value at 31 March 2016	165,359	40,032	116,838	195	3,782	594	2,011	1,907
Owned	80	0	80	0	0	0	0	0
Finance Leased								
NBV total at 31 March 2016	165,439	40,032	116,918	195	3,782	594	2,011	1,907

Included within 'additions - purchased' are the following items:

- Classified as 'Buildings, excluding dwellings';
- Waverley Road - £641k which was completed in early 2015/16
- Cygnet House - £366k which was completed in Q4 2015/16
- Lister anti-ligature works - £276k which was completed in Q4 2015/16
- Classified as 'Information technology';
- £347k to replace computers no longer fit for purpose.

See note 13 for details of impairments.

Included within 'reclassifications' are the following items, previously held as 'Assets under Construction':

- Seward Lodge - £2,343k which was completed and brought in to use in Q1 2015/16
- Waverley Road - £1,184k which was completed in early 2015/16

See note 11.3 for details of property disposals

The NHS FT's land and buildings were revalued at 31 March 2016. The NHS FT's valuers have relied upon the floor areas of existing buildings and assumed modern equivalent assets will require the same floor area. However, the NHS FT have identified a small number of buildings that are inefficient and therefore consider any replacement of those assets to require a reduced floor area. The valuations of these land and buildings have been adjusted accordingly.

Notes to the Accounts - 11 Property, Plant and Equipment

Property, Plant and Equipment as at 31 March 2015

11.2 Balances as at 31 March 2015	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 2014 - as previously stated	216,624	62,667	111,830	221	36,232	1,101	2,543	2,030
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
Valuation/Gross cost at 1 April 2014 - restated	184,337	58,314	84,359	165	35,825	1,101	2,543	2,030
Transfers by modified absorption	0	0	0	0	0	0	0	0
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 revaluation reserve	(4,099)	(1,239)	(2,855)	0	0	(5)	0	0
Reclassifications	0	0	42,764	0	(43,463)	161	538	0
Revaluations	4,136	2,262	1,848	26	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	(7,563)	(4,891)	(2,672)	0	0	0	0	0
Disposals	(267)	(267)	0	0	0	0	0	0
Valuation/Gross cost at 1 April 2015	181,468	53,802	114,164	191	3,982	1,527	4,878	2,924
Accumulated depreciation at 1 April 2014 - as previously stated	3,696	0	243	0	0	710	1,945	798
Accumulated depreciation at 1 April 2014 - restated	3,696	0	243	0	0	710	1,945	798
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
Accumulated depreciation at 31 March 2015	4,419	0	286	6	0	792	2,349	986
Net book value at 31 March 2015	176,948	53,802	113,777	185	3,982	735	2,529	1,938
Owned	101	0	101	0	0	0	0	0
Finance leased								
Net book value total at 31 March 2015	177,049	53,802	113,878	185	3,982	735	2,529	1,938

Included within the 'additions - purchased' are the following items categorised as Assets Under Construction:

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.

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, Brickwood 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.

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 2014 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 IAS 16 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**

	2015/16 £000	2014/15 £000
Profit on disposal of land and buildings	429	0
Profit on disposal of assets held for sale	18	0
Total profit/gain on disposal recorded in the Statement of Comprehensive Income	447	0

	2015/16 £000	2014/15 £000
Loss on disposal of land and buildings	199	0
Loss on disposal of other property, plant and equipment	0	8
Loss on disposal of assets held for sale	38	0
Total loss on disposal charged to the Statement of Comprehensive Income	237	8

Assets disposed in 2015/16 include; Eric Shepherd Unit/Crossways, Cassio Unit, 151 Rickmansworth Rd and the Kestrels, which were 'assets held for sale'.

In addition to this, the following properties were sold; Shrodells (£429k profit), Marlowes Health Centre (£36k loss) and 75 Hill End Lane (£162k loss)

The asset disposed of in 2014/15 was staff accommodation.

12 Assets held under Finance Leases

	2015/16 £000	2014/15 £000
Opening cost at 1 April	2,125	2,125
Accumulated depreciation at 1 April	2,024	1,744
Provided during the year	21	280
Accumulated depreciation at 31 March	2,045	2,024
<u>Net book value</u>		
NBV total at 1 April	101	381
NBV total at 31 March	80	101

The NHS FT leases one premise under a finance lease agreement. The premise is 32 St. Peter's Street, St. Albans.

Notes to the Accounts - 13 Impairment of Assets (Property, Plant & Equipment and Intangibles)**13 Impairment of Assets (Property, Plant & Equipment and Intangibles)**

	2015/16 £000	2014/15 £000
Impairments of Property, Plant and Equipment charged to operating expenses	5,123	11,185
Impairments of assets held for sale	0	254
Reversal of prior year impairments of Property, Plant and Equipment credited to operating income	(1,789)	(1,513)
Total impairments and reversal of impairments charged to the Statement of Comprehensive Income	3,334	9,926

Impairments of Property, Plant and Equipment charged to the Revaluation Reserve	11,508	4,099
Total impairment charged to the Revaluation Reserve	11,508	4,099

The impairment adjustments for 2015/16 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 decreases in the value of land held by the NHS FT (£3,400k). Further impairments were incurred as a result of consideration being taken of the modern equivalent asset value of some specialised assets and impairment reviews being undertaken on Seward Lodge and 99 Waverley Rd following recent construction works being capitalised.

There were significant revaluation reserve and 'Statement of Comprehensive Income' impairments against specialist properties considered not to be of optimum service provision potential and therefore valued under modern equivalent asset conditions. These included; Victoria Court (£947k), Albany Lodge (£2,360k), 305 Ware Rd (£1,998k), Logandene (£1,055k), Martinlea (£611k), the Orchards (£627k), St Pauls (£2,372k), 2-4 Alexandra Rd (£53k) and the Lexden site in Essex (£1,768k).

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 Oak and Beech units at Kingsley Green (£710k), Astley Court (£363k) and Broadlands, Little Plumstead (£189k).

14 Inventories

	2015/16 £000	2014/15 £000
Carrying Value at 1 April	20	11
Additions	372	282
Inventories recognised in expenses	(372)	(271)
Write-down of inventories recognised as an expense	(1)	(2)
Carrying Value at 31 March	19	20

15 Assets Held For Sale

	31 March 2016 £000	31 March 2015 £000
Net Book Value of assets held for sale at 1 April	7,309	183
Plus assets classified as available for sale in the year	0	7,563
Less assets sold in year	(7,309)	(183)
Less assets no longer classified as held for sale	0	0
Less impairments of assets held for sale	0	(254)
Net Book Value of assets held for sale at 31 March	0	7,309

Assets held for sale in 2015/16 comprises of the Poplars building in Little Plumstead. This building is valued at zero, the current carrying amount.

Assets held for sale in 2014/15 comprised of Eric Shepherd Unit and Crossways, Abbots Langley; the Kestrels, Bricketwood; the Cassio unit, Watford and 151 Rickmansworth Rd, Watford. All assets held for sale were disposed of in 2015/16.

Notes to the Accounts - 16 Receivables**16 Receivables****16.1 Trade and other Receivables**

	31 March 2016	31 March 2015
	£000	£000
Current		
NHS receivables - revenue	1,563	957
NHS Receivables - capital	190	0
Other receivables with related parties - revenue	1,346	400
Provision for impaired receivables	(115)	(79)
Prepayments (non-PFI)	1,104	1,218
Accrued income	204	1,520
Interest receivable	3	8
PDC dividend receivable	258	57
VAT receivable	431	267
Other receivables - revenue	197	178
Total current trade and other receivables	5,181	4,526

The primary increase in NHS Receivables - revenue relates to late agreement of funding for Mental Health Liaison and a contribution towards a joint capital project with Herts Community NHS Trust. The increase in Other Receivables with related parties - revenue primarily relates to late payment of a block contract SLA with London Borough of Barnet.

16.2 Provision for irrecoverable debts

	2015/16	2014/15
	£000	£000
At 1 April	79	89
Increase in provision	62	22
Amounts utilised	(13)	(14)
Unused amounts reversed	(13)	(18)
Balance at 31 March	115	79

16.3 Analysis of impaired debts and non-impaired debts past their due date

	31 March 2016	31 March 2015
	£000	£000
<u>Ageing of impaired receivables</u>		
Up to 30 days	3	3
Between 30 and 60 days	2	0
Between 60 and 90 days	3	7
Between 90 and 180 days	10	3
Over 180 days	97	66
Total	115	79
<u>Ageing of non-impaired receivables past their due date</u>		
Overdue by up to 30 days	2,120	2,217
Overdue between 30 and 60 days	520	183
Overdue between 60 and 90 days	321	102
Overdue between 90 and 180 days	205	94
Overdue over 180 days	130	6
Total	3,296	2,602

Notes to the Accounts - 17 Cash and cash equivalents**17 Cash and cash equivalents**

	2015/16 £000	2014/15 £000
Cash and Cash equivalents at 1 April	27,716	25,449
Net change in cash and cash equivalents	7,944	2,267
Cash and Cash equivalents at 31 March	35,660	27,716
Comprising:		
Cash at commercial banks and in hand	8	0
Cash with the Government Banking Service*	35,652	7,716
Deposits with the National Loan Fund	0	20,000
	35,660	27,716

*The Royal Bank of Scotland Group and Citibank were collectively known as the Government Banking Service. For 2015/16 Citibank are no longer part of this arrangement.

18 Public Dividend Capital

	2015/16 £000	2014/15 £000
Taxpayers' Equity at 1 April	83,063	83,331
Public Dividend Capital repaid	0	(268)
Taxpayers' Equity at 31 March	83,063	83,063

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 2016 £000	31 March 2015 £000
<u>Current</u>		
Capital loans from Department of Health	530	530
Obligations under finance leases	42	41
Total current borrowings	572	571
<u>Non-current</u>		
Capital loans from Department of Health	17,908	18,438
Obligations under finance leases	96	136
Total non-current borrowings	18,004	18,574
Total borrowings	18,576	19,145

The NHS FT has entered into a capital loan arrangement with the Department of Health (see note 2.4)

Notes to the Accounts - 19 Borrowings**19.2 Finance Lease borrowings**

	31 March 2016 £000	31 March 2015 £000
Payable:		
- not later than one year;	51	53
- later than one year and not later than five years;	63	152
- later than five years.	0	13
Gross lease liabilities	114	218
Less: Finance charges/(income) allocated to future periods	24	(41)
Net lease liabilities	138	177
Split into current and non-current borrowings on the Statement Of Financial Position:		
- current	42	41
- non current	96	136
	138	177
Expected timing of cashflows:		
- not later than one year;	42	41
- later than one year and not later than five years;	96	136
- later than five years.	0	0
	138	177

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) 2015/16**

2015/16	Total	Pensions relating to other staff	Other legal claims	Restructuring	Continuing Health Care	Redundancy	Injury Benefit Claims
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2015	12,860	2,608	110	443	6,425	219	3,055
Arising during the year	3,085	323	128	106	2,305	199	24
Utilised during the year - accruals	(88)	(56)	0	0	0	0	(32)
Utilised during the year - cash	(978)	(159)	(8)	(164)	(347)	(218)	(82)
Reversed unused	(1,838)	(27)	(53)	(259)	(1,487)	0	(12)
Unwinding of discount	77	37	0	0	0	0	40
Total at 31 March 2016	13,118	2,726	177	126	6,896	200	2,993
Expected timing of cashflows:							
- not later than one year (current)	2,212	222	177	106	1,379	200	128
- later than one year and not later than five years (non current)	6,936	889	0	20	5,517	0	510
- later than five years (non current)	3,970	1,615	0	0	0	0	2,355
Total	13,118	2,726	177	126	6,896	200	2,993

The 'Pensions relating to other staff' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of long stay institutions, namely, Hill End, Leavesden, Cell Barnes and Harperbury Hospitals.

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. £21,212k (£7,235k as at 31 March 2015) is included in the provisions of the NHS Litigation Authority at 31 March 2016 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) 2014/15

2014/15	Total £000	Pensions relating to other staff £000	Legal and other claims £000	Restructuring £000	Continuing Health Care £000	Redundancy £000	Injury Benefit Claims £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
Total at 31 March 2015	12,860	2,608	110	443	6,425	219	3,055
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
Total	12,860	2,608	110	443	6,425	219	3,055

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. £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 - 21 Trade and other payables**21 Trade and other payables**

	31 March 2016 £000	31 March 2015 £000
Current		
Receipts in advance	78	1
NHS payables - revenue	713	774
Amounts due to other related parties - revenue	1,776	1,776
Other trade payables - capital (including capital accruals)	1,592	2,163
Other trade payables - revenue	988	247
Social security costs	1,235	1,205
Other taxes payable	1,247	1,245
Other payables	0	84
Accruals	13,340	14,580
Total Trade and other payables	20,969	22,075

22 Other liabilities

	31 March 2016 £000	31 March 2015 £000
Current		
Other deferred income	4,661	4,297
Total Other liabilities	4,661	4,297

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 2016 £000	31 March 2015 £000
Trade and other receivables excluding non financial assets	3,184	4,325
Cash and cash equivalents (at bank and in hand) at 31 March	35,660	27,716
Total at 31 March	38,844	32,041

23.2 Financial liabilities by category

	31 March 2016 £000	31 March 2015 £000
Borrowings excluding Finance leases	18,438	18,968
Obligations under finance leases	138	177
Trade and other payables excluding non financial liabilities	20,969	21,874
Provisions	6,222	6,435
Total at 31 March	45,767	47,454

23.3 Fair value of non-current financial assets

	Book value £000	Fair value £000
Non Current Trade and Other Receivables	0	0
Total at 31 March 2016	0	0

23.4 Fair value of non-current financial liabilities

	Book value £000	Fair value £000
Provisions	5,389	5,389
Loans	17,908	17,908
Other (Finance Leases)	96	96
Total at 31 March 2016	23,393	23,393

Notes to the Accounts - 24 Reconciliation of operating surplus / (deficit) to net cash flow from operating activities

24 Reconciliation of operating surplus / (deficit) to net cash flow from operating activities

	2015/16		2014/15	
	£000	£000	£000	£000
Operating Surplus / (Deficit)		1,214		(4,929)
Non cash flow movements:				
Depreciation and amortisation	5,144		4,470	
Impairments	5,123		11,439	
Reversals of impairments	(1,789)		(1,513)	
		8,478		14,396
Movement in Working Capital:				
(Increase) / decrease in trade and other receivables	(459)		8,030	
Decrease / (increase) in inventories	1		(9)	
(Decrease) / increase in trade and other payables	(535)		1,112	
Increase / (decrease) in other liabilities	364		(1,381)	
		(629)		7,752
Increase / (decrease) in provisions		181		(785)
(Gain) / loss on disposal (see note 11.3)		(210)		8
Net cash inflow from operating activities		9,034		16,442

Notes to the Accounts - 25 Related Party Transactions

25 Related Party Transactions

25.1 Related Party Transactions 2015/16

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.

2015/16	Income from Related Party	Expenditure payments to Related Party	Receivables from Related Party	Payables to Related Party
	£000	£000	£000	£000
Central Government				
National Health Service Pension Scheme	0	12,130	0	0
HMRC - VAT	0	0	431	0
HMRC - other taxes & duties	0	8,350	0	2,482
Other Central Government	0	11	1	1,706
NHS				
Department Of Health	594	0	133	712
NHS England - Core	5	0	4	0
Foundation Trusts				
Central and North West London NHS FT	22	539	22	117
Colchester Hospital University NHS Foundation Trust	0	62	0	1
Norfolk and Norwich University Hospitals NHS FT	78	105	0	47
South London and Maudsley NHS FT	19	209	0	94
Clinical Commissioning Groups				
NHS Barnet CCG	28	52	23	52
NHS Bedfordshire CCG	71	0	77	0
NHS Camden CCG	220	0	0	0
NHS Chiltern CCG	0	0	0	183
NHS Ealing CCG	312	0	23	0
NHS East and North Hertfordshire CCG	724	2,224	61	56
NHS Great Yarmouth and Waveney CCG	269	0	1	0
NHS Herts Valleys CCG	280	0	253	246
NHS Hounslow CCG	314	0	36	0
NHS Mid Essex CCG	4,566	0	9	0
NHS Nene CCG	105	0	103	0
NHS North East Essex CCG	7,217	0	9	0
NHS North Norfolk CCG	423	0	0	0
NHS Norwich CCG	450	0	0	0
NHS South Norfolk CCG	500	0	3	0
NHS West Essex CCG	3,582	0	119	0
NHS West Norfolk CCG	442	0	39	0
NHS Trusts				
East and North Hertfordshire NHS Trust	12	1,468	0	254
Hertfordshire Community NHS Trust	536	135	326	387
West Hertfordshire Hospitals NHS Trust	993	901	281	687
NHS Other				
Health Education England	2,322	3	174	1,169
East Anglia Local Area Team	18,754	0	438	0
NHS Litigation Authority	0	583	0	0
East Local Office (Merger of Q56 & Q57)	0	372	56	63
Other NHS	624	216	455	273
Local Government				
Barnet London Borough Council	1,305	0	423	0
Hertfordshire County Council	158,379	458	539	2,641
Hammersmith and Fulham London Borough Council	445	0	1	0
Other Local Government	869	214	89	230
Totals	204,460	28,032	4,129	11,400

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 (continued)**25 Related Party Transactions (continued)****25.1 Related Party Transactions (continued) 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.

2014/15	Income from Related Party	Expenditure payments to Related Party	Receivables from Related Party	Payables to Related Party
	£000	£000	£000	£000
<u>Central Government</u>				
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
<u>NHS</u>				
Department Of Health	621	5	100	220
NHS England - Core	86	0	11	47
<u>Foundation Trusts</u>				
South London and Maudsley NHS Foundation Trust	126	144	0	85
<u>Clinical Commissioning Groups</u>				
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
<u>NHS Trusts</u>				
East and North Hertfordshire NHS Trust	13	2,028	3	106
West Hertfordshire Hospitals NHS Trust	789	1,621	32	537
<u>NHS Other</u>				
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
<u>Local Government</u>				
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
Totals	199,763	28,911	23,226	10,602

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 - 26 Losses and Special Payments**26 Losses and Special Payments**

There were 28 cases (52 cases in 2014/15) of losses and special payments totalling £55k (£31k in 2014/15) paid during 1 April 2015 to 31 March 2016. These are the cash payments made in the year and are not calculated on an accruals basis.

	2015/16		2014/15	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
Losses				
Losses of cash due to:				
- theft, fraud	1	45	1	0
- other causes	3	1	6	0
Fruitless payments and constructive losses	0	0	2	6
Bad debts and claims abandoned	1	1	6	14
Damage to buildings, property etc. (including stores losses) due to:				
- theft, fraud etc.	0	0	0	0
- stores losses	0	0	0	0
- other	4	2	12	5
Total losses	9	49	27	25
Special Payments				
Compensation under legal obligation	0	0	0	0
Ex gratia payments in respect of:				
- loss of personal effects	19	6	24	4
- other negligence and injury	0	0	0	0
- other	0	0	1	2
Total Special Payments	19	6	25	6
Total losses and special payments	28	55	52	31

Notes to the Accounts - 27 Third Party Assets

27 Third Party Assets

The NHS FT held £3,172k cash at bank and in hand at 31 March 2016 (£2,882k at 31 March 2015) 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 2016 £000	31 March 2015 £000
Value of contingent liabilities	109	65

30 Commitments under capital expenditure contracts

	31 March 2016 £000	31 March 2015 £000
Property, Plant and Equipment	1,592	693
Intangible Assets	0	0
Total	1,592	693

The capital commitments as at 31 March 2016 relate principally to capital works at Lambourn Grove and Logandene.

The capital commitments as at 31 March 2015 relate principally to capital works at the Seward Lodge refurbishment and the St Albans Hub.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

Opinion on financial statements of Hertfordshire Partnership University 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 2016 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 Balance Sheet, the Cash Flow Statement, 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 Code of Audit Practice.

Going concern

We have reviewed the Accounting Officer's statement 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.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Trust and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

he 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:

Recognition of NHS revenue and related recovery of NHS receivables

As described in note 1.3, Accounting Policies and notes 1.2.1, Critical Accounting Judgements and 1.2.2, Key Sources of Estimation Uncertainty, there are significant judgements in recognition of the performance related Commissioning for Quality and Innovation ("CQUIN") income.

The Trust recognised £197.6 million of income from activities in 2015/16 (£191.7 million in 2014/15). The Trust's NHS Receivables balance as at 31 March 2016 was £1.8 million (£1.0 million in 2014/15). The Trust has not recorded a provision against NHS debt. Management judgement is required in estimating the level of provision and in the estimate of volume and performance based income.

Details of the Trust's income are shown in note 4 to the financial statements. NHS debtors are shown in note 16 to the financial statements.

Property valuations

The Trust holds property assets within Property, Plant and Equipment of £157 million. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.

As detailed in notes 1.6 and 11, the Trust has reassessed a number of valuation assumptions in the current year, including the use of an "alternative site" valuation basis and reduced land area for some of its properties. The net revaluation gain shown in other comprehensive income in the Statement of Comprehensive Income is £6.0 million.

Capital expenditure

The Trust's capital spend on Property Plant and Equipment was £6.3 million (2014/15 £16.4 million in 2014/15). This is shown in notes 1.6 and 11.

Determining whether expenditure should be capitalised under International Financial Reporting Standards can involve significant judgement in determining whether spend is capital or revenue in nature.

We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing the testing of the systems controls.

We have agreed baseline contract income to underlying contracts on a sample basis. We performed detailed substantive testing on a sample basis of the validity and recoverability of volume and performance based income and evaluated the results of the agreement of balances exercise. Where there were differences on the Agreement of Balance, we obtained an understanding of the reasons for the differences and followed up with additional support in the form of correspondence from the Clinical Commissioning Groups confirming the validity of the debtor.

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 Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including through benchmarking against revaluations performed by other Trusts at 31 March 2016.

We have reviewed the disclosures in note 1.6 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.

We assessed whether the valuation and the accounting treatment of the impairment was compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement.

We have tested the design and implementation of controls over the capitalisation of costs.

We performed tests of a sample of additions in the year, to assess whether they met the conditions for capitalisation. We performed this testing through scrutinising invoices and other documentation and by inspection of the physical asset.

Provisions

The Trust has £13.1m of provisions at 31 March 2016 (£12.9 million at 31 March 2015). The largest provision of £6.9m 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. In calculating the provisions required for future obligations and contingent liabilities a significant level of judgement is required in establishing the existence of a constructive obligation as a result of a past event, the economic outflow associated the obligation and the time period to payment of the obligation. As detailed in notes 1.11 and 20, there are key assumptions adopted by the Trust in recognising and measuring these provisions.

We have tested the design and implementation of controls in place to mitigate the risk of misstatement in the provisions balances.

We have reviewed the provisions balances and tested amounts arising, utilised and unused on a sample basis and agreeing to supporting documentation regarding new provisions and amount paid out in the year. 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.

We have understood and challenged the assumptions made by management in determining the provisions, with reference to the requirements of IAS37.

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 £4.2m (£2m in 2014/15), which is 2% (1% in 2014/15) of revenue. Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. We reassessed the percentage used from 1.0% of revenue in 2014/15 in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.2m (£0.1m in 2014/15), 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, and assessing the risks of material misstatement. Audit work was performed at the Trust's head offices 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 Performance Report and the Accountability 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

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, 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 are required to consider 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 Code of Audit Practice and International Standards on Auditing (UK and Ireland). 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 University 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.



Jonathan Gooding FCA
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom
26 May 2016

INDEPENDENT AUDITOR'S STATEMENT TO THE DIRECTORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES

We have examined the consolidation schedules designated FTC1 to FTC38 excluding FTC0, FTC8a and FTC8b of Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2016, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This statement is made solely to the Board of Directors of Hertfordshire Partnership University NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act) and paragraph 4.2 of the Code of Audit Practice and for no other purpose.

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

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

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



Deloitte LLP
3 Victoria Square,
St Albans,
AL1 3TF

26th May 2016

If you require this information in a different language or format please contact the Patient Advice and Liaison Service, Tel: 01707 253916

W razie potrzeby powyższy tekst można otrzymać w innym formacie lub innym języku. Informacji w tej sprawie udziela:

Patient Advice & Liaison Service, Tel: 01707 253916

(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: 01707 253916

(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 : 01707 253916

(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 : 01707 253916

(Urdu)

Hertfordshire Partnership University NHS Foundation Trust works toward eliminating all forms of discrimination and promoting equality of opportunity for all.

We are a smoke free Trust therefore smoking is not permitted anywhere on our premises.

www.hpft.nhs.uk

Date of publication May 2016