Hertfordshire

Hertfordshire Partnership NHS
NHS Foundation Trust

Annual Report
2008-2009

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

Hertfordshire Partnership NHS Foundation Trust
Annual Report April 2008 - March 2009

Annual Report 2009

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Section One

Introduction from Chair and Chief Executive

It gives us great pleasure to introduce this report as we conclude our first full year as a Foundation trust.

The past 12 months have been a period of significant achievements for the Trust – due, as always, to the commitment and hard work of our staff. A range of service improvements have been introduced, and we are working on a programme of positive change for the future.

During the coming year enhanced primary mental health services will become available throughout Hertfordshire. We'll be improving our community mental health services. We shall be opening one of the best psychiatric intensive care units in the UK. Amongst other changes we shall be building stronger links with our members, and widening the range of organisations we work with.

There will be new challenges in 2009, some of which will test our capacity and responsiveness. The economic recession means that we are likely to see increased demands on some of our mental health services. The growing pressure on UK public finances means that we, like other parts of the NHS, will be asked to look for efficiency savings. We are now much better placed to cope with such pressures.

HPFT Chair Hattie Llewelyn-Davies adds:
"In 2009 a new Chief Executive will be taking over, with Bill Macintyre passing the baton to Tom Cahill. We shall be celebrating Bill's contribution over the coming months, and at this point I would simply like to place on record the gratitude we all feel for the way Bill has moved the Partnership Trust forward since it was created in 2001"

Hattie Llewelyn-Davis
Chair

Tom Cahill
Chief Executive

Directors' Report

Introduction and Background Information

Hertfordshire Partnership Foundation Trust obtained its Foundation Trust status on 1st August 2007, under the National Health Service Act 2006 and is regulated by Monitor, the Independent Regulator of Foundation Trusts.

This Directors' report covers the year ending 31 March 2009.

We provide:
~ Child and adolescent mental health services in Hertfordshire
~ Specialist health services to people with learning disabilities
~ Integrated health and social care to people who need mental health services in Hertfordshire, which has a population of 1 million.

Our strategic objectives are to become the leading provider of Mental Health and Specialist Learning Disability services in the country. We plan to deliver quality services, make good use of resources, be an excellent employer, create a learning organisation, and with others promote mental well-being. The Trust was very proud to be accepted as the first Mental Health and Specialist Learning Disability Health and Social Care Foundation Trust. Foundation Trust status gives us a number of opportunities to improve the service we give to the community by;

- A stronger involvement with the local communities through membership
- The ability to re-invest finance in local service developments
- Increased stability from longer term contracts with commissioners

Financial Review

Overview

This section of the Directors Report provides a commentary on the overall financial performance of the Trust together with an overview of the accounting processes and a financial analysis.

Financial statements

The financial statements, which were prepared under a direction issued by Monitor, are shown in this report and provide a financial profile of the Trust's operation for the year ending 31st March 2009. They were prepared to comply with UK Generally Accepted Accounting Practice and are designed to show a true and fair view of the Trust's financial activities.

Further copies of the accounts can be obtained from John Jones, Executive Director of Finance and Performance Improvement, by telephoning 01727 804265

Financial outturn

Our financial performance shows a surplus of £7,309,000 for the period ending 31 March 2009. The surplus includes an exceptional surplus item of £4,059,000 resulting from a reversal of provisions for charges which are now not expected to materialise and an impairment charge which arose following

the District Valuer's revaluation of the Trust's fixed assets as at 31 March 2009. This exceptional item is a technical accounting adjustment which has no impact on the Trust's cash or financial risk rating assessment by Monitor. The underlying surplus of £3,250,000 reflects the Trust's excellent financial performance for the year, is consistent with the continued improvement in the Hertfordshire-wide health economy and the NHS as a whole and is available for reinvestment in our services.

Financial risk rating
The Trust has identified the financial risks associated with its operation and has built in contingency plans to deal with these risks should they arise.

Monitor assesses the financial risk of foundation trusts using a financial risk rating whereby 1 is significant financial risk and 5 is the best rating. Monitor has assessed and awarded the Trust a financial risk rating of 4 which reflects the strong financial performance by the Trust.

Key financial indicators (Metrics)
The key metrics from the financial statements show the following:

EBITDA margin of 5%
Income and expenditure surplus margin of 1.7%
Return on assets of 6.3%
Liquidity ratio of 75 days

The Trust's earnings before interest, taxation, depreciation and amortisation (EBITDA) margin along with the other key metrics shown above demonstrates the strong financial performance by the Trust.

Comparative information
It should be noted that as last year was the first period of operation as a Foundation Trust, the prior year comparator figures shown in pages 1 to 35 of the accounts are based on the part year period from 1st August 2007 to 31 March 2008. Readers of the accounts should exercise care when drawing conclusions based on the comparative figures in the accounts, as they relate to an eight month accounting period only.

Accounting policies
Monitor directed that the financial statements of foundation trusts shall meet the accounting requirements of the 2008/09 NHS Foundation Trust Financial Reporting Manual, which is the basis upon which these financial statements have been compiled.

The accounting policies in the manual follow UK generally accepted accounting practice for companies (UK GAAP) 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

Accounting policies relating to pensions and other retirement benefits are set out in note 1.14 to the accounts.

Senior managers' remuneration
Details of the senior managers' remuneration can be found on pages 17 and 18 of the accounts

Ill health retirements
Details of staff who retired early on ill health grounds are set out on page 19 of the accounts.

New business
The Trust was successful in winning a tender for the supply of Specialist Learning Disability services at Little Plumstead Norfolk, with effect from 1st April 2008. The financial activity related to these new services is reflected in the financial performance for 2008/9. As a result of this new business our asset base has increased by £7m and related income by £7m.

Income
Income for the year amounted to £188,524,000 the majority of which relates to income from activities as illustrated below.

Income from activities	£182,118,000
Other operating income	£6,406,000

Included in income from activities is £160,420,000 from Hertfordshire County Council, for services commissioned by the Joint Commissioning Board.

Operating expenses
Operating expenses, excluding adjustment for the exceptional item, amounted to £181,963,000 of which £114,703,000 (63%) relates to pay.

Balance sheet
The balance sheet of the Trust shows the assets and liabilities at 31st March 2009. Included in the balance sheet is £15.3m for the purchase of land and buildings at both Harperbury and Little Plumstead hospitals, financed by Public Dividend Capital issued by the Department of Health.

Fixed asset values were reviewed at 31 March 2009 due to concerns about falling values in the current challenging financial climate. The District Valuer undertook the revaluation exercise which resulted in gross reductions of £14,871,000, of which £3,752,000 is charged to operating expenses and the balance of £11,119,000 taken to the revaluation reserve. Impairments totalling £15,807,000 are shown in note 11 of the accounts and this includes £936,000 in respect of finance leases.

The Directors are of the opinion that there are no fixed assets where the market value is significantly different from the value included in the financial statements.

Cash flow statement
The cash flow statement of the Trust is shown on page 5, and illustrates the sources and uses of cash generated by the Trust to 31st March 2009. The cash position is relatively strong and in part reflects some delays on the capital programme during the financial period, combined with proactive treasury management.

The Trust did not utilise its working capital loan facility during the year and does not anticipate doing so in the forthcoming year.

Prudential borrowing regime
Whilst the foundation trust regime enables capital expenditure to be financed through borrowing, the present capital programme is affordable from within internally generated resources and, therefore no loan applications have been submitted.

Statement of total recognised gains and losses
The statement of total recognised gains and losses for the year represents the income and expenditure surplus before dividends payable, plus the movement on reserves.

Investments
The Trust does not have any investments in subsidiaries or joint ventures. However, short term cash surpluses were placed with selected financial institutions to maximise interest received , in line with the approved treasury policy.

Financial instruments
The Trust does not have any significant exposure to interest rate or exchange rate risks and therefore does not hold any complicated financial instruments to hedge against such risks. Details of the financial instruments are shown on pages 33 to 35 of the accounts.

Management costs
Management costs, as defined in formula determined by the Department of Health guidelines, represent 5.7% of trust turnover for the year.

Public sector payment policy
The Trust has a duty to pay its' trade creditors in accordance with the "Better Payment Practice Code" formerly known as the Confederation of British Industry (CBI) prompt payment code. This requires payment to be made within 30 days of receipt of goods or valid invoice whichever is the later. The Trust's payment policy is consistent with these and its measure of compliance is:

	Number	£000's
Total Non NHS bills paid to 31st March 2009	27,307	£61,855
Total Non NHS bills paid within target	24,917	£58,211
Percentage of bills paid within target	91%	94%
Total NHS bills paid to 31st March 2009	1,289	£24,407
Total NHS bills paid within target	1,087	£22,189
Percentage of bills paid within target	84%	91%

Monitor wrote to foundation trusts in October 2008, requesting them to pay non-public sector suppliers as soon as possible and in any event within 10 days, in order to meet the Government's commitment to local and national suppliers.

With immediate effect the Trust set the payment terms for suppliers at 10 days, notified its budget holders of the new requirement and doubled the number of payment runs made each week.

As a result of these measures, over 53% by value of invoices were paid within the 10 day limit.

Related parties disclosures
There are related party disclosures which are shown on page 32 of the accounts.

Private patients
In accordance with section 44 of the National Health Service Act 2006 foundation trusts must not exceed a predetermined private patient cap, which is based on the level of private patients income received in 2002/03. The Trust's private patients cap is £nil, and in line with this limit no private patients income was generated in the financial period.

External audit
The annual accounts were reviewed by the Audit Commission 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 of the steps that 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.

Political and charitable donations
As an NHS foundation trust, no political or charitable donations are made. The Trust continues to benefit from charitable donations received and is grateful to fundraisers and members of the public for this support.

Charging for information
The Trust has complied with the cost allocation and charging requirements set out in the HM Treasury and Office of Public Sector Information guidance.

Forward look
Despite reasonable hopes last year that NHS spending might continue to grow at somewhere around 3% after 2010/11, the Operating Framework published by the Department of Health in December 2008, indicated that the tariff will only rise by 1.7% for 2090/10 and a likely 1.2% for 2010/11, with an additional 0.5% for increasing quality. This will require a cost efficiency target of 3% in 2009/10 and 3.5% in 2010/11. The challenge for the Trust with these much lower than anticipated funding levels, will be to continue to deliver improved quality whilst maintaining waiting times and meet other commitments to our users and commissioners.

Having been successful in winning a tender to supply Specialist Learning Disability services in Norfolk last year, the Trust will seek to take advantage of the new foundation trust freedoms available in order to benefit the delivery of our services across Hertfordshire.

The Trust has expressed an interest in submitting a tender for the acquisition of Bedfordshire and Luton Partnership NHS Trust. The tendering process is being led by the East of England Strategic Health Authority who expect to appoint the successful tenderer on 27th November 2009.

International Financial Reporting Standards (IFRS)
From 2009/10 all public sector bodies are expected to prepare their annual accounts in accordance with IFRS. The 2008/09 annual accounts, which are prepared under UK GAAP, will need to be restated on an IFRS basis, in order to provide prior year comparative figures in the 2009/10 accounts.

The Trust has already restated its 31 March 2008 balance sheet on an IFRS basis and has plans in place to complete the restatement exercise during the summer of 2009.

Capital expenditure
The major capital developments are on the Harperbury site for the provision of Psychiatric Intensive Care Services and a Low Secure Unit and a major extension to the Child and Adolescent Unit. These will be completed during the early part of 2009/10. The combined spend to 31 March 2009 on these developments totals £10.3m. In addition the Trust purchased land and buildings at Harperbury Hospital and Little Plumstead at Norfolk for £15m funded by way of a Public Dividend Capital advance from the Department of Health. Total capital expenditure for the year totalled £25m.

Within its capital plan for 2009/10 the Trust will continue the modernisation of its estate, and will seek to purchase land to facilitate the building of a new Mental Health inpatient unit in the Welwyn / Hatfield vicinity in line with its strategic objectives.

Statement of going concern
The accounts have been prepared on the basis that the Hertfordshire Partnership NHS Foundation Trust is a going concern. This means that the Trust's assets and liabilities reflect the ongoing nature of its activities. After making enquiries, the Directors have a reasonable expectation that the Trust has 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 auditors
The Board of Governors approved the Audit Commission to continue to act as External Auditors to the end of the 2011/12 audit.

The Audit Commission may, from time to time, be asked to carry out non-audit work. The cost of these other services, where undertaken, would be shown separately in the accounts. It is important to ensure that any additional

services provided by the external auditors do not impact on their ability to be independent of management and that conflicts with objectivity do not arise.

A protocol has been developed to establish how additional services may be requested and the work carried out without conflict to the external auditors' independence and objectivity.

The annual accounts were reviewed by the Audit Commission who issued an unqualified opinion. Fees totalling £99,000 as shown in note 5.1 of the accounts were paid to the Audit Commission, £80,000 for statutory audit work and £19,000 for value for money work.

Charitable funds
The Trust Board also acts as Trustees for charitable funds. The Annual Accounts and Report for these charitable funds for the financial year 2008/09 have been produced separately.

Public interest disclosures
The Trust has adopted an Anti-fraud and Corruption policy and a Standards of Business Conduct policy, both of which are accessible via the trust website.

J F Jones
Director of Finance

Operating Review

Introduction

The Trust is committed to providing excellent health and social care services for people with mental health problems and people with a specialist learning disability. We aim to provide services which make a positive difference to the lives of our service users and their carers.

Our aspiration is “to become the leading provider of Mental Health and Specialist Learning Disability services in the country”.

Our aspiration is underpinned by seven key principles, which include:

- Work continuously to improve the quality and safety of our services and enhance our service users’ experience.
- Strive to ensure that the business makes the most effective use of all resources available.
- Use information to help us measure and improve our productivity and performance in all areas of our business.
- Treat every service user, carer and member of staff with dignity and respect and in accordance with equality and diversity best practice.
- Engage with and involve service users, carers and other key partners in the development, delivery and improvement of our services.
- Involve, support and value our staff to enable them to fulfil their potential and provide the most effective and efficient care.
- Play an active role with key stakeholders and agencies to promote the health and well-being of the population.

The services we offer are based on the recovery approach. We aim to develop this philosophy based on 11 key principles.
These are:

- Hope and optimism
- Personal responsibility and self-determination
- ‘People as people’ in their social context
- Respectful partnership
- Social inclusion
- Rights and citizenship

- Self-discovery
- Challenging discrimination and inequalities
- Recovery
- Recovery is evidence based and effective
- Recovery – rooted in a 'learning culture'

Key Service developments and priorities for 2008/09

- Commence build of PICU and Low Secure (due for completion in May 2009)
- Developing an Outline Business Plan for new Mental Health Medium Secure Services.
- Expanding our adolescent mental health inpatient unit.
- Reviewing the numbers and locations of our inpatient beds.
- Expanding our Early Intervention Team
- Continuing the development of our Enhanced Primary Care Service
- Continuing the development of our new Personality Disorder Service
- Developing the leadership and capacity of our workforce for the future

Environmental Matters

Sustainable developments are at the basis of the Trust's existing operations and future strategies of reducing our carbon footprint from our activities.
As a result, we have developed a reduction strategy of 15% by the year 2010 and we are on target to achieving this.

To enable us to reach these targets and continue our environmental commitment, we initiated these schemes:

- Energy Champion training, which offered Trust staff who are 'green minded' people the opportunity to initiate and promote green ideas.

- A user-friendly, environmental section was developed on the intranet website specifically for staff to obtain information.

- Promotional campaign materials were developed and distributed featuring specific elements of energy use and this year water was particularly highlighted.

- The Green Team award is awarded to teams who have shown an active commitment to the environment and sustainable lifestyle.
  The Firs at Little Plumstead, Norfolk received £1000 which they have invested in developing a garden project and green spaces which are kept by enthusiastic service users at the unit, especially one gentleman whose hard work was recognised during a visit.
  He lives on the Firs and has begun to develop a vegetable plot, build a shed, collect rain water and recycle to create compost. The money is and will continue to be spent developing this area with more vegetables being grown, more plots being dug and more environmental savers being introduced. They plan to buy another shed or greenhouse and equipment to aid their project.

- We became an active member of the Hertfordshire Environmental Forum.

- Mobile phone recycling scheme was introduced and continues to be very successful.

- Working with preferred supplies to ensure sustainable planning is within their methods of operations.

- Leasing clean diesel vehicles for our support transport services.

- The Trust continues to achieve good scores from the Patient Environment Action Team (PEAT) assessments.

Emergency Planning

All services within the Trust have Major Incident plans that link to the Trust business continuity and flu pandemic plan. These plans are due to be updated during 2009 and made available to all staff via the intranet. Table top exercises around these plans will also be held in 2009

The Trust Emergency Planning liaison Officer sits on the Hertfordshire Health Resilience group which consists of all Trusts, Emergency Services and the County Council within Hertfordshire.

Performance

The Trust's services have again been rated as 'excellent' in the annual check on the performance of NHS trusts in England. Evidence collected by the Healthcare Commission, England's leading healthcare watchdog, also showed that the Trust's rating on 'use of resources' was 'good' the same verdict as last year. In a summary of its latest findings about HPFT the Healthcare Commission said the Trust "continued to provide an excellent quality of service to patients, having made significant improvements after the first year of the annual health check.

Health Secretary Alan Johnson together with Sir Ian Kennedy, the Chairman of the Healthcare Commission sent the Trust a special letter of congratulation.

NHS Litigation Authority Mental Health and Learning Disability Risk Management Standards

Following a rigorous inspection in November 2008 the Trust has been formally recognised as operating at Level 2 against the NHSLA Risk Management Standards. Level 2 focuses on how well the Trust has implemented various policies which assist staff to manage risk, and embedded them into routine practice.

The standards are made up of 50 criteria and the pass mark is 40 out of 50. We achieved 42 and over the coming year will be co-ordinating an action plan to soundly embed all 50 criteria and start to move us towards being ready to be assessed at Level 3 of the Standards, probably some time during 2010.

The Trust has identified risk in a number of areas which do not directly relate to its finances. For example the commissioners have expressed their intention to market test our services where appropriate and this may lead to services that the Trust currently hold being transferred to other providers such as the third sector.

In addition it is imperative that the Trust maintains, and improves, its performance against its national, contractual and local targets. Failure to do so would give the perception of a Trust not performing to expected levels and thus could have a detrimental effect on tender applications and/or commissioner perception.

Equality and Diversity

Delivering race equality in mental health

In the past year we have introduced 15 new community workers for race equality in mental health based in towns around Hertfordshire.
We were also listed as one of the highest performing NHS Trusts in meeting the national race equality duties for public services. Following this the Trust appeared in various national publications, and is now listed as an example of good practice in promotional material for the Department of Health delivering race equality programme.

Workplace Sexuality Equality Index 2009

The workplace equality index is collated by Stonewall. It is the list of the top 100 gay friendly employers. Since 2007 the Trust has taken part, each time narrowly missing the top 100 of this competitive list. The Trust has submitted its application for the 2009 index and – although not assured we will make the top 100 – the process of applying helps us identify gaps in our own knowledge as an organisation as well as celebrating good practice for supporting Lesbian, Gay and Bisexual people within the organisation.

Equality & Diversity Training

This training has been running for two years now, and as we enter the third year – and advertise for more trainers – the course is fully booked. We have reinstated the ‘cultural competence’ training that focuses on race and religion. This is available to anyone working with people with mental health issues, or a learning disability.

Spiritual Care Coordinator

In October the Trust appointed Revd Verity Harvey as the Trust Spiritual Care Coordinator. Verity coordinates the multi-faith agenda for the Trust, including advice for staff on supporting people from different religious and spiritual backgrounds. She also offers pastoral support herself where appropriate. Verity has come into post as a direct result of feedback from service users and carers about the spiritual needs of people going through mental health issues.

Communications

Throughout the year we used all our usual channels of communication with staff. One area that was identified for improvement following feedback is the amount of email staff received via the Trust distribution list, we now endeavour to send one weekly email bulletin highlighting issues and information all staff need to be informed of. This initiative has received very positive feedback. We continue to produce a written monthly brief as a tool to assist managers to cascade key issues relevant to staff and their work through local team meetings.

Internal communications continues to be an issue identified by staff and direct face to face, verbal communication appears to be the most valued method. With this in mind the Trust has identified a two year post for an internal communications officer to improve and develop this crucial area.

Working with staff, service users, carers and our members we successfully developed and re-launched a new public website with improved search facilities interactive map, a glossary system for jargon busting and events calendar. Password protected areas for members and governors are under development and will be launched soon.

We meet monthly with Trade Unions at the Service Issues group to informally discuss service changes or issues affecting terms and conditions prior to formal proposals being made. We meet on a formal basis each month at Change Management Meeting to formally discuss proposals for change and outcomes of consultations and we meet 6 times a year at the Joint Consultation and Negotiating Committee to discuss more strategic issues. In addition all changes are discussed directly with the staff affected.

Quality Account Measures

"High Quality Care For All" (2008) set out a vision for making quality improvement the organising principle of everything we do in the NHS. This centrality of quality is already reflected in the Trust 5 year strategy.

Priorities for Quality Improvement 2009/2010.
The Quality Account (top tier) for 2009/2010 is shown below in table 1, with its 14 quality indicators. These have been selected from a much longer list of possible indicators and thus all can be seen as priorities.

Quality Account Measures 09/10	Annual Target
Safety	
7 day follow-up	>98%
Proportion of inpatients who have absconded in past 3 months	<5%
Women only inpatient facilities	90%
Clinical Effectiveness & Outcomes	
Readmission rate	<3%
Proportion on new CPA with HoNOS score	>60%
Wellness ratings of service users discharged from acute inpatient care	>75%
Employment Status of those aged 18 - 69 on CPA	TBA
Housing status of those aged 18 - 69 on CPA	TBA
Participation in POMH-UK antipsychotic audits	4
% of carers receiving support or information pack	<25%
Service User and Carer Experience	
Proportion of service users involved in decisions about their care	100%
Quality of inpatient environment	5
Proportion of patients experiencing delayed discharge from inpatient care	<7.5%
Proportion of those admitted to an acute inpatient unit, which is not the most local	<8%

Within that, the top 5 priorities are:

Safety
Women only facilities on inpatient units

Clinical effectiveness
Completed HoNOS scores and impact of acute inpatient care as shown by HoNOS scores
Service users in employment

Service user and carer experience
Carers receiving support
Service users involved in care planning

Achieving improvements on these indicators will represent a challenge for the Trust. These priorities have been chosen in the spirit of reflecting honestly the views of stakeholders on where quality improvement is still most needed.

Patient/Service User Care and Stakeholder Relations

Patient/Service User, Carer and Stakeholder Relations

The Trust has invested in an independently facilitated review to explore the role and remit of its Service User Council within the past year. This review has enabled service user council members and Trust staff to collaboratively develop improved working practices around how the organisation involves it service users, which in turn has informed the development of an updated 3 year Trust Involvement Strategy and Action Plan. The Service User Council is currently exploring the expansion of its membership to ensure optimum representation of those who receive the Trust's services.

The Trust's Carer Council has been successful in raising items of importance to carers to the attention of the Trust and in helping improve the quality of services provided by the Trust. The Council has successfully recruited carers of individuals receiving the Trust's specialist learning disability services and aims to further improve its representation of carers of those who receive the Trust's services.

Progress has been made regarding the establishment of forums for BME service users and carers and an Involvement Network comprising service users and carers of the Trust's older peoples' services, which will link with and complement the business of the Service User Council and Carer Council. The appointment of a part-time Involvement Development Officer (Older People) and funding for the BME Forums will enable these methods of involvement to progress over the forthcoming financial year. Resources have been secured this year to enable recruitment of additional Involvement Development Officers who will assist the Trust with the implementation of its Involvement Strategy and Action Plan and in strengthening the involvement of children, young people, those with a dependency on drugs or alcohol, those receiving specialist learning disability services and their carers.

Compliments and Complaints

The Trust is keen to learn from concerns, comments and complaints in order to continually improve the services it provides. As a result we encourage service users, carers and visitors to tell us what we do well and could improve.

The management and provision of the Patient Advice and Liaison Service (PALS) has been combined with the formal complaints service and a new post of PALS and Complaints Co-ordinator was created to enable the Trust to relaunch the PALS service and provide a more effective service to users, carers, relatives and advocates. As part of the relaunch the PALS and Complaints leaflets were updated and widely distributed. The Comments, Compliments and Complaints leaflet has a pull out post paid comment card to help users access the PALS and Complaints service more easily. In addition, there is a separate easy read leaflet to assist those with learning difficulties to access the complaints process more easily.

The PALS and Complaints team will continue to work to raise awareness of the service to enable and encourage service users, carers, advocates and others to comment on the services that we provide as a means to identifying areas of improvement. This means that we expect the number of contacts to continue to rise over the next few months.

For the future, new regulations for the handling of complaints are due to come into force from 1 April 2009. These will have a great impact on the way Social Services for Adults and Health Services across the nation, resolve complaints.

PALS

The Patient Advice and Liaison Service provides people with advice and assistance on who to contact and support if they have a concern that they do not wish to raise as a formal complaint with the Trust. As part of the initiative to recruit new Trust members, PALS was relaunched with a dedicated telephone line.

Table A shows the number and main categories of PALS contacts, comparing 2007/08 and 2008/09.

Table A: Number of PALS contacts and main categories

Category	01/04/07 – 31/03/08	01/04/08 – 31/03/09
Advice	12	42
Issues for resolution	38	44
Feedback	3	2
Other	2	1
Total	**55**	**89**

Formal Complaints

We investigate complaints with the aim of providing a fair, open and honest response and to learn from them so that other users can benefit from the changes made as a result.

There has been an increase in the number of complaints compared to last year. This is thought to be in response to the higher profile the Trust is giving to comments, compliments and complaints, the new comment card and easier access through the PALS helpline. Table B shows the number and main categories of complaints, comparing 2007/08 and 2008/09.

Table B: Number of formal complaints and main issues

Main complaint issue	01/04/07-31/03/08	01/04/08 – 31/03/09
Assault / abuse	4	5
Clinical practice	39	50
Communication	13	27
Environment etc.	0	3
Staff attitude	9	7
Security	2	3
Systems & Procedures	31	42
Total	**98**	**137**

Of the 137 complaints received during this year 101 were responded to within 25 working days and 25 were responded to over 25 working days. Eleven complaints were still open at the time this report was prepared, 10 of which were still within time. Permission is sought from complainants when it is known that a complaint is likely to go overdue.

Emerging themes from the PALS issues and complaints received.
Some of the PALS 'Issues for Resolution' are transferred to the formal complaints process because of the serious nature of the issues raised or because they take longer than five days to resolve.

We are now seeing complaints concerning people who are detained under the Mental Health Act or who are under Community Treatment Orders. Of the 50 clinical practice complaints 33 concerned direct care, 4 care planning, 2 confidentiality and 11 in other care categories. The 42 Systems and Procedures complaints fell into 16 categories. The largest numbers, perhaps indicating a theme, were that 6 complaints concerned service users who were detained under the Mental Health Act, 6 concerned access to treatment and 8 concerned assessment and treatment.

As an indication of the level of satisfaction of the people who have complained, during the year in which 132 complaints have been responded to through local resolution, 5 people have taken their complaint to the next stage resulting in the Trust receiving 5 requests for complaints files and records from the Healthcare Commission (HC) 5 reports with recommendations have also been received back from the HC, indicating that there were some shortfalls in the handing of those 5 complaints. The learning from these will be integrated into the changed Policy and Procedure to launch in April 09. One complaint, initially reviewed by the HC during 2007-8, which had received a further response from the Trust was during 2008-9, was referred back to the HC by the complainant who remained unhappy with the outcome. Following the second review, the HC found that the Trust had done everything that it could to resolve the complaint and no further action was required.

On 1 April 2009 the HC merged with two other organisations to form the Care Quality Commission on 1 April 2009 and no longer deals with the independent review stage of complaints, any complaints reviews that could not be completed by 31 March 2009 were sent to the Parliamentary and Health Service Ombudsman (PHSO). There are two cases with the PHSO.

Compliments
Letters of thanks from service users, carers, advocates and visitors are forwarded to the PALS and Complaints Department by the services so that they can be logged.

01/04/07 – 31/03/08	348
01/04/08 – 27/02/09	315

The reduction in the number of compliments received in 08/09 compared to 07/08 is due to a change in the way compliments are recorded. Since 1 April 2008 only thank you letters related to the services provided to our Service Users have been recorded. In reality, the numbers are likely to be similar for both years.

Requests for Information

Between 1 April 2008 and 31 March 2009 we received 55 requests for information. The outcome of these requests is tabled below:

Information released	50
Still being processed but within timescale	1
Over timescale during period	2
Section 21 applied	9
Section 40 applied	2
Requests withdrawn	1
Requests deemed to be outside FOI and dealt with by other means	1
Information not held	Part – 2 Whole – 3
Information up to the value of £450 supplied	1

The Act gives the public the right to be told whether a piece of information exists and if so, the right to receive it if requested (information may be withheld if an exemption applies).

Reporting of Personal Data Related Incidents

Loss of personal data is a risk which is now nationally monitored and the table below shows incidents within the 08/09 for the Trust which were at the lowest recorded severity level.

SUMMARY OF OTHER PERSONAL DATA RELATED INCIDENTS IN 2008-09		
Category	**Nature of incident**	**Total**
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	2

Public Interest Disclosures

Our Staff

Staff engagement and involvement

The Trust carried out an audit of its workplace culture, using the findings to develop improved ways of involving our staff in decision-making and increasing what people know about the workings of the Trust. We held engagement events so that staff could become involved in how the Trust's vision and strategy were developed and to further strengthen both the accessibility of the Executive Team and the level of understanding of the Trust's vision and strategy.

Our executive team attended staff team meetings to explain our vision and their role in helping us achieve it. Initial feedback from teams has been very positive and a number of ongoing issues resolved as a result.

We have established groups that will enable us to engage with leaders and managers more effectively, involving them in key decisions for the Trust and ensuring that leadership development opportunities and plans are appropriate and focus on business and individual leadership needs. These groups meet regularly and are an opportunity to input into the Trust's future direction as well as addressing key strategic issues, problem solving and information sharing across the organisation.

Safer staffing for our Trust

On the 1 April 2008 the Department of Health introduced a revised system of vetting and selection processes for new applicants recruited to any NHS organisation. The title of this vetting is called the '6 Check Standards'. Hertfordshire Partnership NHS Foundation Trust implemented this immediately. We have a rigorous system of checking identity of applicants; the right for 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. We are working with Herts County Council and lead professionals to make sure that vulnerable adults and children are fully protected. The lead nurse for child protection and other senior leaders in the Trust are on county wide strategic groups to ensure that good practice is followed in all organisations for safer staffing.

Fair consideration for applications from staff with a disability

Our Recruitment, Selection and Vetting Policy ensures that all applicants with a disability who meet the shortlist are offered an interview and are asked prior to an interview what adjustments they require for the interview. They are also asked when successful what adaptations they may require to be able to fulfil their post. Staff are supported during all phases of their employment should a disability occur during their working lives. Flexible working, working at home, using adapted equipment, working differently are all successful tools that the Trust has used to take positive action for people with a disability.

Employee Relations

The Trust has worked hard to ensure that our employee relations processes for engaging with staff and our Trade Union colleagues are robust.

NHS Graduate Scheme

The Trust is an active supporter of the NHS National Graduate Scheme and gives graduates opportunities to learn our work and our Trust. The aim of our involvement is to improve our succession planning for the future.

Staff Wellbeing

The Trust has a proactive occupational health service which aims to help our staff keep physically and mentally well. Stress awareness sessions are delivered to managers and staff to help them to identify stress, both in themselves and in their workforce. There are additional services for our staff across the geographical spread of the Trust on a monthly basis to improve the well being of our staff. Healthy living is the key focus of occupational health's support for our staff.

Sickness Absence Data

		FTE Days Available	FTE Days Sickness	% FTE Days Sickness
	Staff Group			
	Add Prof Scientific and Technic	87,386.08	4,134.07	4.73
	Additional Clinical Services	269,294.60	17,013.28	6.32
	Administrative and Clerical	170,433.69	6,658.90	3.91
	Allied Health Professionals	27,671.99	884.34	3.20
	Estates and Ancillary	11,804.72	1,224.37	10.37
	Healthcare Scientists	657.34	3.00	0.46
	Medical and Dental	69,816.86	1,381.34	1.98
	Nursing and Midwifery Registered	291,072.65	15,117.66	5.19
	Students	6,933.00	91.00	1.31
Grand Total		935,070.94	46,507.96	4.97

Sickness absence data as provide quarterly to the Cabinet Office

Mindful Employer

The Trust has become a Mindful Employer and aims to be proactive and positive about mental health and the Charter for this was signed in February 2009. This underpins our good practice to ensure that any applicant with a mental health issue is fully supported, both at the recruitment stage and during their employment.

Staff Survey 2008

The staff survey conducted during Autumn 2008 has had a 15% improved response rate. More work is required to encourage staff to respond and ongoing work is taking place. The Trust is working in partnership with our Trade Unions to make this survey meaningful for our staff. The feedback is that our Trust has had considerable areas of improvement and has gained acceptable scores on our training and development opportunities for staff and staff participating in appraisals; these scores were significantly higher than other similar mental health trusts. The full report will be available on our web site from May 2009 following publican from the Healthcare Commission.

Learning, Education and Development

Trust-wide learning and development

During 2008/09, the Trust made significant progress towards ensuring that the workforce was able to undertake all the learning and development opportunities required to meet its Business Plan, Objectives, Standards for Better Health (SFBH)), NHS Litigation Authority (NHSLA) and other externally-determined standards. The Trust continued to give priority to appraisal, mandatory training and the development of key practice/service learning and development requirements although a wide range of other learning and development opportunities were also delivered throughout the year.

Specialist Learning Disabilities Service, Little Plumstead

In April 08, the Specialist Learning Disabilities Service, Little Plumstead, Norwich was transferred into the Trust. Five Induction Workshops were provided to welcome the staff into the Trust and arrangements have been made to ensure they receive the learning and development opportunities required to meet the Trust's standards.

Mandatory Training

A review of all mandatory training was completed during the year in order to clarify who should attend, ensure that all course content was relevant and look at different methods of delivery. A Training Needs Analysis was produced for each staff group and a number of additional programmes were run during the year to enable staff to meet the requirements. The success of the exercise contributed to the Trust achieving NHSLA at Level 2 in November. A number of alternative learning methods including use of customised DVDs and e-learning packages were developed and implemented.

The Trust purchased a new learning management system (AT-Tool) which links with the ESR and e-KSF software and will enable more effective recording, reporting and monitoring of attendances which will be particularly useful for mandatory training.

Service User Experience

In addition, there was further emphasis during 08/09 on the development of the customer care skills of front-line staff in order to improve the individual service user experiences within the Trust. Workshops with actors facilitating roleplay were delivered for direct care staff at all levels together with a specific customer care programme for administrative staff. There was good feedback on both programmes from those who attended.

Widening Participation for Band 1- 4 Staff

The development of learning programmes for Band 1-4 have also been a priority and the Trust has made significant bids for funding from government's Train to Gain initiative and the SHA's Joint Investment Framework (JIF).

The NVQ Centre which provides the NVQ Health and Social Care Awards has become part of the Hertfordshire Consortium in order to access Train to Gain Funding as an in-house centre.

The Centre continues to provide guidance, support, assessment and accredited qualifications at Level 2 and 3 for approximately 120 new and existing candidates every year and achievement rates are high. The Centre now also offers the NVQ unit accreditation for the Administration of Medicines which is an essential qualification requirement for all non-nurse registered front-line staff who handle medicines. The Centre is also accredited to provide the Learning Disabilities Qualification (LDQ) and NVQ Assessor and Verifier awards for registered staff. It consistently receives excellent quality assessments from the City and Guilds Awarding Body.

The Trust has also provided NVQs in Business Administration for over 50 administrative staff. In addition, a programme of other learning opportunities for staff in Bands 1-4 has run throughout the year funded by the Agenda for Change 07/08 funding allocation for this group.

Two Skills for Life programmes in language, numeracy and literacy have also run in 08/09 enabling participants to develop communication skills essential to their roles and meet national requirements.

Leadership and Management Development
The Trust continues to provide a range of leadership and management programmes including first and second level Leadership and Management Development programmes, Performance and KSF Development Review and Supervision Skills workshops and Human Resources Leadership Learning Events.

Presentation of Awards Ceremony
In November 2008, the Trust held its fifth Presentation of Awards Ceremony and the Trust Chief Executive, Bill Macintyre, presented certificates to successful candidates in NVQ in Health and Social Care and Business Administration, NVQ Assessor and Verifier Awards, Mental Health and Learning Disabilities Certificates, Skills for Life Awards and first and middle management development programmes. A splendid lunch was provided and candidates were able to meet up with old friends from their various courses.

Mental Health Act
One of the main areas of learning and development activity during 2008/9 has been an extensive programme to ensure all staff are updated and prepared for the changes to the Mental Health Act legislation which came into force in October 2008 and the Deprivation of Liberty Safeguards from April 2009. Over 950 staff have attended workshops, lectures, drop-in sessions and seminars by a variety of expert speakers both internal and external. Evaluation of these events has been extremely positive and staff have valued the opportunity to increase and update their own knowledge base whilst being able to discuss scenarios relevant to their own place of work.

Dementia Training
In February HPFT welcomed Dr Graham Stokes who presented a day to over 80 staff members from teams across older peoples services to discuss issues such as solutions focussed approaches, person centred care and challenging behaviour. This event culminated an extensive programme of in-house dementia training, accessed by over 500 staff, which included topics such as recovery, eating well with dementia, palliative care and working with families and carers. There will now be further work undertaken on a multi-agency level to ensure that the needs of the national dementia strategy are met.

Developing a Learning Culture
The results of the Training Needs Analysis in 2008/9 showed that many teams have excellent systems in place for sharing knowledge via clinical meetings, on the job training and internal sessions. In some cases secondments or shadowing opportunities had been arranged with great success. Following this feedback the Trust is following a 70/20/10 approach to learning (70% workbased; 20% coaching and mentoring 10% taught courses) and training has now become learning and development to reflect this. Learning activity is being streamlined to meet Trust strategic goals and aligned with business plans both for individual service streams and the trust as a whole.

As far as possible learning is taking place in the workplace and via other blended learning methods such as elearning. In this way activity can be tailored more specifically to team objectives and meet the needs of service users.

Continuing professional development
An extensive programme of CPD available to all staff groups has continued in 2008/9. Many staff have been supported to undertake clinical courses at all levels at a range of educational institutions and several specialist professionals have attended conferences and seminars tailored to their profession, which has enabled them to network and share knowledge with colleagues across the region and nationally. In some cases groups of staff across the Trust have come together to share learning delivered by an expert in their field – subjects have included systemic therapy, mindfulness, solutions focused brief therapy and personality disorder.

New and Improved Services

Enhanced Primary Care

The Trust is currently working in partnership with local Practice Based Commissioning groups to establish teams to deliver and enhanced service for talking and other therapies within primary care across Hertfordshire.

Hospital to Home Scheme to expand

Plans are being prepared for a Herts-wide 'Home from hospital' support service for older people with mild-to-moderate mental health problems.

The project, to be organised by Age Concern, will build on a scheme which has been running in Hertsmere since April 2008. This scheme, involving the Specialist Mental Health for Older People at The Meadows, recently won recognition in the Trust's annual awards.

The pilot was delivered by the British Red Cross, using a part-time coordinator and three volunteers. So far it has helped more than 20 older people three quarters of whom had been discharged from the inpatient unit Borehamwood. Most had mild depression, anxiety or early signs of dementia and each person was helped for about six weeks thanks to the project.

Helpline Extension

From the 1st September 2008 the 24 hour helpline giving mental health support and advice was extended to include all HPFT service users and carers in mental health services. It was run as a pilot for six months and during this period the publicity was aimed at service users and carers within adult mental health only.

Personality Disorder Service

The Trust has now developed this service with the majority of the team in post. Work continues to complete the recruitment process and develop the service further.

New Mental Health Unit

Building work started on a brand new purpose-built inpatient unit to replace inpatient facilities currently provided in the Abbey and Deacon Units in St Albans.

The new building will provided 15 psychiatric intensive care mental health beds, plus 15 ‘low secure’ beds for rehabilitation. The units will include special energy-saving features with access to an attractively planted courtyard, as well as a larger garden. The new building is due to be to be completed in early summer 2009

Communicating with the wider Community

Sharing Good Practice Conference 2008

Over 200 HPFT and Adult Care Services staff took part in this year's "Sharing Good Practice" Conference. The event was held on 3 September 2008 at the new Hertfordshire Development Centre in Stevenage.

Other visitors included Trust governors, service users and carers. All those attending looked at examples of good practice, and innovative ways of working.

There were 30 workshops throughout the day, which was split into four sessions. The topics of the workshops ranged from Attention Deficit Hyperactivity Disorder in young people to Recovery - and the presenters included service users and carers.

Working Towards Recovery' Conference

This event was held on 7 October 2008 at Rowley Mile Racecourse in Newmarket and was funded by the East of England Strategic Health Authority, ensuring a good attendance from delegates across the region as well as nationally

Co-hosted by the Trust, the Centre for Mental Health Recovery at the University of Hertfordshire and the Sainsbury Centre for Mental Health, the event attracted high profile keynote speakers as well as good attendance from service users, carers and staff.
The theme of the event was employment in the wider context of recovery. Discussion took place around the philosophy of recovery, and recovery-based practice. Knowledge was shared on supporting people with mental ill health to work towards employment.

Strategy consultation yields positive feedback

During the year work began on the Trust's strategy document ***Our plans for the future***. The consultation document was sent to over 3,000 members, posted on the HPFT website, sent to the local media. Four workshops were held to give service users, carers, Trust staff, governors and senior managers the opportunity to discuss and give their views on the document. We received over 250 separate responses with many positive comments.
All the views and comments will contribute to the final document to be launched later in 2009

NHS Foundation Trust Code of Governance

The Independent Regulator for NHS Foundation Trusts (Monitor) published a Code of Governance in October 2006 and requires Foundation Trusts to make a disclosure statement in two parts as required by the UK Listing Authority on listed companies on the application of the combined code. The two parts are: Report on how it applies the main and supporting principles of the code; and Either confirms that it complies with the provisions of the code or where it does not, to provide and explanation.

Board of Directors Statement on Main and Supporting Principles

The Boards of Governors and Directors fully support the main and supporting principles of the Code of Governance published by the Independent Regulator of NHS Foundation Trusts. In the Directors opinion the Hertfordshire Partnership NHS Foundation Trust complied throughout the review period with the main and supporting principles of the Code of Governance with the following exceptions:

Balance and independence of board of directors

- Independence of non-executives

A.3.3 One of our Non-executive Directors declared on 6 April 2008 that their partner would be taking up an appointment as a senior employee within the Trust from July 2008. The Non-executive's term of office expires on 1 August 2009 and they have decided not to seek reappointment. The board considered that no further action was needed at this stage.

Appointments and terms of office

- Appointments to the Boards

C.1.3 Two committees have been established. One for the nomination of Executive Directors – which is chaired by the Chair of the Board of Directors and a second for the appointment and remuneration of Non-Executive Directors. This committee is chaired by a Governor as it was felt this was more appropriate and the Chair attends the committee. Board of Directors has a Nominations Committee as does the Board of Governors. The Annual Report will include a section concerning their work.

- Re-election

C.2 Compliant in respect of Non-Executive Directors and Governors. Executive Directors will not be subject to re-appointment at intervals of 5 years as it is not felt that this will improve the on-going management of the organisation. They will be subject to satisfactory performance reviews annually.

The Board of Directors, Chair and Executive, and Board Balance Directors

The Board of Directors believes the Foundation Trust is led by an effective Board, as the Board is collectively responsible for the exercise and the performance of the NHS Foundation Trust.

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 Governors, and, the executive responsibility for the running of the Foundation Trust's Business. The Chair is responsible for providing leadership to the Boards of Directors and Governors ensuring governance principles and processes of the Boards are maintained whilst encouraging debate and discussion.
The Chair is also responsible for ensuring the integrity and effectiveness of the Governors and Directors relationship. The Chair also leads the performance appraisals of both Boards as well as the Non Executive Directors' performance appraisals.

Board of Governors

The Board of Governors includes (21) Public Governors elected by the members of the Foundation Trust. A new public constituency was added this year to represent the fact that we now manage and provide services outside of Hertfordshire, the first election to the new constituency will take place in the summer of 2009. It also has five Staff Governors elected by Trust staff. They are joined by 13 nominated representatives from our partner organisations.

An election to the seats falling vacant as a result of resignations was held under the auspices of the Electoral Reform Society during the period Dec to February 2009.

The governors elected were:

Public Governor:	Michelle Karpus
	John Stanley Biggs
Staff Governor:	Divya Acton

In addition Andrew Turton was appointed to a vacant seat using the constitutional provision to invite the next highest polling candidate for the seat at the most recent election, who is willing to take office, to fill the seat for the remainder of the term of office.

During the year resignations were received from:

Public Governors:	Lynne Strong
	John Addison
	Christina Richards
Staff Governors:	Selina Sibanda
Stakeholder Governors:	Manjit Rostom
	Pat Cherry
	Jan Jones
	Linda Chatfield

The Board of Governors and the Board of Directors have a good working relationship, both are chaired by the Trust Chair, Hattie Llewelyn-Davies and have two joint meetings annually. In addition the Board of Directors have an open invitation to attend all the Board of Governors meetings. The Chair and the Company Secretary act as the main links between the two Boards and reports and briefings are shared by the Governors and Directors.

The Board of Governors has dealt with a range of issues under current legislation: including the appointment of the Auditors; the performance appraisal of the Chair; and the approval of the appointment of the new Chief Executive of the Trust, Tom Cahill, who takes up the post from 1 April 2009. They have also been involved in some key pieces of work around the Annual Health Check and the Review of In-patient Services. Most importantly they have been key in contributing to the Trust's thinking on the organisations

strategy for the next five years. The strategy will be launched in 2009 and will set the path for the organisation and its staff for the coming years.

The Governors have also reviewed the membership strategy and are about to embark on a programme of work to enhance the recruitment and involvement of members in the organisation. They have been active in setting up an Editorial Board for the members quarterly newsletter and working with the Trust in improving communications for the public more generally.

The Board of Governors undertook a review of its first year in operation and the main issue that was identified for improvement was the joint working with the Directors and ensuring that issues and views could be shared and worked on together. A joint workshop is being held in 2009 to explore this further.

There were four Board of Governor meetings, and one extraordinary meeting, held in 08/09. Each Governor's attendance is shown in the constituency list below:

Board of Governors

Constituency of Hertfordshire

		Attendance	Appointment
Pamela Acheson	Public	0/5	1 Aug 07 for 3 years
Richard Adkin	Public	4/5	1 Aug 07 for 3 years
Alan Franey	Public	5/5	1 Aug 07 for 3 years
Sheena Garbutt	Public	5/5	1 Aug 07 for 3 years
Ray Gibbins	Public	5/5	1 Aug 07 for 3 years
Catherine Hislop	Public	5/5	1 Aug 07 for 3 years
Carol Jeavons	Public	5/5	1 Aug 07 for 2 years
Paul Mosley	Public	1/5	1 Aug 07 for 3 years
Mary Porter	Public	4/5	1 Aug 07 for 2 years
Chris Reynolds	Public	5/5	1 Aug 07 for 3 years
Andrew Smith	Public	2/5	1 Aug 07 for 2 years
Angela Smith	Public	3/5	1 Aug 07 for 2 years
Anne-Marie Smith	Public	2/5	1 Aug 07 for 2 years
Sue Theobald	Public	1/5	1 Aug 07 for 2 years
Glyn Trollope	Public	5/5	1 Aug 07 for 2 years
Andrew Turton	Public	3/3	Jun 08 – 31 Jul 2009
Hazel Ward	Public	4/5	1 Aug 07 for 2 years
Steve Wright	Public	5/5	1 Aug 07 for 3 years
Michelle Karpus (replacing Lynne Strong)	Public	N/A	Feb 09 until 31 Jul 2010
John Biggs (replacing John Addison)	Public	N/A	Feb 09 until 31 Jul 2010
Steve Iwasyk	Staff	4/5	1 Aug 07 for 3 years
Steve Kingsbury	Staff	4/5	1 Aug 07 for 2 years
Irma Mullins	Staff	5/5	1 Aug 07 for 2 years
Andrew Wellings	Staff	3/5	1 Aug 07 for 2 years
Divya Acton	Staff	N/A	Jan 09 until 31 Jul 2010

(replacing Selina Sibanda)			
Mike Paul	Appointed	2/5	1 Aug 07 for 3 years
Dennis Edwards	Appointed	4/5	1 Aug 07 for 3 years
Julie Attree	Appointed	3/5	1 Aug 07 for 3 years
Anne McPherson	Appointed	5/5	1 Aug 07 for 3 years
Pam Handley	Appointed	4/5	1 Aug 07 for 3 years
Brian Littlechild (replacing Manjit Rostom)	Appointed	3/4	Jun 08 until 31 Jul 2010
Ian McCreath (replacing Jan Jones)	Appointed	1/4	Jun 08 until 31 Jul 2010
Hazel Jones	Appointed	5/5	1 Aug 07 for 3 years
Dorothy Hone	Appointed	3/5	1 Aug 07 for 3 years
Dave Hewitt	Appointed	5/5	25 Oct 07 for 3 years
Mary Pedlow	Appointed	2/2	Sep 08 until 31 Jul 2010
David Thomson (replacing Pat Cherry)	Appointed	2/2	Nov 09 until 31 Jul 2010

The Board of Governors has two sub-groups, which meet regularly to take forward a work plan on behalf of the Governors, and report to each of the meetings of the Board of Governors. The areas which the groups have worked on in the last year are highlighted below:

Quality:

An overview of the Cat Team, Out of Hours Service, Hospital at Night and Help lines has taken place and a number of issues were highlighted and discussed, as a result a training programme is being developed for staff wanting to work with the CAT Team.

In addition an action plan for acute services was discussed and its links to the Healthcare Commission Action Plan, following their review a full report on this was made to the Board of Governors at their meeting in January.

Preparation on behalf of the Board of Governors as a whole, was input into the assessment of Standards for Better Health to the Trust.

Communications:

The main item the group wanted to tackle was more member involvement. A workshop is being set-up and Governors will be involved with the planning of this, to look at engagement of the Governors with the membership.

The group will be looking at other foundation trusts to see how they have made progress with this in their area.

The group has set up an editorial panel for the membership newsletter and will be seeking contributions from Governors and members to develop this further.

Register of interests

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

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

Expenses

Governors may claim expenses at public transport rate of 24p per mile for travel and other reasonable expenses incurred on Trust business. They are not otherwise remunerated.

Board of Directors

The Trust is managed by full-time Executive and part-time Non-Executive Directors. Together they make up the Trust's Board of Directors. In attendance at board meetings is a representative from Hertfordshire County Council supporting partnership arrangements.

The appointments for Non-executive Directors were formally approved by the Board of Governors at their meeting on 2 August 2007, following a report from the Board of Governors Appointments and Remuneration Committee as follows:

	Appointment Ends
Chair	
Hattie Llewelyn-Davies	1 August 2010
Non-Executive Directors	
Cedric Frederic and Yasmin Batliwala	1 August 2009
Ruth Sawtell and Colin Sheppard	1 August 2010
Carol Kennedy Filer and Bill Brown	1 August 2011

New Non-Executive Directors are appointed for terms of three years and their re-appointment after their first term of office is subject to satisfactory performance appraisal. Any term beyond 6 years (i.e. two terms) is subject to a rigorous interview and satisfactory appraisal, and should take into account the need for progressive refreshing of the board. The removal of a Non Executive Director requires the approval of three-quarters of the Board of Governors. The period of notice for Non-Executives is one month.

Our 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.

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 and Standing Financial Instructions. It also, with input from the Board of Governors, sets the strategic direction of the Trust.

The effectiveness of the Board Committees: Audit, Finance and Investment, Remuneration and Nomination and Integrated Governance, is considered on an ongoing basis via the regular reports presented to the Board of Directors at their monthly meetings. Each Committee and the Board of Directors is appraised annually.

So far as the Directors are aware there is no relevant audit information of which the Auditors are unaware and the Directors have taken all of 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.

There were 11 Board of Directors meetings between 1 April 2008 and 31 March 2009. This includes the Annual General Meeting for members. The individual attendance of each Board member is indicated in brackets.

Bill Macintyre, Chief Executive
(7 out of a possible 11)

- Is 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.
- Was a national management trainee in the 1970s. In the 1970s he undertook a series of posts in London Hospitals before moving to Hertfordshire in the early 1980s.
- Has been CEO of three NHS Trusts since 1992.
- Undertook a Master's degree at the University of West London, which included preparing a dissertation on the attitudes of doctors to budget holding.
- In 1993 and 1996, under the sponsorship of the European Economic Community, spent two weeks visiting polyclinics and hospitals in Russia with the objective of twinning Russian units with counterparts in Western Europe.
- Obtained a PhD in Health Systems and Sciences in 1996

Anne Markwick, **Executive Director of Operations**
(10 out of a possible 11)

- Responsible for the strategic direction and operational management of the services for users of the Trust including both health and social care within Mental Health Services for working age adults, Mental Health Services for Older People, Child and Adolescent Mental Health Services, Drug and Alcohol Services, Specialist Learning Disability Services and Forensic Services.
- Works closely with users and carers to engage them in the process and with the Assistant Director of Mental Health and Learning Disabilities within the County Council to ensure that both the social care and health aspects of our services are fully addressed.
- Is the Board lead for Mental Health Act legislation, Protection of Vulnerable Adults and the management of violence and aggression

Tom Cahill, **Deputy Chief Executive**
(11 out of a possible 11)

- Alongside the role of Deputy Chief Executive, has responsibility for developing the Trust strategy and leading on Trust performance.
- Is also Executive lead/Board representative for Nursing, Social Care, Allied Health Professions and Psychology.
- Other responsibilities include:
  - Risk management
  - Marketing and New Business development
  - Equality and Diversity

Barbara Buckley, **Practice Governance and Clinical Care/Medical Director - Resigned from the Trust on 11 April 2008**

- Provides advice and guidance on professional issues including medicines management, medical staff and revalidation, as well as training of future doctors.
- Oversees clinical risk in the organisation and leads on the accessibility of clinically effective care within available resources across the organisation

Geraldine O'Sullivan, Practice Governance and Clinical Care/Medical Director

(Became the sole Medical Director on 11 April 2008 following the resignation of Dr Barbara Buckley)
(11 out of a possible 11)

- Provides advice and guidance on professional issues including medicines management, medical staff and revalidation, as well as training of future doctors.
- Oversees clinical risk in the organisation and leads on the accessibility of clinically effective care within available resources across the organisation.
- Takes an overview of issues around quality of clinical care
- Caldicott Guardian for Trust

Jim Andrews, Director of Workforce and Organisational Development

(11 out of a possible 11)

- Is responsible for planning, securing and developing the future workforce of the organisation.
- Also responsible for organisational development, which includes learning, education and a particular focus on leadership development.
- Lead for Human Resource management, including medical staffing

John Jones, Executive Director of Finance

(10 out of a possible 11)

- Responsible for ensuring that the Trust meets all its financial targets and makes best use of its funding.
- Responsible for the informatics service within the trust.
- Leads on ensuring that the Trust will be able to continue to provide services in the event of a major incident within Hertfordshire.

Hattie Llewelyn-Davies, Chair

(10 out of a possible 11)

- Appointed in 2001 as the Chair of Hertfordshire Partnership NHS Trust having previously chaired one of the five predecessor organisations that formed HPT and current term of office expires in August 2010.
- Background is in social housing and the voluntary sector and has successfully run own business for the past 15 years providing services on governance, mergers and regulation matters.
- Has a number of other Non-Executive roles including chairing a commercial audit firm, Vice-Chair of a building society and a Governor of Peabody Trust.
- Has an OBE for services to homeless people.

Bill Brown, Non Executive Director
(9 out of a possible 11)

- Appointed to the Board in July 2007 and his current term of office expires in August 2011. He is Chair of the Trust's Audit Committee.
- Has a law degree and is a chartered accountant.
- Retired as a partner in PricewaterhouseCoopers in June 2004 after a long career with the firm where he specialised in audit, financial due diligence, and corporate governance.
- Currently a non-executive director of Business Link for London and of AbilityNet and was previously a non-executive director of Chase Farm Hospitals NHS Trust.
- Is a panel member of the Disciplinary Tribunal of the Accountancy Investigation and Discipline Board.
- Is now in business as a consultant in financial accounting and corporate governance matters.

Carol Kennedy Filer, Non Executive Director
(9 out of a possible 11)

- Appointed to the Board in July 2007 and current term of office expires in August 2011.
- In 2002 started a management consultancy specialising in the strategic marketing for the healthcare industry, particularly supporting manufacturers of critical care disposables and equipment. With expertise across a number of hospital sectors, and a Masters Degree in Business, this new venture built upon over 13 years working within one of the largest British medical companies within Smiths Group plc, latterly as Strategic Marketing Director.
- Has also had a number of years working within the voluntary sector, particularly as past secretaries of the Dacorum Macmillan Cancer Research Committee and Chartered Institute of Marketing – Medical Group. In addition, has worked alongside the Association of Anaesthetists to raise its profile with the public and had a short secondment to the Department of Health in 1997.

Ruth Sawtell, Non-Executive Director
(9 out of possible 11)

- Appointed to the Board in December 2004 and current term of office expires in August 2010.
- Her career has spanned senior level experience in banking and social housing.
- Is a Non-Executive Director of Metropolitan Housing Partnership, Chair of Hertnet, a primary care research network based at the University of Hertfordshire, and a Trustee of Education Services, an educational charity.

Cedric Frederick, Non-Executive Director (Resigned 18 August 2008)
(2 out of a possible 4)

- Appointed to the Board in December 2004 and current term of office expires in August 2009.
- Is CEO of Adepta a not-for-profit provider of high quality care and support services to people with learning disabilities, autism and/or mental health problems. Adepta supports over 700 people and employs 1000 staff. He has over 15 years' non-executive experience in the NHS, Housing Associations and the wider charitable sector.
- Is a commercial business leader and social entrepreneur, with a track record in and comprehensive understanding of the charity and public sector environment and trends. Having worked his way up through the local authority sectors, where he became known for his ability to turn around underperforming units and drive through large-scale change, he moved to lead a 'black-led' Housing Association where he helped influence government BME housing policies.
- Since 1996 he has been the CEO of Adepta, which he has taken through a full scale re-branding exercise, three mergers and increased its annual turnover from £2m in 1996 to over £28m in 2006.

Colin Sheppard, Non-Executive Director
(8 out of a possible 11)

- Appointed in January 2008 having originally been co-opted to the Board of Directors in May 2007. Current term of office expires in August 2010.
- Is the Senior Independent Director and Chair of the Finance and Investment Committee.
- 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, Centrepoint, 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

Yasmin Batliwala, Non-Executive Director
(8 out of a possible 11)

- Appointed to the Board in 2001 and current term of office expires in August 2009.
- Has a Masters Degree in Psychology and has worked for the Audit Commission and North Thames Regional Health Authority.
- Is a Mental Health Review Tribunal member and has an extensive understanding of mental health issues.
- Is Chair of the Hertfordshire Police Authority, holding the Criminal Justice portfolio. She Chairs the Watford Crime and Disorder Reduction Partnership and has been a Magistrate for the past 17 years.
- Is Chair of the Westminster Drug Project, which provides services for hard to reach drug users.
- Has been a Magistrate for the past 18 years and Deputy Chair of the Central Herts Bench.

Committees

Audit Committee

The Audit Committee provides assurance to the Board. It oversees the probity and internal financial control of the Trust, working closely with external and internal auditors. Key activities include reviewing governance, risk management and assurance functions. It also approves the External Audit plan, the Internal Audit plan, Counter Fraud plan, accounting policies and reviews draft Annual Accounts before 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.

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

There were 5 meetings of the committee during the financial period and members' attendance is shown below

- Yasmin Batliwala, Non-Executive Director (3 of 5)
- Bill Brown (Chair), Non-Executive Director (5 of 5)
- Carol Kennedy Filer, Non-Executive Director (from October 08) (2 of 2)
- Ruth Sawtell, Non-Executive Director (5 of 5)

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

Integrated Governance Committee:

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 Department of Health Standards for Better Health. 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

There were 4 meetings of the committee during the financial period and members' attendance is shown below:

- Bill Brown, Non-Executive Director (4 of 4)
- Cedric Frederick, Non-Executive Director (until August 08) (1 of 2)
- Carol Kennedy Filer, Non-Executive Director (4of 4)
- Jim Andrews, Executive Director of Workforce & Organisational Development (4 of 4)
- Bill Macintyre, Chief Executive (Chair) (3 of 4)
- Tom Cahill, Deputy Chief Executive (3 of 4)
- Anne Markwick, Executive Director of Operations (3 of 4)
- John Jones, Executive Director of Finance (4 of 4)
- Geraldine O'Sullivan, Executive Director of Practice Governance & Clinical Care/Medical Director (3 of 4)

In attendance at the meeting will be the Company Secretary, Chair of Medical Staff Committee, other nominated Directors and service user representation

Finance and Investment Committee

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

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

There were 4 meetings of the committee during the financial period and members' attendance is shown below

Finance and Investment Committee Members	**Attended**
• Colin Sheppard (Chair)	(4 of 4)
• Hattie Llewelyn-Davies, Non-Executive Director	(4 of 4)
• Ruth Sawtell, Non-Executive Director	(4 of 4)
• Yasmin Batliwala, Non-Executive Director	(1 of 4)
• Bill Brown, Non-Executive Director	(4 of 4)
• Carol Kennedy-Filer, Non-Executive Director	(4 of 4)
• Cedric Frederick, Non-Executive Director (to August 08)	(1 of 2)
• John Jones, Executive Director of Finance	(4 of 4)
• Bill Macinytre, Chief Executive	(4 of 4)
• Tom Cahill, Deputy Chief Executive	(3 of 4)
• Anne Markwick, Executive Director of Operations	(4 of 4)
• Geraldine O'Sullivan, Executive Director of Practice Governance & Clinical Care/Medical Director	(3 of 4)
• Jim Andrews, Executive Director of Workforce & Organisational Development	(3 of 4)
In attendance	
• Barbara Suggitt, Company Secretary	(3 of 4)
• Sandy Bremner, Consultant Psychiartrist (on behalf of Geraldine O'Sullivan - 16 July 08)	(1 of 1)

Remuneration and Nomination Report

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.

Membership 2008/09
Chairman:
Hattie Llewelyn-Davies

Non-Executive Directors
Yasmin Batliwala
Bill Brown
Cedric Frederick
Carol Kennedy Filer
Ruth Sawtell
Colin Sheppard

In attendance
Bill Macintyre, Chief Executive
Jim Andrews, Director of Workforce and Organisational Development
Barbara Suggitt, Company Secretary

The Trust has a pay framework for the remuneration of senior managers which relates to the standing financial instructions which state that the committee will make such recommendations to the board on the remuneration and terms of service of Executive Directors (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust – having proper regard to the Trust's financial circumstances and performance and to the provision of any national arrangements for such staff, where appropriate.

Executive Directors of the Trust have defined annual objectives agreed with the Chief Executive. A report on their performance is received by the Committee annually. The performance of Directors is linked to pay through a performance bonus scheme.

Executive Directors are appointed through open competition in accordance with the Trust's recruitment and selection policies and procedures and NHS guidance, including the requirement for external assessors. All Executive directors covered by this report hold appointments which are permanent.

The Board of Governors Appointments and Remuneration Committee was involved during the year with the process for the recruitment of the Chief Executive, due to the retirement of Bill Macintyre notified from August 2009. They are also undertaking a recruitment process for Non-Executive Director vacancies resulting from the resignation of Cedric Frederick in August 2008 and the notification that Yasmin Batliwala will not be seeking reappointment at the end of her current term of office in August 2009. Open advertising is being used for the appointments and a robust recruitment process has been developed to ensure that the relevant knowledge, skills and experience of

those seeking appointment will be of high calibre and complement and add to the Board of Directors existing strengths.

Robust processes are in place for the annual appraisal of the Board of Directors. The Chair leads the Non-Executive Directors in their appraisal and the Chief Executive leads the process for Executive Directors. The Chief Executive is appraised by the Chair and the Chair is appraised by representatives from the Board of Governors and the Board of Directors.

Put in table re no of meetings and members of this

No significant awards were made to past senior managers during 2008/09.

The salary, allowances and benefits of senior managers are included on pages 17 and 18 of the annual accounts

There were 5 meetings of the committee during the financial period and members' attendance is shown below:

- Yasmin Batliwala, Non-Executive Director (5 of 5)
- Bill Brown, Non-Executive Director (5 of 5)
- Carol Kennedy Filer, Non-Executive Director (5 of 5)
- Cedric Frederick, Non-Executive Director (until August 2008) (1 of 2)
- Hattie Llewelyn-Davies, Chair (5 of 5)
- Ruth Sawtell, Non-Executive Director (4 of 5)
- Colin Sheppard, Non-Executive Director (3 of 5)

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Membership

In line with our membership strategy, public membership numbers grew to 8,500 during the year

To be eligible for membership people must be over the age of 14 and living either within the county of Hertfordshire or the Rest of England and Wales
Or
Be employed by the Trust and:

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

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

Acute Services	451
Community Services	803
Secure and Rehabilitation Services	411
Specialist Services	806
Corporate and Support Services	354

Increasing our membership

Growing and 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.

Members receive quarterly editions of Foundation Matters, the members newsletter, and have access to further information about the Trust and the work of the Board of governors and Directors through the web site. We are planning developments that will highlight information of particular interest to members and enable them to take part in workshops and discussions around issues such as health promotion and anti-stigma campaigns.

Membership levels are increased through regular recruitment drives, through the local press, Foundation Matters and direct mailings as well as public health events. We are also discussing how we may work jointly with our neighbouring acute Trusts who are moving to Foundation status in the coming year about joint recruitment ventures.

We continue to try and ensure that membership reflects the diversity of our communities and have worked with our Equality and Diversity lead in the Trust to ensure that we make contact with hard to reach groups. We plan to continue to work towards our overall target of 15,000 members over the coming year.

Section Two

Full Statutory Accounts including Statement of Directors' responsibilities in respect of the accounts and Statement on Internal Control

1 April 2008 – 31 March 2009

FOREWORD TO THE ACCOUNTS

HERTFORDSHIRE PARTNERSHIP NHS FOUNDATION TRUST

Hertfordshire Partnership NHS Foundation Trust ("the Trust") is required to "keep accounts in such form as Monitor, may with the approval of Treasury, direct" (paragraph 24(1), Schedule 7 of the National Health Services Act 2006 ("the 2006 Act"). The Trust is required to "prepare in respect of each financial year annual accounts in such form as Monitor may, with the approval of Treasury, direct" (paragraph 25(1), Schedule 7 to the 2006 Act). In preparing their annual accounts, the Trust must comply with any directions given by Monitor, with the approval of Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts (paragraph 25(2), Schedule 7 to the 2006 Act). In determining the form and content of the annual accounts Monitor must aim to ensure that the accounts present a true and fair view (paragraph 25(3), Schedule 7 to the 2006 Act).

On the 1st August 2007 the Trust became a Foundation Trust and its first set of accounts covered the eight month period to 31 March 2008. Readers of these accounts should exercise care when drawing conclusions based on the comparative figures in these accounts, as they relate to an eight month accounting period only.

If you require any further information on these accounts please contact:

Executive Director of Finance and Performance Improvement
Hertfordshire Partnership NHS Foundation Trust
99 Waverley Road
St Albans
Hertfordshire
AL3 5TL

Signed 

T Cahill, Chief Executive Date 2nd June 2009

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2009

	NOTE	2008/09 Underlying position £000	2008/09 Exceptional item £000	2008/09 Outturn position £000	2007/08 *8 Months to March 2008* £000
Income from activities	3	**182,118**	**0**	**182,118**	113,031
Other operating income	4	**6,406**	**0**	**6,406**	4,177
Operating expenses					
General		**(181,963)**	**7,811**	**(174,152)**	(112,621)
Impairment		**0**	**(3,752)**	**(3,752)**	0
	5	**(181,963)**	**4,059**	**(177,904)**	**(112,621)**
SURPLUS BEFORE INTEREST		**6,561**	**4,059**	**10,620**	4,587
Profit on disposal of fixed assets	8	**43**	**0**	**43**	0
SURPLUS BEFORE INTEREST		**6,604**	**4,059**	**10,663**	4,587
Finance income	9	**1,866**	**0**	**1,866**	1,480
Finance cost - interest expense	9	**(110)**	**0**	**(110)**	(109)
Other finance costs - unwinding of discount	17	**(291)**	**0**	**(291)**	(201)
SURPLUS FOR THE FINANCIAL YEAR		**8,069**	**4,059**	**12,128**	5,757
Public Dividend Capital dividends payable	18	**(4,819)**	**0**	**(4,819)**	(3,276)
RETAINED SURPLUS FOR THE YEAR		**3,250**	**4,059**	**7,309**	2,481

The notes on pages 6 to 35 form part of these accounts.
All income and expenditure is derived from continuing operations.

The exceptional items comprise of impairment charges and a reversal of provision for charges, details of which are disclosed at note 5.1

BALANCE SHEET AS AT 31 March 2009

	NOTE	31 March 2009 £000	31 March 2008 £000
FIXED ASSETS			
Intangible assets	10	**386**	**219**
Tangible assets	11	**128,090**	**120,955**
		128,476	**121,174**
CURRENT ASSETS			
Stocks and work in progress	13	**8**	**12**
Debtors: Amounts falling due within one year	14	**5,040**	**3,886**
Debtors: Amounts falling due after more than one year	14	**7,565**	**7,772**
Cash at bank and in hand	19.3	**43,918**	**40,844**
		56,531	**52,514**
CREDITORS: Amounts falling due within one year	16	**(27,085)**	**(35,187)**
NET CURRENT ASSETS		**29,446**	**17,327**
TOTAL ASSETS LESS CURRENT LIABILITIES		**157,922**	**138,501**
CREDITORS: Amounts falling due after more than one year	16	**(850)**	**(1,284)**
PROVISIONS FOR LIABILITIES AND CHARGES	17	**(18,835)**	**(17,705)**
TOTAL ASSETS EMPLOYED		**138,237**	**119,512**
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	18	**79,370**	**56,880**
Revaluation reserve	18	**44,062**	**55,291**
Donated asset reserve	18	**314**	**321**
Income and expenditure reserve	18	**14,491**	**7,020**
TOTAL TAXPAYERS' EQUITY		**138,237**	**119,512**

The financial statements on pages 2 to 5, together with the notes on pages 6 to 35 were approved by the Board and signed on its behalf by:

Signed 

T Cahill, Chief Executive Date 2nd June 2009

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 March 2009

	2008/09	2007/08
	Outturn position	*8 Months to March 2008*
	£000	£000
Surplus for the financial period before dividend payments	**12,128**	5,757
Fixed asset impairment losses	**(12,055)**	(6,359)
Unrealised surplus on fixed asset revaluations/indexation	**997**	8,765
Reduction in the donated asset reserve due to depreciation and revaluation of donated assets	**(16)**	(202)
Total gains and losses recognised in the financial year	**1,054**	7,961

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 March 2009

	NOTE	2008/09 *Outturn position* £000	2007/08 *8 Months to March 2008* £000
OPERATING ACTIVITIES			
Net cash inflow from operating activities	19.1	**8,666**	26,047
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		**1,866**	1,480
Interest element of finance leases		**(110)**	(109)
Net cash inflow from returns on investments and servicing of finance		**1,756**	1,371
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		**(24,797)**	(1,251)
Payments to acquire intangible fixed assets		**(225)**	(231)
Receipts from sale of tangible fixed assets		**48**	525
Net cash outflow from capital expenditure		**(24,974)**	(957)
DIVIDENDS PAID		**(4,819)**	(3,276)
Net cash inflow before financing		**(19,371)**	23,185
FINANCING			
Public dividend capital received		**22,490**	1,670
Public dividend capital repaid		**0**	(525)
Capital element of finance lease rental payments		**(45)**	(38)
Net cash outflow from financing		**22,445**	1,107
Increase in cash	19.2	**3,074**	24,292

Notes to the Accounts

ACCOUNTING POLICIES

1 Accounting Policies and Other Information

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *NHS Foundation Trust Financial Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2008/09 *NHS Foundation Trust Financial Reporting Manual* issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's *Financial Reporting Manual* 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 accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs. NHS foundation trusts, in compliance with HM Treasury's *Financial Reporting Manual* are not required to comply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

1.2 Acquisitions and Discontinued Operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:

a. the sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;

b. if a termination, the former activities have ceased permanently;

c. the sale or termination has a material effect on the nature and focus of the Trust's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the NHS foundation trust's continuing operations; and

d. the assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector.

1.3 Income Recognition

Income is accounted for by applying the accruals convention. The main source of income for the Trust is under contracts from commissioners in respect of Health and Social Care services. Income is recognised in the period which services are provided. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

1.4 Expenditure

Expenditure is accounted for by applying the accruals convention.

1.5 Tangible fixed assets

1.5.1 Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

a. individually have a cost of at least £5,000; or

b. form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, 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

c. form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

1.5.2 Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the fixed asset are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with FRS 15 every five years. A three yearly interim valuation is also carried out.

The District Valuer, who are professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual,* are employed by the Trust to carry out valuations.

The interim revaluation was undertaken in 2007/08 and was accounted for in the opening asset values as at 1st April 2008.

Given the prevailing economic climate the Trust recognised the potential for impairment under FRS11 and commissioned the District Valuer in April 2009 to carry out a desk top valuation and these revised valuations are reflected in the asset values as at 31 March 2009.

The valuations are carried out primarily on the basis of modern equivalent asset approach for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Operational equipment, other than IT equipment which is considered to have no inflation, is valued at net current replacement cost, through annual uplift by the change in value of NHS indices. Equipment surplus to requirements is valued at net recoverable amount.

1.5.3 Depreciation, Amortisation and Impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life, using the following lives:

	Years
Medical equipment and engineering plant & machinery	5 - 15
Set up costs in new buildings	10
Furniture	10
Soft Furnishings	7
Office and Information Technology equipment	5
Vehicles	5

Fixed asset impairments resulting from losses of economic benefits are charged to the income and expenditure account. All other impairments are taken to the revaluation reserve and reported in the statement of total recognised gains and losses to the extent that there is a balance on the revaluation reserve in respect of the particular asset.

1.6 Intangible Fixed Assets

Intangible assets are capitalised when they are capable of being used in a trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Intangible fixed assets held for operational use are valued at historical cost and are

1.7 Donated Fixed Assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluation are also taken to the donated asset reserve and, each year an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

1.8 Investments

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairments in value, and are reviewed annually for impairments.

1.9 Government Grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants, as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Income and Expenditure account to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to the income and expenditure account over the life of the asset on a basis consistent with the depreciated charge for that asset.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.11 Cash, Bank and Overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS foundation trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.12 Research and Development

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or service(s) that will eventually be brought into use; and
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, the Trust discloses the total amount of research and development expenditure charged in the Income and Expenditure account separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Fixed assets acquired for use in research and development are amortised over the life of the associated project.

1.13 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

1.13.1 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 22 where an inflow of economic benefits is probable.

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in note 22 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.

1.13.2 Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 17.

1.13.3 Non-clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.The Trust also puchases "top up" insurance cover from the commercial sector to limit any additional exposure to risk, arising as a consequence of being an NHS Foundation Trust.

1.13.4 Back to Back Provisions

Of the provisions totalling £13,887,000 for pensions and injury benefits, £8,151,000 of these are subject to "Back to Back" agreements with a consortium of North West London and Hertfordshire PCT's. These agreements are shown as NHS debtors in the accounts of the Hertfordshire Partnership NHS Foundation Trust.

1.14 Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme and covers NHS employers, general practices and other bodies allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible for the Trust to identify it's share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme under FRS 17.

Employers pension cost contributions are charged to operating expenses as and when they become due.

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

The NHS Pension Scheme is subject to a full valuation every four years by the Government Actuary. The latest published valuation relates to the period 1 April 1999 to 31 March 2004 which was published in December 2007 and is available on the Pensions Agency website http://www.nhspa.gov.uk/nhspa_site/foi/foi1/Scheme_Valuation_Report/NHSPS_Valuation_report.pdf

The notional deficit of the scheme was £3.3 billion as per the last scheme valuation referred to above. The conclusion of the valuation was that the scheme continues to operate on a sound financial basis.

Employer contributions rates are reviewed every four years following the scheme valuation, on advice from the actuary. At the last valuation, it was recommended that employer contribution rates should continue at 14% of pensionable pay. From 1 April 2008, employees' contributions will be on a tiered scale from 5% to 8.5% of their pensionable pay.

Local Government Pension Scheme

The Trust is also an admitted fully funded member of the Hertfordshire Local Government Pension Scheme (LGPS), for those staff who transferred under TUPE from Hertfordshire County Council, to the Trust'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 latest formal valuation of the fund for the purposes of setting employer's actual contributions was at 31 March 2007. Hertfordshire Partnership NHS Foundation Trust has a separate employers rate of contribution, calculated by the Actuary, which in 2008/09 was 18.2%, which differs each year from the common contribution rate of 19.4%.

The Trust was admitted into the scheme on a fully funded basis, whereby it was allocated assets equal to the value of the liabilities transferred. However it should be noted that as liabilities are valued on a different basis under FRS17, the initial assets are not equal to the liabilities under FRS17.

Based on FRS17, the Actuary has estimated for the Trust, that for the year ended 31 March 2009, the Net Pension liability is £492,000 (asset of £220,000 as at 31 March 2008). The amount chargeable to operating profit is £432,000 (£270,000 as at 31 March 2008) and a loss of £2,420,000 (gain of £74,000 as at 31 March 2008) recognisable in the Statement of Total Recognised Gains and Losses.

As Hertfordshire County Council is responsible for any funding shortfall, the Trust accounts for the pension scheme on a defined contribution basis. The LGPS figures are therefore not included in these accounts, but are disclosed separately above.

1.15 Value Added Tax

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

1.16 Corporation Tax

The Trust has no commercial trading activities, and consequently no corporation tax liability.

1.17 Foreign Exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the income and expenditure account.

1.18 Third Party Assets

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

1.19 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires.

1.20 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are recognised for the number of paid leave days (usually holiday entitlement) remaining at the balance sheet date. They are included in *Other creditors* at the undiscounted amount that the Trust expects to pay as a result of the unused entitlement.

1.21 Public Dividend Capital (PDC) and PDC Dividend

A charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held. Average relevant net assets are calculated as a simple means of opening and closing relevant net assets. 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 original trust.

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 ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and Special Payments are charged to the relevant functional headings in the Income and Expenditure Account on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). Note 24 is compiled directly from the losses and compensations register.

1.23 Financial Instruments and Financial Liabilities

The Trust may hold any of the following financial assets and liabilities:

- Assets: investment, debtors, accrued income and cash
- Liabilities: loans, overdrafts, creditors, accruals, provisions under contract and finance lease obligations

The Trust can borrow within the limits set by Monitor's Prudential Borrowing Code. The Trust's position against its Prudential Borrowing Limit is disclosed in note 16.2. The Trust has currently not borrowed against this limit.

The Trust will only acquire assets under finance leases in the future where this represents the most effective use of the Trust's resources.

All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from its operating activities. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to the financial position.

FRS 25, 26 & 29 Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 25, 26 & 29 mainly applies. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

2. Segmental Analysis

The Foundation Trust does not consider that it has reportable segments as defined by SSAP 25.

3. Income from Activities

3.1 Income from Activities comprise of:

	2008/09 ***Outturn position***	2007/08 *8 Months to March 2008*
	£000	£000
Foundation Trusts	**36**	124
NHS Trusts	**348**	233
Strategic Health Authorities	**1,836**	0
Primary Care Trusts	**14,071**	6,760
Local Authorities	**165,653**	105,851
Department of Health	**131**	14
NHS Other	**0**	6
Non NHS Other	**43**	43
	182,118	113,031

Local Authority income includes £160,420,000 from Hertfordshire County Council, for services commissioned by the Joint Commissioning Partnership Board.

3.2 Analysis between Mandatory and Non Mandatory Income from Activities

Under the Trust's Terms of Authorisation, the Trust is required to provide mandatory Health and Social Care services. The allocation of income from activities between mandatory services and other services is shown below.

	2008/09 ***Outturn position***	2007/08 *8 Months to March 2008*
	£000	£000
Mandatory income from activities	**182,118**	113,031
	182,118	113,031

3.3 Private Patients Cap

In accordance with section 44 of the National Health Service Act 2006 NHS Foundation Trusts must not exceed a predetermined private patient cap, which is based on the level of private patients income received in 2002/03. The Trust's private patients cap is zero, and in line with this limit no private patients income was generated in the financial period.

5. Operating Expenses

5.1 Operating expenses comprise:

	2008/09	2008/09	2008/09	2007/08
	Underlying position	*Exceptional item*	*Outturn position*	*8 Months to March 2008*
	£000	£000	£000	£000
General				
Services from other NHS Foundation Trusts	**876**	**0**	**876**	167
Services from other NHS Trusts	**6,268**	**(632)**	**5,636**	5,183
Services from other NHS bodies	**2,073**	**0**	**2,073**	907
Purchase of healthcare from non NHS bodies	**15,052**	**(990)**	**14,062**	6,913
Executive Directors' costs	**1,050**	**0**	**1,050**	597
Non-executive Directors' costs	**147**	**0**	**147**	103
Staff costs	**113,653**	**(3,523)**	**110,130**	69,794
Drug costs	**4,200**	**(713)**	**3,487**	2,651
Supplies and services - clinical (excluding drug costs)	**254**	**(37)**	**217**	160
Supplies and services - general	**4,463**	**(171)**	**4,292**	2,601
Establishment	**3,494**	**(290)**	**3,204**	1,974
Research and Development	**170**	**0**	**170**	3
Transport	**1,311**	**0**	**1,311**	687
Premises	**6,892**	**(1,014)**	**5,878**	4,139
Increase / (decrease) in bad debt provision	**(503)**	**0**	**(503)**	65
Depreciation	**2,886**	**0**	**2,886**	2,328
Audit fees - Statutory Audit	**80**	**0**	**80**	88
Other auditor's remuneration	**19**	**0**	**19**	14
Clinical negligence	**406**	**0**	**406**	127
Packages of Social Care	**11,103**	**0**	**11,103**	6,782
Redundancy	**902**	**0**	**902**	74
Partnership overheads	**1,720**	**0**	**1,720**	1,058
External Contracts	**3,846**	**(214)**	**3,632**	2,321
Staff training and development	**684**	**(94)**	**590**	425
Other operating expenses	**917**	**(133)**	**784**	542
	181,963	**(7,811)**	**174,152**	109,703
Impairments				
Fixed asset impairment charged to I & E	**0**	**3,752**	**3,752**	2,918
	181,963	**(4,059)**	**177,904**	112,621

The purchase of Healthcare from non NHS bodies is in respect of secondary commissioning.

The exceptional item of (£4,059,000) comprises of the following:-

(£7,811,000) of the exceptional item is as a result of provisions for charges held in the balance sheet over a number of years, which were based on the best information available, subsequently not materialising. The liabilities are now not expected to materialise and have therefore been reversed.

£3,752,000 of the exceptional item results from an impairment arising from the additional revaluation of fixed assets undertaken at the year end due to concerns regarding the falling value of fixed assets in the current challenging financial climate (See note 1.5.2 which sets out the normal arrangements for revaluation of assets). The revaluation exercise, undertaken by the District Valuer, revealed gross reductions of £14,871,000, of these £3,752,000 are charged to operating expenses and the balance of £11,119,000 taken to the revaluation reserve shown in note 18.2.

The exceptional items have been disclosed separately to ensure the financial statements for this financial year, show the true underlying performance of the Trust

5.1.1 Limitation on Auditor's Liability

The Trust's external auditors, the Audit Commission, do not have a liability cap in relation to the annual statutory audit. They do however include liability caps in relation to any additional service work undertaken and they set the relevant caps out in the engagement letters for each specific piece of work.

5.2 Operating leases

5.2.1 Operating expenses include:

	2008/09	2007/08
		8 Months to March 2008
	£000	£000
Hire of plant and machinery	**246**	128
Other operating lease rentals	**947**	529
	1,193	657

5.2.2 Annual commitments under non - cancellable operating leases are:

	Land and Buildings		**Other Leases**	
	2008/09	2007/08	**2008/09**	2007/08
		8 Months to March 2008		*8 Months to March 2008*
	£000	£000	**£000**	£000
Operating leases which expire:				
Within one year	**0**	119	**31**	31
Between one and five years	**672**	349	**186**	107
After five years	**337**	148	**0**	0
	1,009	616	**217**	138

5.3 Salary and Pension Entitlements of Senior Managers

5.3.1 Remuneration

Name and Title	2008/09			2007/08 (part year)		
	Salary (bands of £5,000)	Other re-muneration (bands of £5,000)	Benefits in kind * (nearest £00)	Salary (bands of £5,000)	Other re-muneration (bands of £5,000)	Benefits in kind * (nearest £00)
	£000	£000	£00	£000	£000	£00
H Llewelyn-Davies (Chair)	45 - 50	0	0	30 - 35	0	0
Y Batliwala (Non-Executive Director)	10 - 15	0	0	5 - 10	0	0
C Frederick (Non-Executive Director) - Left 18 August 2008	5 - 10	0	0	5 - 10	0	0
R Sawtell (Non-Executive Director)	10 - 15	0	0	5 - 10	0	0
W Brown (Non-Executive Director)	15 - 20	0	0	10 - 15	0	0
C Kennedy-Filer (Non-Executive Director)	10 -15	0	0	5 - 10	0	0
C Sheppard (Non-Executive Director)	10 - 15	0	0	5 - 10	0	0
W Macintyre (Chief Executive)	180 - 185	0	0	105 - 110	0	0
J Jones (Director of Finance)	150 - 155	0	18	85 - 90	0	20
T Cahill (Deputy Chief Executive)	115 - 120	0	33	65 - 70	0	20
J Andrews (Director of Workforce and Organisational Development)	115 - 120	0	40	65 - 70	0	25
A Markwick (Director of Operations)	115 - 120	0	23	65 - 70	0	22
B Suggitt (Company Secretary)	90 - 95	0	0	50 - 55	0	0
B Buckley (Medical Director) - Left 14 April 2008	10 - 15	0 - 5	0	35 - 40	75 - 80	21
G O'Sullivan (Medical Director) - Increase from half time to full time from 14 April 2008	145 - 150	55 - 60	0	35 - 40	75 - 80	0

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

* Benefits in kind represent the liability for tax payable by Executive Directors who are members of the Trust lease car scheme. Each Executive Director pays for their own private fuel consumption.

T Cahill was appointed Chief Executive with effect from 1st April 2009.

Signed 

T Cahill. Chief Executive 2nd June 2009

5.3.2 Pension Benefits

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31-Mar-09 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31-Mar-09 (bands of £5,000)	Cash Equivalent Transfer value at 31-Mar-09	Cash Equivalent Transfer value at 31-Mar-08	Real increase in Cash Equivalent Transfer value	Employer contribution to stakeholder pension (nearest £000)
	£000	£000	£000	£000	£000	£000	£000	£000
W Macintyre (Chief Executive)	10 - 12.5	47.5 - 50.0	90 - 95	270 - 275	2,261	1,401	577	0
J Jones (Director of Finance)	7.5 - 10	25 - 27.5	70 - 75	220 - 225	1,832	1,152	456	0
T Cahill (Deputy Chief Executive)	5 - 7.5	15 - 17.5	35 - 40	115 - 120	625	417	139	0
J Andrews (Director of Workforce and Organisational Development)	0 - 2.5	5 - 7.5	10 - 15	35 - 40	134	90	30	0
A Markwick (Director of Operations)	2.5 - 5	7.5 - 10	25 - 30	75 - 80	452	313	92	0
B Suggitt (Company Secretary)	0 - 2.5	5 - 7.5	15 - 20	45 - 50	331	223	72	0
B Buckley (Medical Director) - Left 14 April 2008	0 - 2.5	0 - 2.5	40 - 45	120 - 125	740	523	5	0
G O'Sullivan (Medical Director) - Increase from half time to full time from 14 April 2008	2.5 - 5	12.5 - 15	40 - 45	125 - 130	812	559	167	0

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.

The significant variations in CETV is due to a change in the factors used to calculate CETV's, which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. These place responsibility for the calculation method for CETV's (following actuarial advice) on Scheme Managers or Trustees. Further regulations from the Department for Work and Pensions to determine cash equivalent transfer values (CETV) from Public Sector Pension Scheme came into force on 13 October 2008

Signed T J Cahill

T Cahill, Chief Executive 2nd June 2009

6. Staff Costs and Numbers

6.1 Staff costs

	2008/09	2007/08
	Outturn position	*8 Months to March 2008*
	£000	£000
Salaries and wages	**92,713**	56,079
Social Security Costs	**6,669**	4,201
Employer contributions to NHS BSA pensions division	**10,064**	6,127
Other pension costs	**551**	261
Agency / Contract staff	**4,706**	3,723
	114,703	70,391

Other pension costs relate to Hertfordshire Council's Local Government Pension Scheme. See Note 1.14
Total employer pension contributions totalled £10,615,000 (£6,388,000 part year 2007/08)

6.2 Average number of persons employed

	2008/09	2007/08
	Outturn position	*8 Months to March 2008*
	Number	*Number*
Medical and dental	**196**	188
Administration and estates	**547**	462
Healthcare assistants and other support staff	**606**	534
Nursing, midwifery and health visiting staff	**805**	746
Scientific, therapeutic and technical staff	**199**	190
Social care staff	**217**	188
Bank and agency staff	**101**	123
Other	**6**	6
Total	**2,677**	2,437

6.3 Employee benefits

There are no general employee benefits.

6.4 Retirements due to ill-health

During the period there were 3 early retirements from the NHS Foundation Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £154,398. The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7. Better Payment Practice Code

7.1 Better Payment Practice Code

The measure of compliance for 2008/09 has been analysed and can be found in the Trust's Annual Report on page 7.

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

There are no amounts included within Interest Payable (Note 9) arising from claims made under this legislation.

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

8. Disposal of fixed assets

	2008/09	2007/08
	£000	£000
		8 Months to March 2008
Profit on the disposal of fixed assets	**43**	0

The profit on disposal of fixed assets arises from the reclassication of a finance lease to an operating lease. The profit represents the difference between related reductions in obligations under finance leases and fixed asset values. (See also notes 11.1 and 16.1)

9. Finance Income and Costs

9.1 Finance Income

	2008/09	2007/08
		8 Months to March 2008
	£000	£000
Interest receivable	**1,866**	1,480
	1,866	1,480

9.2 Finance Costs - interest payable	**2008/09**	2007/08
		8 Months to March 2008
	£000	£000
Finance leases	**110**	109
	110	109

10. Intangible Fixed Assets

	2008/09 Software licences £000
Gross cost at 1 April 2008	231
Additions - purchased	225
Gross cost at 31 March 2009	**456**
Amortisation at 1 April 2008	12
Provided during the year	58
Amortisation at 31 March 2009	**70**
Net book value	
Purchased at 1 April 2008	219
- Total at 1 April 2008	**219**
Purchased at 31 March 2009	**386**
- Total at 31 March 2009	**386**

11. Tangible Fixed Assets

11.1 Tangible fixed assets at the balance sheet date comprise the following elements:

	Land	Buildings excluding dwellings*	Dwellings	Assets under construction and payments on account	Plant and machinery	Vehicles	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2008	59,639	61,786	1,029	1,085	1,011	0	3,113	1,320	128,983
Additions purchased	6,540	9,365	0	8,950	32	0	310	31	25,228
Impairments	(10,585)	(1,441)	(29)	0	0	0	0	0	(12,055)
Reclassifications	0	(249)	0	249	0	0	0	0	0
Revaluation	95	871	6	0	26	0	0	34	1,032
Disposals	(48)	(407)	0	0	0	0	0	0	(455)
Cost or Valuation at 31 March 2009	**55,641**	**69,925**	**1,006**	**10,284**	**1,069**	**0**	**3,423**	**1,385**	**142,733**
Depreciation at 1 April 2008	124	4,494	19	0	449	0	2,082	860	8,028
Charged during the period	0	2,048	31	0	91	0	519	139	2,828
Impairments	2,674	1,078	0	0	0	0	0	0	3,752
Revaluation	0	0	0	0	12	0	0	23	35
Depreciation at 31 March 2009	**2,798**	**7,620**	**50**	**0**	**552**	**0**	**2,601**	**1,022**	**14,643**
Net book value									
- Purchased at 1 April 2008	59,515	56,971	1,010	1,085	562	0	1,031	460	120,634
- Donated at 1 April 2008	0	321	0	0	0	0	0	0	321
- Total at 1 April 2008	**59,515**	**57,292**	**1,010**	**1,085**	**562**	**0**	**1,031**	**460**	**120,955**
- Purchased at 31 March 2009	52,843	61,990	956	10,284	517	0	822	363	127,775
- Donated at 31 March 2009	0	315	0	0	0	0	0	0	315
- Total at 31 March 2009	**52,843**	**62,305**	**956**	**10,284**	**517**	**0**	**822**	**363**	**128,090**

Additions include £15,344,000 for the purchase of land and buildings at Harperbury and Little Plumstead Hospitals. These sites, previously rented from the Secretary of state, were purchased by Public Dividend Capital issued to the Trust.(See also note 18.1)

Assets under construction relate to the new Psychiatric Intensive Care Unit and the development of the Child and Adolescent Mental Health Unit, both at Harperbury Hospital.

(£407,000) shown under building disposals, relates to the reclassification of the finance lease for Oxford House which is now shown under operating leases in note 5.2. The reduction in asset values is offset by a related decrease of £450,000 shown in obligations under finance leases in note 16.1 and the difference between both of these is shown as £43,000 profit on disposal of fixed assets in note 8.

Included in the impairment charge of (£12,055,000) is (£936,000) which relates to finance lease revaluation increases, previously recognised in earlier years, now reversed.

11.2 Analysis of tangible fixed assets

Net book value									
- Protected assets at 31 March 2009	49,463	56,342	0	0	0	0	0	0	105,805
- Unprotected assets 31 March 2009	3,380	5,963	956	10,284	517	0	822	363	22,285
- Total at 31 March 2009	**52,843**	**62,305**	**956**	**10,284**	**517**	**0**	**822**	**363**	**128,090**

11.2 Tangible Fixed Assets (cont'd)

Of the totals at 31 March 2009, £150,000 related to land valued at open market value and £150,000 related to buildings valued at open market

The net book value of buildings classified as assets held under finance leases at the balance sheet date is £712,000 (£2,125,000 31 March 2008).

Depreciation totalling £69,000 was charged to the operating expenses in respect of assets held under finance leases.

11.3 The net book value of land, buildings and dwellings at comprises:

	Protected £000	**Unprotected £000**	**Total £000**
Freehold	**100,611**	**3,655**	**104,266**
Long leasehold	**4,421**	**9,130**	**13,551**
Total 31 March 2008	**105,032**	**12,785**	**117,817**

	Protected £000	**Unprotected £000**	**Total £000**
Freehold	**105,805**	**6,976**	**112,781**
Long leasehold	**0**	**3,323**	**3,323**
Total 31 March 2009	**105,805**	**10,299**	**116,104**

11.4 Impairment of assets	**2008/09**	2007/08 *8 Months to March 2008*
	£000	£000
Change in market prices	**14,871**	9,277
Other	**936**	0
	15,807	**9,277**

12 Fixed Asset Investments

There are no fixed asset investments

13. Stocks and Work in Progress

	31 March 2009 £000	31 March 2008 £000
Pharmacy stock	**8**	12
TOTAL	**8**	12

14. Debtors

14.1 Debtors at the balance sheet date comprise of:

	31 March 2009	31 March 2008
	£000	£000
Amounts falling due within one year:	**Total**	Total
NHS debtors	2,824	2,579
Provision for irrecoverable debts	(442)	(945)
Prepayments	659	542
Non NHS debtors	1,999	1,710
Sub Total	5,040	3,886
Amounts falling due after more than one year:		
NHS debtors	7,543	7,754
Other debtors	22	18
Sub Total	7,565	7,772
TOTAL	**12,605**	11,658

NHS debtors includes £8,151,000 relating to "Back to Back" pension provisions (see also notes 1.13.4 and 17)

14.2 Provision for the impairment of debtors

	31 March 2009	31 March 2008
	£000	£000
As at 1 April 2008	**945**	1,748
Increase in provision	**228**	76
Amounts utilised	**(406)**	(11)
Unused amounts reversed	**(325)**	(868)
As at 31 March 2009	**442**	945

14.3 Analysis of Impairment of debtors

	31 March 2009	31 March 2008
	£000	£000
Ageing of impaired debtors		
Up to three months	**31**	183
In three to six months	**23**	97
Over six months	**388**	665
TOTAL	**442**	945
Ageing of non-impaired debtors past their due date		
Up to three months	**1,160**	359
In three to six months	**1,165**	203
Over six months	**746**	187
TOTAL	**3,071**	749

Non impaired debtors past their due date are those debtors which are older than 30 days.

	31 March 2009	31 March 2008
	£000	£000

15. Current assets Investments

The Trust has no current asset investments

16, Creditors

16.1 Creditors at the balance sheet date are made up of:

	31 March 2009	31 March 2008
	£000	£000
Amounts falling due within one year:	**Total**	Total
Payments received on account	**2,687**	1,033
NHS creditors	**4,986**	5,161
Other tax and social security costs	**2,260**	2,056
Obligations under finance leases	**156**	217
Capital creditors	**599**	168
Other creditors	**5,633**	11,841
Accruals	**10,722**	14,663
Deferred income	**42**	48
Sub Total	**27,085**	35,187
Amounts falling due after more than one year:		
Obligations under finance leases	**850**	1,284
TOTAL	**27,935**	36,471

Other creditors include;
- £1,365,000 outstanding pensions contributions at 31 March 2009

The reduction in obligations under finance leases includes £450,000 in respect of the finance lease reclassification disclosed in note 11.1

16.2 Prudential Borrowing Limit (PBL)

The Trust is required to comply and remain within a prudential borrowing limit, which is made up of two elements:

- the maximum cumulative amount of long term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.

- the amount of any working capital facility approved by Monitor

The Trust's Prudential Borrowing Limit is as follows:-

	31 March 2009	31 March 2008
	£000	£000
Total long term borrowing limit set by Monitor	**37,500**	30,800
Working capital facility	**13,000**	13,000
Total Prudential Borrowing Limit	**50,500**	43,800

The Trust had no borrowings in the period

Whilst the trust regime enables the Trust to finance capital expenditure through borrowing, the current capital programme is affordable from within internally generated resources and, therefore, no formal loan application have been submitted. Consequently the borrowing code ratios are of limited relevance until such time as a loan request has been drawn down, but the compliance with the ratio is as follows:-

Financial ratios	**Approved PBL ratios 2008/09**	**Actual ratio 2008/09**	**Headroom Cover £000**
Maximum debt / capital ratio	**25.0%**	**0.5%**	**45,400**
Minimum dividend cover	**1.0**	**2.3**	**6,500**
Minimum interest cover	**3.0**	**28.3**	**10,120**
Minimum debt service cover	**2.0**	**12.7**	**9,540**
Maximum debt service to revenue	**3.0%**	**0.5%**	**4,770**

Further information on the NHS Foundation Trust Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the independent regulator of Foundation Trusts.

16.3 Finance lease obligations

	31 March 2009	31 March 2008 *8 Months to March 2008*
	£000	£000
Payable:		
Within one year	**156**	217
Between one and five years	**623**	871
After five years	**810**	1,345
	1,589	2,433
Less finance charges allocated to future periods	**(583)**	(932)
	1,006	1,501

16.4 Future finance lease obligations

There are no new finance lease obligations at the balance sheet date. Existing obligations total £1,589,000 over the next 10 years.

17. Provisions for liabilities and charges

	Pensions relating to other staff	Legal and other claims	Agenda for Change	Injury Benefit	**Total**
	£000	£000	£000	£000	**£000**
At 1 April 2008	13,012	1,820	1,686	1,187	**17,705**
Arising during the period	309	858	762	29	**1,958**
Utilised during the period	(908)	(100)	(64)	(33)	**(1,105)**
Reversed unused	0	(14)	0	0	**(14)**
Unwinding of discount	266	0	0	25	**291**
At 31 March 2009	**12,679**	**2,564**	**2,384**	**1,208**	**18,835**
Expected timing of cashflows:					
Within one year	908	2,564	2,384	33	**5,889**
Between one and five years	3,632	0	0	132	**3,764**
After five years	8,139	0	0	1,043	**9,182**

Pensions relating to other staff is the capitalised cost of early retirements as defined by the NHS Pensions Agency and mainly relates to early retirements of staff resulting from the closure of Hill End, Leavesden, Cell Barnes and Harperbury Hospitals.

Injury Benefit provision is the capitalised cost of injury benefits as defined by the NHS Pension Scheme, for scheme members who are permanently incapable of fulfilling their duties effectively through injury.

Pension and injury benefit provisions together total £13,887,000, of this £8,151,000 is subject to "Back to Back" agreements. (See also notes 1.13.4 and 14.1).

Legal and other claims includes provisions in respect of the Trust's employer and public legal liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings.

The provision for Agenda for Change is the estimated liability for pay backdated to 1st October 2004 under the new NHS pay system.

£1,962,750 is included in the provisions of the NHS Litigation Authority at 31 March 2009 in respect of clinical negligence liabilities of the Trust.

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.

18. Movement in Taxpayers Equity	**2008/09**	2007/08 *8 Months to March 2008*
	£000	£000
Taxpayers equity at 01 April	**119,512**	113,682
Surplus for period	**12,128**	5,757
Public dividends capital dividends	**(4,819)**	(3,276)
Fixed asset impairments	**(12,055)**	(6,359)
Surplus from revaluations of fixed assets	**997**	8,765
New public dividend capital received	**22,490**	1,670
Public dividend capital repaid in year	**0**	(525)
Reductions in donated asset reserve	**(16)**	(202)
Tax payers equity at 31 March	**138,237**	119,512

18.1 Movement in Public Dividend Capital	**2008/09**	2007/08 *8 months to March 2008*
	£000	£000
Public Dividend Capital as at 1 April	**56,880**	55,735
Public Dividend Capital received in period	**22,490**	1,670
Public Dividend Capital repaid in period	**0**	(525)
Public Dividend Capital as at 31 March	**79,370**	56,880

PDC received comprises of £15,344,000 for the purchase of Land and Buildings at Harperbury and Little Plumstead Hospitals. The balance relates mainly to funding received for the construction of the new Psychiatric Intensive Care / Low Secure Unit, and the development of Child and Adolescent Mental Health Unit, both at Haperbury. (See also note 11.1)

18.2 Movements on Reserves

Movements on reserves in the year comprised the following:

	Revaluation Reserve	Donated Asset Reserve	Income and Expenditure Reserve	**Total**
	£000	£000	£000	**£000**
At 1 April 2008	55,291	321	7,020	**62,632**
Transfer from the income and expenditure account	0	0	7,309	**7,309**
Fixed asset impairments	(12,055)	0	0	**(12,055)**

19. Notes to the Cash Flow Statement

19. 1 Reconciliation of operating surplus to net cash flow from operating activities:

	2008/09	2007/08 *8 Months to March 2008*
	£000	£000
Total operating surplus	**10,620**	4,587
Depreciation and amortisation charge	**2,886**	2,328
Fixed asset Impairments	**3,752**	2,918
Transfer from donated asset reserve	**(16)**	(202)
Decrease in stocks	**4**	2
(Increase) / Decrease in debtors	**(947)**	14,461
(Decrease) / Increase in creditors	**(8,472)**	1,255
Increase in provisions	**839**	698
Net cash inflow from operating activities	**8,666**	26,047

19.2 Reconciliation of net cash flow to movement in net funds

	2008/09	2007/08 *8 months to March 2008*
	£000	£000
Increase in cash flow in the period	**3,074**	24,292
Cash outflow from debt repaid and finance lease capital payments	**45**	38
Change in net funds resulting from cash flows	**3,119**	24,330
Non-cash changes in debt	**450**	0
Change in funds	**3,569**	24,330
Net funds at 1 April 2008	**39,343**	
Net funds at 1 August 2007 (date became Foundation Trust)		15,013
Net funds at 31 March 2009	**42,912**	39,343

19.3 Analysis of changes in net funds

	At 1 April 2008	**Other cash changes in year**	**Non-cash changes in the year**	**At 31 March 2009**
	£000	**£000**	**£000**	**£000**
Commercial cash at bank and in hand	**30,034**	**(30,016)**	**0**	**18**
Cash at Office of Paymaster General	**10,810**	**33,090**	**0**	**43,900**
Sub total	**40,844**	**3,074**		**43,918**
Finance leases	**(1,501)**	**45**	**450**	**(1,006)**
	39,343	**3,119**	**450**	**42,912**

19.4 Third Party Assets

The Trust held £1,959,000 cash at bank and in hand at 31 March 2009 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

20. Capital Commitments

Commitments under capital expenditure contracts at 31st March 2009 were £6,970,000. (£1,467,000 31 March 2008). These mainly relate to the capital schemes being undertaken at Harperbury Hospital.

21. Post Balance Sheet Events

There were no post balance sheet events.

22. Contingencies

	2008/09	2007/08 *8 Months to March 2008*
	£000	£000
Contingent liabilities	**56**	35
Net value of contingent liabilities	**56**	35

Contingent liabilities consist of liabilities to third parties.

The very nature of contingent liabilities means there are uncertainties regarding timing and amount of settlement.

23. Related Party Transactions

The Trust is a body corporate established by order of the Secretary of State for Health. Monitor, the Independent Regulator of NHS Foundation Trusts and other Foundation Trusts are considered 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.

Board members, Governors and other key management staff take decisions on Charity and Exchequer matters but endeavour to keep the interests of each discreet and do not seek to benefit personally from such decisions. Declarations of personal interest have been made and are available for inspection.

The Department of Health is also regarded as a related party. During the year, Trust has had a significant number of material transactions over £1,000,000 with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Department of Health	16,721	203	0	45
Strategic Health Authority				
East of England	0	2,569	0	722
Primary Care Trusts				
Barnet	51	2,305	25	769
East & North Hertfordshire	1,690	125	892	1,153
Hounslow	0	1,306	0	782
South Essex	0	4,133	0	0
West Hertfordshire	197	670	133	1,910
Westminster	0	1,068	0	1,042
NHS Trusts				
Beds and Luton Partnership Mental Health	10,955	0	1,098	0
East & North Hertfordshire	2,995	5	248	5
West Herts Hospitals	2,923	1,102	231	92
Other				

24 Losses and Special Payments

There were 97 cases (31 cases in 2007/08 part year) of losses and special payments totalling £43,000 (£150,000 2007/08) paid during 1st April 2008 to 31 March 2009. These are the cash payments made in the year and are not calculated on an accruals basis.

25 Financial Instruments

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts and Hertfordshire County Council, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. Trust is not, therefore, exposed to significant liquidity risks.

Interest-Rate Risk

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

Credit risk

Over 95% of the Trust'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.

Set out below is a comparison by category of the Trust's financial assets and liabilities.

25.1a Financial assets by category

	Loans and receivables	Fair Value through I&E	Total
	£000	£000	£000
NHS Debtors	**2,824**	**0**	**2,824**
Provision for irrecoverable debts	**(442)**	**0**	**(442)**
Other debtors	**2,021**	**0**	**2,021**
Cash at bank and in hand	**43,918**	**0**	**43,918**
Total at 31 March 2009	**48,321**	**0**	**48,321**
NHS Debtors	2,579	0	2,579
Provision for irrecoverable debts	(945)	0	(945)
Other debtors	1,728	0	1,728
Cash at bank and in hand	40,844	0	40,844
Total at 31 March 2008	44,206	0	44,206

25.1b Financial liabilities by category

	Other	Fair Value through I&E	Total
	£000	£000	£000
NHS Creditors	**4,986**	**0**	**4,986**
Other creditors	**5,633**	**0**	**5,633**
Accruals	**10,722**	**0**	**10,722**
Capital Creditors	**599**	**0**	**599**
Finance lease obligations	**1,006**	**0**	**1,006**
Provisions under contract	**4,948**	**0**	**4,948**
Total at 31 March 2009	**27,894**	**0**	**27,894**
NHS Creditors	5,161	0	5,161
Other creditors	11,841	0	11,841
Accruals	14,663	0	14,663
Capital Creditors	168	0	168
Finance lease obligations	1,501	0	1,501
Provisions under contract	3,506	0	3,506
Total at 31 March 2008	36,840	0	36,840

Set out below is a comparison of book values and fair values of the Trust's financial assets and liabilities.

25.2a Fair Values of financial assets

	Book Value £000	Fair Value £000
NHS Debtors	**2,824**	**2,824**
Provision for irrecoverable debts	**(442)**	**(442)**
Other debtors	**2,021**	**2,021**
Cash at bank and in hand	**43,918**	**43,918**
Total	**48,321**	**48,321**

25.2b Fair Values of financial liabilities

	Book Value £000	Fair Value £000	
NHS Creditors	**4,986**	**4,986**	
Other creditors	**5,633**	**5,633**	
Accruals	**10,722**	**10,722**	
Capital Creditors	**599**	**599**	
Creditors over 1 year - Finance lease obligations	**1,006**	**800**	Note a
Provisions under contract	**4,948**	**4,948**	
Total	**27,894**	**27,688**	

Notes

a To obtain fair value, cash flows have been discounted at prevailing market interest rates for finance leases for a similar term.

Statement of Directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Independent Regulator of NHS Foundation Trusts, Monitor, directs that these accounts give a true and fair view of the state of affairs of the NHS foundation trust and of the income and expenditure of the NHS foundation trust for that period. In preparing the accounts, the directors are required to:

- apply on a consistent basis accounting policies as set out in the NHS Foundation Trust Financial Reporting Manual.

- make judgements and estimates which are reasonable and prudent

- state whether applicable accounting standards, as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, subject to any material departures disclosed and explained in the accounts.

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

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

STATEMENT ON INTERNAL CONTROL

April 08 - March 09

1. Scope of responsibility

The Board is accountable for internal control. As Accounting Officer, and Chief Executive of this Board, 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. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accounting Officer Memorandum.

As the organisation works in partnership with many other agencies, I also ensure internal control responsibilities are clear and are delivered within these partnerships.
Matters of accountability are clearly defined and monitored through an agreement with Adult Care Services, our main service delivery partners. That is to say that, since it's inception in 2001, the Trust, with the authority of Section 31 of the Health Act 1999, (now amended) operates through a formal partnership with Hertfordshire County Council, Adult Care Services. A written Partnership Agreement documents the detailed arrangements which allow previously separate Health and Social Care functions to be integrated and the Trust to exercise various local authority functions with pooled funds. An integrated management structure is achieved through authorised officers on the Adult Care Services Management Board and the Trust Executive Team, also holding membership of and attending the partner Management Team.
A number of contractual partnerships exist, with key commissioners, where the contract designates clear responsibilities for all matters including internal control, and defines the processes for monitoring these.

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 organisation's policies, aims and objectives

- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Hertfordshire Partnership NHS Foundation Trust for the period ended 31 March 2009 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 Chief Executive, I am ultimately accountable for assuring the Board of the quality of the service provided by the Trust. This is achieved operationally through the delegation of the responsibility of executive lead for Risk Management (except for clinical and financial risk) to the Deputy Chief Executive, 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 was updated and approved by the Risk Management and Patient Safety Group and subsequently the Trust Board. The Risk Management Strategy, which is promoted throughout the Trust, clearly defines levels of responsibility for Risk Management across the organisation and summarises the extensive tools and training available.

The risk management process within the Trust is further underpinned by a robust Risk Management Policy. This 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.

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. 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

Learning from 'good practice' and from the analysis of 'adverse events' and sharing this intelligence to improve services across the Trust, is a key aspect of our approach to managing risk through service improvement. This sharing is achieved through our extensive Practice Governance Framework.

4. The risk and control framework

4.1 The Risk Management Strategy is a substantial document detailing the way risks are identified, assessed and managed in the Trust & 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 & Risk Management Structure throughout the Trust
- The Risk Management Tools available
- The Risk Management Training and other resources available

4.2 The Executive Directors with specific responsibility for risk management are:

- **The Deputy Chief Executive** is the executive lead for Risk Management and Health and Safety.
- **The Medical Director** has lead responsibility for Practice Governance including Clinical Risk Management.
- **The Executive Director of Finance** is responsible for the management of financial risk and has a management role for facilities and operationally manages the health and safety personnel.
- **The Executive Director of Operations** is responsible for the operational management of risk 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.

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 consistent basis.

4.4 The Risk Register and the Assurance Framework 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 **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 control measures for risks of all types. The moderate and high risks and the overall process is monitored and reviewed by the Integrated Governance Committee via the Risk Management and Patient Safety Group.
The 'Top Ten Risks' are reported to the Board 4 times a year, via the Integrated Governance Committee. For 2 of these reviews, the Integrated Governance Committee also reports the Risk Register to the Audit Committee.

The Assurance Framework specifically identifies potential risks to the achievement of each of the Trust's Business objectives and monitors the actions being taken to control them. It 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 Assurance Framework is formally reviewed 4 times a year. Two of these are full reviews reported to the Risk Management & Patient Safety Group, Integrated Governance Committee, Audit Committee and to the Board. The other two, routine quarterly reviews, are reported to the Risk Management &Patient Safety Group and the Integrated Governance Committee.

4.5 Risks to data security are high on the agenda and effective Information Governance processes and procedures are in place for all information used for operational and financial reporting purposes. A Trust wide Information Governance Action Plan resulting from regular self assessment against the Information Governance Standards is being implemented and data losses are reported and investigated as required by the DH letter of 29th February 2008, 'Reporting SUIs relating to potential or actual breaches of confidentiality involving person identifiable data including data loss.'

4.6 Policy and Procedure Framework The approach to Risk Management is embedded within the organisation in numerous ways. A key aspect of this is that Trust staff operate within a framework of policies and procedures designed to ensure that the service users receive care in a physical and clinical environment in which risk levels are controlled and reduced to a minimum. These policies are introduced to staff on induction and as part of the Risk Management Training Prospectus (some of which is mandatory). Policy and Procedure documents are readily available in each site and via the Trust Intranet and Key policies which assist in the assessment & management of specific risks are a particular focus of mandatory training. Managers are involved in the effective use of these policies in their teams day-to-day.

For example, there are policies for:

- Risk Management
- Care Records of Service Users
- Consent to Examination and Treatment
- Learning from Adverse Events
- Complaints
- Clinical Risk Assessment and Management of Individual Service Users
- Supportive Observation of Service Users at Risk
- Prevention and Management of Violence
- Integrated Programme Approach and Care Management (CPA)
- Do the Right Thing (whistle blowing)
- Health & Safety (including COSHH)
- Infection Control

4.7 External measurement of the Trust's control systems indicate, for example:

- the Trust achieved Level 2 of the National Health Service Litigation Authority (NHSLA) Mental Health and Learning Disability Standards, during the year,
- the degree to which systems and procedures are embedded in the organisation was reviewed by Internal Audit in July 2008 and the outcome reported that there is 'substantial assurance' that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.
- A specific Audit of the maturity of Risk Management systems in March 09 concluded that the systems are at the 'managed' stage.

4.8 Internal and External Stakeholders are informed and involved in the activities of the Trust in a variety of ways. Service User Representatives 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 SHA and Joint Commissioning Partnership Board are informed if any risks are identified which seriously threaten the achievement of the Trust's objectives or which cannot be adequately managed.

4.9 Core Standards for Better Health (SfBH) The Trust is fully compliant with the SfBH. There is a robust process in place for monitoring SfBH. These systems and procedures were reviewed by Internal Audit in March 2009 and the outcome reported that there is 'substantial assurance' that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

4.10 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, employers' contributions and payments in to the Schemes are in accordance with each Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

5. Review of economy, efficiency and effectiveness of the use of resources

As Chief Executive 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 Financial Instructions
- Scheme of Delegation
- Anti-fraud and corruption

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 reviews progress on implementation of recommendations following audit and other assurance reports and reviews.

6. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving it's principal objectives have been reviewed.

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 high level co-ordination and monitoring is mainly achieved through the following:

- **The Trust Board** places reliance upon both the Audit Committee and the Integrated Governance Committee in respect to the soundness of the system of internal control, receiving regular reports from both Committees.
- **The Integrated Governance Committee** is responsible for ensuring that the Trust fulfils its governance & associated risk management duties. Regular reports are made to the Board on the management of the most serious risks on the Trust Risk Register & all aspects of risk management and the 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 & internal control. In order to provide this assurance to the Board, both Internal and External Audit undertake objective reviews of Trust systems.

- **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 his HOIA Opinion that "based on the work undertaken in 2008-2009, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisations objectives, and that controls are generally being applied consistently.

7. Conclusion

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

Tom Cahill
Chief Executive
2nd June 2009

For clarification Tom Cahill was appointed Chief Executive with effect from 1st April 2009 and as the Accounting Officer for the Trust is required to sign the Statement on Internal Control for the year ended 31st March 2009.

Statement of the Chief Executive's responsibility as the accounting officer of Hertfordshire Partnership NHS Foundation Trust.

The National Health Service Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of 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 accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor")

Under the National Health Service Act 2006, Monitor has directed the Hertfordshire Partnership NHS Foundation Trusts 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 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 Financial 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 on estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS foundation trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; 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 the 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

2nd June 2009

Independent auditor's report to the Board of Governors of Hertfordshire Partnership NHS Foundation Trust

I have audited the financial statements of Hertfordshire Partnership NHS Foundation Trust for the year ended 31 March 2009 under the National Health Service Act 2006. The financial statements comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Governors of Hertfordshire Partnership NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Board of Governors those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator of NHS Foundation Trusts (Monitor) are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information which comprises the Directors' Report and Financial Review included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Financial Reporting Manual 2008/09. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Introduction from the Chair and the Chief Executive, Directors Report, Financial Review, Operating Review, Quality Account Measures, Patient/Service User care and Stakeholder Relations, Public Interest Disclosures, New and Improved Services, Communicating with the Wider Community, NHS Foundation Trust Code of Governance, Board of Governors, Board of Directors, Committees, Membership and the un-audited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Audit Commission, Regus House, 1010 Cambourne Business Park, Cambourne, Cambridge CB23 6DP
T 0844 798 4200 F 0844 798 4201 www.audit-commission.gov.uk

Basis of audit opinion

I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, which requires compliance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

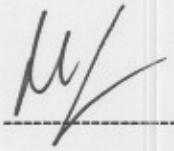
Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of Hertfordshire Partnership Foundation Trust as at 31 March 2009 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- information which comprises the Directors' Report and Financial Review included in the annual report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



..8... June 2009.

Mark Hodgson

Officer of the Audit Commission

Audit Commission, Regus House, Cambourne, Cambridge CB23 6DP.

Feedback

Your views and comments on our annual report are important to us.
If you have any comments please contact us at Trust Head Office, 99 Waverley Road, St Albans, Hertfordshire AL3 5TL

Telephone: 01727 804700
Fax: 01727 857900
Email: Comments@hertspartsft.nhs.uk

If you require this information in a different language or format please contact the Patient Advice and Liaison Service
Tel: 01727 804629
Fax: 01727 804306

W razie potrzeby powyższy tekst można otrzymać w innymformacie lub innym języku. Informacji w tej sprawie udziela:
Patient Advice & Liaison Service
Tel: 01727 804629
Fax: 01727 804306
(Polish)

Se avete bisogno di queste informazioni in una lingua o in unformato differente, vi preghiamo di contattare:
Patient Advice & Liaison Service
(Servizio relazioni e consigli per i pazienti)
Tel: 01727 804629
Fax: 01727 804306
(Italian)

আপনি যদি এই লেখাটি অন্য কোনও ভাষায় বা অন্য কোনও প্রকারে পেতে চান তাহলে অনুগ্রহ করে নিচের নাম্বারে যোগাযোগ করবেন :

পেশেন্ট অ্যাডভাইস অ্যান্ড লিয়েজন সার্ভিস (রোগীদের পরামর্শ দেওয়া ও তাদের সাথে যোগাযোগ রাখার পরিষেবা)
টেলিফোন : 01727 804629
ফ্যাক্স : 01727 804306
(Benga i)

اگر آپ کو یہ کسی دوسری زبان میں یا کسی دوسرے طریقہ سے درکار ہو تو برائے مہربانی ذیل سے رابطہ کریں

پیشنٹ ایڈوائس اینڈ لیژان سروس (Patient Advice & Liaison Service)
ٹیلیفون 01727 804629
فیکس 01727 804306
(Urdu)

EQUALITY, DIVERSITY AND RESPECT

Hertfordshire Partnership NHS FoundationTrust is committed to providing an environment where all staff, service users and carers enjoy equality of opportunity.

Annual Report 2008 - 2009
Hertfordshire Partnership NHS Foundation Trust
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Hertfordshire
AL3 5TL
www.hertspartsft.nhs.uk