



Hertfordshire Partnership
University NHS Foundation Trust



Annual Report and Accounts 2013-2014



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Annual Report 2013 - 2014

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

Living our Values- Welcoming, kind, positive, respectful and professional

The past year has been a challenging and exciting one for us. Challenging because of the need to find further efficiency savings of £8.4m whilst still ensuring the quality and safety of our services and exciting because we have taken some significant steps in transforming our services. We have set up new A&E liaison services at Watford General and Lister hospitals and created better environments for our service users and our staff.

In addition we ended the year fully compliant with all essential Care Quality Commission standards and achieved all Monitor targets set for foundation trusts. None of this would have been possible without the involvement, support and commitment of our staff, service users and their carers and commissioners.

I am proud of these and our many other achievements this year, more of which below, but I would like to start by talking about our values and behaviours.

At the heart of a culture that involves service users and carers, provides high quality care and engages staff, are values and behaviours that are lived by everyone in the organisation. So it was very exciting to join with over 750 staff, service users and carers to develop a set of values and behaviours for our Trust, and to sign up to them on behalf of the Board, along with the Chair, and representatives from our commissioners, the Young Person's, Service User and Carer Councils and Governors. We are now recruiting staff who can show they have the same values we do, and our appraisal and staff development systems have been changed to ensure the values and behaviours become the way of life for all our staff. I have been very impressed by how enthusiastically our new values have been embraced by staff and how our teams are putting the values at the heart of the services they provide and the plans they are making.

One thing that has stood out to me is the commitment of staff to improve the quality, safety and accessibility of our services and to involve service users and their families. For example, this year we have improved and extended services by opening another Acute Day Treatment Unit for East and North Hertfordshire, following the success of the service in the west of the county. Our new A&E liaison services (RAID) at Watford General and Lister Hospitals have been hugely successful, ensuring patients attending A&E have quick access to psychological assessment, providing support to patients on inpatient wards and helping acute hospital colleagues make appropriate plans for discharging their patients from hospital.

We have extended the hours of our intensive outreach team, appointed staff to help our service users with practical issues such as housing, developed our Peer Listener scheme so that more people are able to speak to someone who has lived a similar experience, and we have increased the number of Host Families who care for service users, enabling them to remain independent rather than be admitted to hospital.

Our staff, service users and carers have worked with us to improve the environments in which we provide care. We have opened new community 'hubs' (sites across Hertfordshire where our staff are based and where we provide community clinics and therapeutic care): Colne House in Watford and Rosanne House in Welwyn Garden City. They are easily accessible for service users and bring our teams together to provide more joined up care. This means greater consistency for our service users with fewer assessments and handovers

between teams. The facilities have purpose-built therapy rooms where we can run sessions such as art and music therapy. We will open our next hub in St Albans towards the end of 2014.

Kingfisher Court, our new, state of the art, £42m inpatient facility at Kingsley Green near Radlett will open this summer, with all wards open by the end of the year. Service users and carers have helped us design the building which is based on the best examples from around the world. We have deliberately chosen the therapeutic surroundings to support the recovery of those who use our services. People that have toured the building as it has developed have been stunned by the difference it will make to service users. All the rooms overlook garden spaces and courtyards, and the bright colour schemes and wide and spacious corridors give a real feeling of openness and warmth. I'm very excited to be joining some of our service user and carer representatives and other stakeholders to stay in Kingfisher Court before it opens to test the facilities and see what it will be like for our service users.

In May 2013, we opened the Elizabeth Therapy Centre in Colchester. The centre provides a wonderful setting for a range of therapies, such as drama, art and music, which has really improved the group support we can offer our service users with learning disabilities.

The following month we opened Astley Court, our new assessment and treatment facility in Norfolk for people using our specialist learning disability services. We were particularly pleased that the prestigious Building Better Healthcare Awards recognised how we had involved service users, families and carers and staff at all stages of the design and build, describing it as 'an exercise in partnership, collaboration and involvement'.

Improving our services means that we not only need to improve the care we provide and the buildings we provide care from, but we need to make sure we have the right infrastructure in place to support our clinical teams. In April 2013 we launched our new Electronic Patient Record System, which offers us real benefits in terms of the amount of information it can hold and the speed at which we can access and analyse that information. Ensuring that we keep accurate records of our service users, their care and treatment, and can access that information quickly, is essential to enable us to deliver high quality care.

Along with opening new facilities and transforming our current services, in the past year we were awarded two new contracts to provide the Improved Access to Psychological Therapies (IAPT) services in North East Essex and Mid Essex. We successfully took over these services 1 April 2014 confirming our role as a key provider of health services for communities in Essex as well as Hertfordshire.

The past two years have been ones of significant planning and change which has affected all of our staff so we were very pleased that our latest NHS Staff Survey results have improved since last year. We are now amongst the top 20% nationally in five of the categories surveyed. The results show that over 90% of our staff who responded feel that their role makes a difference to their patients, are motivated at work and feel satisfied with the quality of work and patient care that they are able to provide. This is very reassuring at a time when we are working with challenging financial resources and making so many changes to improve our services and ensure they are consistently of high quality.

These are just some of our achievements over the last year. It is thanks to the feedback and involvement of many of our service users and carers, and the dedication and hard work of our staff that we have been able to do all of this, whilst continuing to look at ways we can run our services more efficiently and managing and delivering high quality care.

Living our values, improving our environments, increasing access to our services and enhancing the quality of care all help ensure that everyone who comes into contact with our services, and all of our staff, have a positive experience of the Trust. We also know that it is the people working in or out of those buildings that really make the difference.

Finally, I would like to pay tribute to and thank Hattie Llewelyn-Davies who stepped down as Chair in March 2014, after 16 years guiding the Trust and its predecessor organisations through many changes and challenges. What never changed during those years was Hattie's unfaltering support of the Trust and all aspects of mental health and learning disabilities. The legacy that Hattie has left behind will continue to be built on and I know that she will have a keen interest in watching our progress over the coming years.

That leaves me to thank our interim Chair Colin Sheppard and welcome our new Chair, Chris Lawrence who is currently one of our Non Executive Directors and will be taking up his new role on 1 July 2014.



Tom Cahill

Tom Cahill
Chief Executive

Date: *28/5/14*

Directors' Report

Background Information

We have operated as a NHS foundation trust since our authorisation in August 2007 and greatly value the opportunities that this provides us with to further build upon and improve the services for our community. Benefits include:

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

NHS foundation trusts are not-for-profit, public benefit corporations. They are part of the NHS and provide over half of all NHS hospital, mental health and ambulance services in England. NHS foundation trusts were created to devolve decision making from central government to local organisations and communities. They achieve this by being membership based corporations with members electing Governors who as a body hold to account the Directors in relation to the management of the organisation. NHS foundation trusts provide and develop healthcare according to core NHS principles - free care, based on need and not the ability to pay.

As with all NHS foundation trusts we are regulated by Monitor, the Independent Regulator under the provisions of the Health and Social Care Act 2012. As a result of this new legislation, 2013/14 has seen a number of regulatory changes including the granting of new duties and powers to Monitor. These changes include the introduction of a NHS provider licence which applies to all NHS foundation trusts from April 1st 2013 and is extended to all providers of NHS services from 1st April 2014.

We provide integrated health and social care across community and inpatient settings treating and caring for people across Hertfordshire, Norfolk and North Essex. Our strategic objective is to be the leading provider of Mental Health and Specialist Learning Disability services in the country and we seek to achieve this through the delivery of the following core objectives:

This Directors' report covers the year ending 31 March 2014. This has been a year of significant change for the Trust as it continues to implement a comprehensive transformation programme across its services

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

The Trust is committed to providing excellent health and social care for people with mental ill health and those with a learning disability. We do this by providing services which make a positive difference to the lives of service users and their carers, underpinned by the principles of choice, independence and equality. Our partnership arrangements with the local authority provide an excellent opportunity to develop a recovery orientated approach based on a holistic assessment of both health and social care needs. We also aim to play a full part in the local health and social care economies that we serve by promoting greater integration between mental and physical health and social care.

This Directors' report covers the year ending 31 March 2014. This has been a year of significant change for the Trust as it continues to implement a comprehensive transformation programme across its services.

Financial Review

Overview

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

- The achievement of a larger underlying surplus than planned
- Achieving a Monitor Continuity of Service Rating of 4
- The significant level of capital investment, particularly in new and upgraded service user and staff facilities.
- The continuing financial support of our commissioners in the delivery of our service transformation programme

As a NHS foundation trust it is important that we achieved a financial surplus to both strengthen our resilience and to provide the cash to continue to invest in the facilities and infrastructure necessary to provide high quality care. We have done this and thereby continued to achieve year on year surpluses which is particularly notable given the well-publicised and continuing financial challenges faced by all health care and social care organisations and reflects the hard work of all our staff. Recent projections at the national level forecast the need to make £30bn of savings across the NHS in England by 2021.

As a consequence of the savings requirement all Trusts were again set a 4% efficiency target in 2013/14 applied through a reduction to the value of its contract income. In addition we faced significant cost pressures both in delivering our transformation programme and in areas such as commissioning bed placements, pay costs in various specialist posts and increases in utility costs. Despite this as set out in the Financial Statements the Trust has achieved a surplus and continued to deliver high quality services.

Analysis of Financial Performance

Summary of Key Results from the Financial Statements

This has been another successful year for us reporting a year end surplus before impairments of £2.290M (2012/13 £5.927M).

Headline information on the key results from the Financial Statements is set out in the following table and is explained in further detail below:

	2013/14 £M	2012/13 £M
Income	198.4	203.6
Expenditure-Pay Costs	121.8	123.5
Expenditure-Non- Pay Costs (excluding impairments)	74.3	74.1
Surplus for the Year (excluding Impairments and pension settlement)	2.3	2.4
Impairment charged to expenses in the SOCI	-3.0	-2.0
Net surplus arising on settlement of pension liability	-	3.5
Surplus for the Year	-0.7	3.9
Cash flow from Operations	8.2	13.8
Capital Spend (net of proceeds)	30.5	8.5
Loan Finance from Foundation Trust Financing facility	9.0	0
Closing Cash Position	25.5	43.0

Income

Our income is earned largely from contracts with other NHS organisations for activities relating to the provision of health and social care services. In the financial year 2013/14 we generated income totalling £198m of which the majority relates to income from activities as illustrated below:

	2013/14		2012/13	
	£M	%	£M	%
Income from Activities	184.7	92.9	190.6	93.6
Other Income	13.7	7.1	13.0	6.4

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

The contract with each of our commissioners sets out a number of requirements that we must comply with including a range of performance targets. We meet with our commissioners regularly to review our performance against these targets and also to discuss areas of future development.

Further in accordance with the National Commissioning for Quality and Innovation (CQUIN) payment framework we agree each year a schedule of CQUIN goals with each commissioner. The CQUIN payment framework enables commissioners to reward excellence, by linking a proportion of a provider income to the achievement of local quality improvement goals. In relation to its contract through the Hertfordshire Joint Commissioning Team 91% of the CQUIN target is estimated as being achieved and for all other contracts 100% is estimated as being achieved.

Other Income comprises various amounts including regular sources of income such as national funding to support the training of medical staff as well as items such as the non-recurrent funding provided by commissioners to support the exceptional costs arising in the redesign of our services.

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

We have met this requirement.

Expenditure

In common with other Trusts, the most significant area of spending is on pay costs. The total pay costs reported for the year is £121.6M and represents 62.5% of total Operating Expenses. The comparative figures for 2012/13 are £123.5M and 62.9%

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

Surplus

The financial statements show a deficit for the period of (£663K.) compared to a surplus of £3.9M last year. This is calculated by taking the income earned in the period and deducting the related expenditure. However this calculation includes a non-cash accounting item of (£2,953K) relating to property impairments which is not considered by the Trust to be part of its normal activities. Adjusting for this gives a surplus excluding impairments of £2,290K which is in excess of the comparable Plan figure of £2,000K. Any surplus the Trust generates is available for reinvestment in programmes to continually improve the quality of services and service user experience.

Cash flow from Operations

The management of our cash balances is a critical aspect of our performance particularly as we continue to embark upon our major Capital Investment Programme (see below.) Additionally the Continuity of Service Risk Rating which is applied by Monitor as part of its regulatory oversight measures two factors: the Trust's liquidity and its ability to meet its debt obligations. Both these measures are similarly determined by the implementation of effective Treasury Management policies.

The Statement of Cash Flows includes details of our cash flow from operations and the other sources and uses of cash generated during the financial year. This strong position has enabled us to manage our cash flow without recourse to the working capital facility we had in place for part of the year (the facility was not renewed on its renewal date of October 1st 2013) and also meant that we borrowed less than we had planned. Cash balances were prudently invested during the year in accordance with the Treasury Policy approved by the Directors, with the security and liquidity of funds being paramount.

Capital Programme

In 2013/14 we continued our major investment programme both investing in various service developments as well as continuing to implement the major transformation programme which comprises a series of work streams focussed on service improvement. Key highlights within 2013/14 included:

- The extension of our new Electronic Record System (PARIS) across the majority of our services.
- The completion of our new inpatient facility at Astley Court in Norfolk.
- The major part of the building work on the new inpatient facility at Kingfisher Court, Kingsley Green
- The opening of our first three community hubs in Borehamwood, Watford and Welwyn Garden City

Closing Cash Position

Our cash balances did reduce in the year as we used our existing cash to fund a significant level of our capital investment programme of £30.5M (net of disposal proceeds). We continued to proactively manage our cash balances and working capital and ended the year with a strong cash position of £25.4M.

We have an approved 25 year term loan facility to support our continuing investment programme and a short term loan of £6.9M. £9M was drawn on the available facilities in the year.

Financial Risk Rating

We have achieved a Monitor Continuity of Service Risk Rating of 4 at March 31st 2014 reflecting the strong financial position of the Trust. Detailed and comparative data and an explanation of the regulatory rating framework are set out on page 147 of this report (Regulatory Ratings).

Forward Look

2014/15 will undoubtedly be another challenging year as we continue to grapple with the continuing financial constraints which apply across the whole health economy. Our contract income (which as described above is our principal source of funding) has been agreed in line with the national tariff reduction which comprises:

- allowance for generic uplift to cover pay awards, Agenda for change, capital charges indexation, new drugs and other reform measures = 2.2%

- Less:

cash releasing efficiency requirement	= 4.0%
net reduction	= -1.8%

This will be challenging to deliver and it is disappointing to note that mental Health and Learning Disability organisation have a greater reduction than other health sector providers. We will continue to negotiate with our commissioners to ensure Parity of Esteem is recognised.

The comprehensive Transformation Programme will continue to be developed in order to deliver service transformation that maintains or enhances quality and safety whilst supporting the achievement of these efficiency requirements. The implementation phase will accelerate in 2014/15, embedding the changes made in our community service provision and implementing a number of key enhancements to our inpatient provision

The 2014/15 capital investment is estimated at £22m which continues the current programme. The major investments relate to the development and improvement of mental health and learning disability inpatient facilities; the rationalisation and improvement of environments across Hertfordshire, North Essex and Norfolk; and the implementation of a new business information system. This capital investment will again be partly funded through the drawdown of the available loan facility.

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

Other Financial Information

Financial Investments

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

Financial Statements and Accounting Policies

The full set of financial statements and details of the accounting policies applied, are set out within this report. These have been prepared in accordance with International Financial Reporting Standards (IFRS), and the directions given by Monitor in order to show a true and fair view of our financial activities during the period. The detailed accounting policies comply with the NHS Foundation Trust Annual Reporting Manual and form the basis on which the financial statements have been compiled. The Financial Statements are presented as follows:

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

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

Going Concern

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

External Audit

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

Deloitte LLP has been approved as the Trust's external auditors by the Council of Governors through to 2014/15. The Audit Partner is Matthew Hall and Kari Smith is the Audit Senior Manager. The audit is conducted in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board ("APB"), the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

It remains important that the external auditor's independence from management is both maintained and transparent. Therefore any additional non-audit work carried out by Deloitte LLP has been requested on the basis of the agreed protocol and the cost of any non-audit work is shown separately in the accounts and in the table below.

The total external audit fee for 2013/14 was £68K, comprising:

Audit Area	Audit Fee £K
Statutory Audit Work	58
Other work	10

Counter Fraud Activities

In order to counter fraud and corruption, the Trust engages a dedicated Local Counter Fraud Specialist (LCFS) through Baker Tilly. We have an Anti-fraud and Corruption Policy and Work Plan approved by the Board of Directors' Audit Committee, reflecting the NHS Counter Fraud and Security Management Services framework, with regular reports received throughout the year by the Audit Committee. The Trust has also adopted a Standards of Business Conduct Policy and both policies are accessible through the Trust website.

Related Parties

During the year none of the Board Members, Governors or members of the key management staff or parties related to them, has undertaken any material transactions with the Trust. Details of other related party disclosures are set out in the financial statements under note 25 on page 40.

Charitable Funds

As an NHS Foundation Trust we make no political or charitable donations. However, we do continue to benefit from the receipt of charitable funds arising from donations and fund raising activities and is extremely grateful to fundraisers and members of the public for this continued support. The Trust Board acts as Trustees ensuring appropriate stewardship for these funds which are used for the purchase of equipment or services according to the purpose of the funds. Where funds are for 'general purpose', these are used more widely for the benefit of service users and staff. Further financial information on our charitable funds for the financial year 2013/14 is available on request from the Director of Finance and Performance Improvement. There is no charge for the provision of this.

The Hertfordshire Partnership University NHS FT Charitable Funds fall within the definition of a subsidiary. The NHS FT has chosen not to consolidate the Charitable Funds into these Financial Statements as the amounts of the Charitable Funds are not material and would not provide additional value to the reader of the NHS FT's Financial Statements.

Cost Allocation and Charging Requirements

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

Strategic Report

Introduction

Hertfordshire Partnership University NHS Foundation Trust (HPFT) provides health and social care both for people with mental ill health and those with a learning disability.

Our vision is: *'To be the leading provider of mental health and specialist learning disability services in the country'*.

At the heart of our vision is a commitment to providing excellent quality health and social care for the communities that we serve across Hertfordshire, Norfolk and North Essex. We aim to continually improve the services we provide to make a positive difference to the lives of service users and their carers, underpinned by the principles of involvement and independence.

This means delivering the highest quality care with excellent treatment outcomes, within a safe environment which meets the needs of service users and carers.

Our vision is underpinned by eight goals aligned to three strategic themes. Together these set out our strategic direction and how we wish to be viewed both within and outside of the trust:

Customers and Communities

- To deliver high quality integrated health and social care services in accordance with recovery principles
- To be the provider of choice for service users, carers, the community and commissioners
- To work in partnership with the community to promote the wellbeing of others, whilst making a positive contribution to the environment

People

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

Sustainability

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

Living our values

To achieve our vision 'to be the leading provider of mental health and specialist learning disability services in the country' we need to keep our service users, their carers and families at the heart of everything that we do.

In spring 2013, we held a series of listening events for those people using our services, their carers and our staff. Many hundreds gave their input about the kind of culture we need to develop to enable truly excellent customer care.

Throughout the listening events service users, including young people, and carers told us that they want to be treated with empathy and engaged in their care. They described their 'ideal health and social care professional' as someone who is consistently kind, respectful and professional.

Bringing all this feedback together, we developed a values and behaviours framework. Five words have been selected through the engagement process, which best represent the values for the Trust. We are:

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

In October 2013 the Trust's Executive Team and representatives from commissioners, representatives from HPFT's Young Persons Service User and Carer Council and Governors, signed a pledge to show their support for the new values.

All staff are expected to adopt these values and demonstrate them in their attitude and behaviour towards our service users, carers and their colleagues. The values form a key part of our recruitment, staff induction and appraisal processes.

Along with the values and behaviours framework, we have developed a set of customer care standards that clearly state our commitments to our customers, (those receiving services from us, our staff, other organisations we work in partnership with us, our commissioners and referrers). As a Trust we will work towards ensuring we consistently deliver against these standards. We will also ensure that these are clearly communicated, measured and delivered.

NHS Foundation Trust Code of Governance

Board of Directors statement on corporate governance arrangements

The Council of Governors and Board of 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 University NHS Foundation Trust complied throughout the review period with the main and supporting principles of the Code of Governance with the following exceptions:

Appointments and terms of office

- **Appointments to the Board and Council**

B.2.4 Two committees have been established. One for the nomination of Executive Directors, 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. The Annual Report includes a section concerning their work.

- **Appraisal of the Chair**

B.6.3 The appraisal of the Chair is led by the Lead Governor, who is Chair of the Appointments and Remuneration Committee, with input from the Senior Independent Director. This was felt to be appropriate due to the role of the Governors in the appointment and remuneration of the Chair.

The Board of Directors, Chair and Executive

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

Chair and Chief Executive

The Board of Directors has agreed on a clear division of responsibilities between the chairing of the Board of Directors and Council of Governors and the executive responsibility for the running of the Foundation Trust's business. The Chair is responsible for providing leadership to the Board of Directors and Council of Governors ensuring governance principles and processes are maintained whilst encouraging debate and discussion.

The Chair is also responsible for ensuring the integrity and effectiveness of the relationship between the Governors and Directors. The Chair also leads the performance appraisals of both the Board and the Council, as well as the Non-Executive Directors' performance appraisals.

Board of Directors

Non-Executive Director Appointments

The Trust is managed by full-time Executive and part-time Non-Executive Directors. Together they make up the Trust's Board of Directors. The Board considers all the Non-Executive Directors to be independent in accordance with the code of governance. A representative from Hertfordshire County Council receives all Board papers and is invited to attend key Board meetings to support partnership arrangements.

The NHS Foundation Trust Code of Governance specifies that Non-Executive Directors, including the Chairman, should be subject to re-appointment at intervals of no more than three years, following formal performance evaluation. Any term beyond six years should be subject to rigorous review and take into account the need for progressively refreshing the Board. The details of appointments are set out below:

Hattie Llewelyn-Davies (Chair)	1.8.2007 – 18.3.2014 - (2 terms)
Colin Sheppard (SID) (Vice Chair)	1.8.2007 – 31.7.2014 - (2 terms)
Bill Brown	1.8.2007 – 31.7.2013 – (2 terms)
Carol Kennedy Filer	1.8.2007 – 31.7.2013 – (2 terms)
Steve Marsden	1.8.2009 – 31.7.2015 – (2 terms)
Manjeet Gill	1.8.2009 – 31.7.2015 – (2 terms)
Peter Baynham	1.8.2013 – 31.7.2016 – (1 term)
Christopher Lawrence	1.8.2012 – 31.7.2015 – (1 term)
Simon Barter	1.8.2013 – 13.7.2016 – (1 term)

Hattie Llewelyn-Davies and Colin Sheppard were reappointed by the Council of Governors to serve a further one year from 1.8.2013. Hattie Llewelyn-Davis resigned as Chair from 18.3.2014 and the role of Interim Chair was taken by Colin Sheppard from that date and will continue until the recruitment for a new substantive Chair is completed.

Executive Director Appointments

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. There are six Executive Directors including the Chief Executive and the other posts are as follows:

Executive Director - Quality and Medical Leadership
Executive Director - Strategy and Commercial Development
Executive Director - Finance and Performance Improvement
Chief Operating Officer
Executive Director - Quality and Safety/Deputy Chief Executive.

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

Board Committees

The effectiveness of the five Board Committees (Audit, Finance and Investment, Remuneration and Nomination, Integrated Governance and Mental Health Act Managers) is considered on an ongoing basis via the regular reports presented to the Board at their meetings. The Board has taken account of the quality governance framework issued by Monitor and tested how far its systems of performance, internal control and assurance framework meet the standards set out in the framework through its committees and governance structures. Further detail is included in the Quality Account of this document. Each committee and the Board of Directors is appraised annually. Membership of the committees is set out in the relevant terms of reference which are reviewed on a regular basis. Reports from the committees are publicly available.

So far as the Directors are aware there is no relevant audit information of which the Auditor is 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 auditor is aware of that information.

There were 11 Board of Directors meetings between 1 April 2013 and 31 March 2014. This includes the Annual General Meeting for members. The individual attendance of each Board member is indicated in brackets below. Karen Taylor, Chief Operating Officer, was absent from the Trust from December 2012 on maternity leave and her duties were taken on by other Executive Directors and an interim replacement who joined the organisation in April 2013. Karen returned from maternity leave on 1 October 2013.

Hattie Llewelyn-Davies, Chair

(10 out of a possible 10)

- The Chair is responsible for leadership of the Board of Directors which is collectively responsible for the exercise of the powers and performance of the Trust
- Also Chair of the Council of Governors
- As well as HPFT, Hattie is the Chair of Viridian Housing, a large national Housing Association
- Beyond her NED roles, Hattie works as a consultant for housing associations. Her expertise is in strategic development, governance and working as an interim Chief Executive. She has a very strong track record of working with tenants and other service users
- Hattie has a wide range of experience with other sectors and until recently she was the Vice Chair of a large building society and a chair of a firm of internal auditors
- Hattie was awarded an OBE for services to homeless people.

Tom Cahill, Chief Executive

(10 out of a possible 11)

- To be accountable for the overall clinical and financial management performance of the Trust. Accountable means accountable to the Secretary of State and the Trust Board through the Chair
- To take the lead in driving the Trust towards continued improvement in service provision, managing external relationships and developing partnerships with stakeholder organisations, service users and the community at large
- Ensure the Trust's services are culturally sensitive, relevant and accessible to meet the diverse needs of the communities we serve
- To take forward the Trust's commercial approach, preparing and implementing business strategies for marketing and business development in order to win business within a competitive health market place
- Has a Masters in Business Administration.

Iain Eaves, Executive Director Strategy and Commercial Development

(10 out of a possible 11)

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

Geraldine O'Sullivan, Executive Director Quality and Medical Leadership

(10 out of a possible 11)

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

Keith Loveman, Executive Director Finance and Performance Improvement

(11 out of a possible 11)

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

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

(10 out of a possible 11)

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

Karen Taylor, Chief Operating Officer

(6 out of a possible 6)

- Responsible for all operational service delivery
- Responsible for customer experience and complaints
- Is the Board lead and ensures compliance with the Mental Health Act. Leads on ensuring that the Trust will be able to continue to provide services in the event of a major incident within Hertfordshire.

Manjeet Gill, Non-Executive Director

(9 out of a possible 11)

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

Stephen Marsden, Non-Executive Director

(10 out of a possible 11)

- Has experience as a global general manager and international business leader within a consultancy organisation
- Is a Non-Executive Director for a charitable housing association
- Member of the Institute of Directors.

Colin Sheppard, Non-Executive Director

(11 out of possible 11)

- Is the Senior Independent Director and Chair of the Finance and Investment Committee until 1 March 2014
- Became Vice Chair on 1 March 2014 and Interim Chair on 19 March 2014.
- Is a chartered surveyor and spent his 32 year executive career with substantial property organisations; in particular, 25 years with MEPC Plc - then the second largest UK property company and a FTSE 100 company
- Over the past decade, has widened his corporate, non-executive director and property experience and expertise including Board level roles with Arlington Securities, Chesterton, Barnardos, Centrepont, Family Mosaic Housing Group and National Counties Building Society. He also offers consultancy advice to several property-owning bodies as well as running his own portfolio.

Simon Barter, Non-Executive Director

(6 out of a possible 7)

- Global pharmaceutical professional with 10 years reporting to Executive Team in a FTSE top 20 company
- Ran FTSE programme through the London 2012 Olympic Games, leading the development and delivery of the Legacy Plan
- Responsible for global marketing with budget of \$45m for Astra Zeneca
- Is an adviser to various businesses in pharmaceutical industry
- Trustee of RYA Suitability - National charity to provide sailing for the disabled.

Peter Baynham, Non-Executive Director

(10 out of a possible 11)

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

Chris Lawrence, Non-Executive Director

(10 out of a possible 11)

- Is the Senior Independent Director and Chair of Finance & Investment Committee from 1 March 2014
- 35 years experience in world class organisations: PwC, Credit Commercial de France, NM Rothschild and Citicorp
- His career has included specialisation in post acquisition integration, global cost reduction programmes, development of strategy and international experience of restructuring and issues resolution
- Trustee of YMCA Norfolk
- Chair of Trustees Horstead Residential Activity Centre.

The two Non-Executive Directors below left the organisation at the end of July 2013

Bill Brown, Non-Executive Director

(4 out of a possible 4)

- Chair of the Trust's Audit Committee.
 - Has a law degree and is a chartered accountant.
 - Retired as a partner in Pricewaterhouse Coopers 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 Greenwich Leisure Ltd and was previously a Non-Executive Director of Chase Farm Hospitals NHS Trust
 - Is now in business as a consultant in financial accounting and corporate governance matters.
- The two Non-Executive Directors below left the organisation at the end of July 2013

Carol Kennedy Filer, Non-Executive Director

(4 out of a possible 4)

- In 2002 started a management consultancy specialising in the strategic marketing for the healthcare industry, particularly supporting manufacturers of critical care disposables and equipment. Worked 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.
- For over four years was Managing Director of Healthcare On Call Ltd, an innovative start up in occupational health, addressing health and safety issues and absence management.
- Took a position as Director of Membership for the National Pharmacy Association in June 2012.

Register of interests:

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

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

Committees 2013/14

Audit Committee

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

The Committee also reviews accounting policies and draft Annual Accounts prior to submission to the Board of Directors.

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

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

The Audit committee also receives regular updates from management in relation to the financial position and in particular key risks and issues arising during the year and their treatment and mitigation. During the year the key risks and issues considered were:

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

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

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

- | | |
|--|----------|
| • Bill Brown (Chair to 31 July 2013), Non-Executive Director | (5 of 5) |
| • Carol Kennedy Filer, Non-Executive Director | (2 of 2) |
| • Steve Marsden, Non-Executive Director | (1 of 2) |
| • Peter Baynham, Non-Executive Director (Chair from 1 August 2013) | (5 of 5) |
| • Manjeet Gill, Non-Executive Director | (1 of 2) |

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

Finance and Investment Committee

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

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

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

Finance and Investment Committee Members

Attended

• Colin Sheppard (Chair until 1 March 2014)	(6 of 6)
• Hattie Llewelyn-Davies, Non-Executive Director	(4 of 6)
• Bill Brown, Non-Executive Director	(2 of 2)
• Carol Kennedy-Filer, Non-Executive Director	(1 of 2)
• Manjeet Gill, Non-Executive Director	(4 of 6)
• Steve Marsden, Non-Executive Director	(6 of 6)
• Chris Lawrence (Chair from 1 March 2014), Non-Executive Director	(5 of 6)
• Peter Baynham, Non-Executive Director	(5 of 6)
• Simon Barter, Non-Executive Director	(2 of 4)
• Tom Cahill, Chief Executive	(5 of 6)
• Iain Eaves, Executive Director Strategy & Commercial Development	(6 of 6)
• Keith Loveman, Executive Director Finance & Performance Improvement	(6 of 6)
• Geraldine O'Sullivan, Executive Director Quality & Medical Leadership	(4 of 6)
• Oliver Shanley, Executive Director Quality & Patient Safety	(6 of 6)
• Karen Taylor, Chief Operating Officer	(2 of 4)

In attendance

The Company Secretary and the Director of Workforce and Organisational Development are usually in attendance.

Integrated Governance Committee (IGC)

The key role and function of the IGC is to lead on the development and monitoring of quality and risk systems within the Trust to ensure that quality, patient safety and risk management are key components of all activities of the Trust. The Committee ensures that appropriate risk management processes are in place to assure the Board that action is taken to identify and manage risks within the Trust. It is also responsible for the development of systems and processes to ensure that the Trust implements and monitors compliance with the registration requirements of the Care Quality Commission. The Committee makes sure that treatments and services provided are appropriate, reflect best practice, represent best value for money and are responsive to service user needs and that the views and experiences of service users and carers are reflected in service delivery. The Annual Governance Statement includes a description of the key risks currently faced by the Trust and as the rest of this report makes clear the Trust is still in implementation phase of a major transformation programme. All risks are monitored and managed through the Board's committees and by the Board.

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

	Attended
• Manjeet Gill, Non-Executive Director	(2 of 2)
• Steve Marsden, Non-Executive Director	(2 of 2)
• Chris Lawrence, Non-Executive Director	(2 of 4)
• Peter Baynham, Non-Executive Director	(2 of 2)
• Tom Cahill, Chief Executive (Chair)	(3 of 4)
• Iain Eaves, Executive Director Strategy and Commercial Development	(4 of 4)
• Keith Loveman, Executive Director Finance and Performance Improvement	(4 of 4)
• Geraldine O'Sullivan, Executive Director Quality and Medical Leadership	(4 of 4)
• Oliver Shanley, Executive Director Quality and Safety	(4 of 4)
• Karen Taylor, Chief Operating Officer	(1 of 2)

In attendance at the meeting are the Company Secretary, Director of Workforce and Organisational Development, Chair of Medical Staff Committee, other nominated directors and representation from service users.

Remuneration and Nomination Report

Board of Directors Nomination and Remuneration Committee

The Nominations and Remuneration Committee reviews and makes recommendations to the board on the composition, skill mix and succession planning of the Executive Directors of the Trust. All Non-Executive Directors are members of the committee and the Chief Executive, Company Secretary and the Director of Workforce and Organisational Development are normally in attendance.

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

- Bill Brown, Non-Executive Director (1 of 1)
- Manjeet Gill, Non-Executive Director (3 of 4)
- Carol Kennedy Filer, Non-Executive Director (1 of 1)
- Hattie Llewelyn-Davies, Chair (until 18.03.14) (4 of 4)
- Steve Marsden, Non-Executive Director (3 of 4)
- Colin Sheppard, Non-Executive Director (4 of 4)
- Christopher Lawrence, Non-Executive Director (4 of 4)
- Peter Baynham, Non-Executive Director (4 of 4)
- Simon Barter, Non-Executive Director (3 of 3)

Board of Governors Appointments and Remuneration Committee

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

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

The committee is made up of 6 Governors: 4 public, 1 staff and 1 appointed. The Chair, Company Secretary and the Chief Executive are usually in attendance.

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

- Sheena Garbutt (Public Governor and Chair) (2 of 3)
- Eddie Veale (Appointed Governor) (3 of 5)
- Stuart Asher (Public Governor) (5 of 5)
- Chris Brearley (Public Governor-Chair from August) (4 of 5)
- Caroline Bowes Lyon (Public Governor) (5 of 5)
- John Lavelle (Staff Governor) (3 of 5)
- Sarah Hamilton (Public Governor) (0 of 1)

Remuneration Report

The full remuneration report of salary, allowances and benefits of senior managers are included on pages 22 and 23 of the Full Statutory Accounts, which form section 2 of this document.

Performance Related Pay

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

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

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

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

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

- 100% for excellent performance
- 75% for very good performance,
- 50% for average performance,
- 25% of eligible payment available for a director at a development stage or with adequate performance.

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

For 2013/14 the performance targets set at the beginning of the year and actual performance against those targets is set out in the following table. The resultant performance payment payable is set out in the annual accounts at note 5.4. For 2013/14 whilst the maximum amount payable is indicated, this remains subject to award by the Remuneration and Nominations Committee and no payment has been made.

Annual Performance Related Pay – Performance Measures

Objective	Outcome	Success Measure	Value	Threshold (50%)	Stretch Target (100%)	Baseline	Q4% position	Q4 score	Value
We will deliver safe and effective services (20%)	Service users will progress positively through our services in line with the principles of Recovery	By year end ≥65% of service users will report that Trust services have helped them see a positive future for themselves, up from 61.5% in 2012/13	10%	≥63%	≥65%	61.5%	57%	0	0
	Service users will feel safe and be protected from avoidable harm	The proportion of inpatients reporting feeling safe will be maintained at or above 88%	10%	-	≥88%	88%	80.%	0	0
Service users, carers, referrers and commissioners will have a good experience of our services (10%)	Service users will report a positive experience of a compassionate and caring services	By year end ≥76% of service users will report that they would recommend trust services to family or friends if they needed it, up from 73% in 2012/13	5%	≥74%	≥76%	73%	70%	0	0
	Carers will feel supported and valued in their role	≥80% of carers will report feeling valued by staff in line with our performance in 2012/13***	5%	-	≥80%	80%	72%	0	0
We will secure the financial sustainability of our services (25%)	Cash releasing efficiency savings (CRES) delivered recurrently	CRES of £8.4m delivered recurrently	15%		£8.4m (in year)	-	100% achieved	1	15
	We will secure our income streams for 2014/15 and beyond	North Essex and Norfolk contracts secured for 2014/15 and beyond	10%	-	Contracts secured	-	Position agreed	1	10

		Number of key projects fully delivered / fully on track (out of 5)					
<p>We will transform services, putting the needs of service users and carers at the centre (25%)</p>	<p>1. We will have modern, state of the art environments that promote recovery and support staff to deliver the highest quality care</p> <p>2. We will have information systems and tools that support staff to work productively and deliver the highest quality care</p>	<p>On track to deliver Kingsley Green Development on time and budget</p>	<p>5%</p>	<p>If cost remain on budget but on time delivery is delayed due matters outside of internal control</p>	<p>Practical completion of construction phase 1 (North Block)</p>	<p>1</p>	<p>5</p>
		<p>Paris infrastructure successfully rolled out across all adult and older people services on time and budget.</p>	<p>5%</p>	<p>Use of Paris within Adult and MHSOP by end March 2014.</p>	<p>Implementation in Adult and MHSOP by October 2013; LD in Herts and Norfolk by end March 2014 and project plan for implementation in N Essex in 2014/15.</p>	<p>0.5</p>	<p>2.5</p>
	<p>3 Delivery of two Hubs Colne House – Hub by October 2013. Rosanne House by December 2013.</p>	<p>Successful opening of Hub and successful transfer of staff</p>	<p>5%</p>	<p>If cost remain on budget but on time delivery is delayed due matters outside of internal control</p>	<p>Rosanne House to be completed by Jan 2014.</p>	<p>1</p>	<p>5</p>
	<p>4 Delivery of the Learning & Development Centre by April 2014</p>	<p>Successful opening of and successful transfer of staff</p>	<p>5%</p>	<p>If cost remain on budget but on time is delayed due</p>	<p>New facility operational and in use by 1st April 2014.</p>	<p>0.5</p>	<p>2.5</p>

Off-payroll engagements

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

Table 1: For all off-payroll engagements as of 31 March 2014, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2014	2
---	---

Of which....

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

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

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014, for more than £220 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0

Of which....

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

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2013 and 31 March 2014

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

Council of Governors

The Council of Governors includes 21 Public Governors elected by the members of the Foundation Trust. There are two public constituencies: one for Hertfordshire and one for the Rest of England and Wales. The Council also has five Staff Governors elected by the Trust staff and nine nominated representatives from our partner organisations.

An election to the seats falling vacant as a result of Governors reaching their end of term was held under the auspices of the UK Engage during July 2013.

The Public Governors elected for Hertfordshire were:

- Loyola Weeks
- Stuart Asher (for a second term)
- Mel Wood
- Kwasi Opoku
- Angelina Scalfani-Murphy
- Richard Pleydell-Bouverie
- Barry Canterford
- Jake Griffiths (for a second term)
- Mark Edgar

The Staff Governor elected for the Acute and Rehabilitation Constituency was:

- John Lavelle

Five seats remain vacant at present for appointed governors: two which were formally for PCTs and which will be offered to the CCGs as agreed in a recent revision of the Constitution, one for Carers in Herts who are still unable to nominate a Governor, one for Herts CC to represent Children's Services and one from MENCAP.

We thank all of the Governors for their valuable contribution to the Trust and in particular those who have served with us for two terms of appointment. Their expertise and knowledge will be missed and we hope they will continue their involvement with the Trust through acting as mentors to new Governors.

The Council of Governors and the Board of Directors have a good working relationship. Both are chaired by the Trust Chair, and they hold joint meetings annually, one of which is the AGM. In addition, the Board of Directors have an open invitation to attend all of the Council of Governors meetings. The Chair and the Company Secretary act as the main links between the Board and the Council, and reports and briefings are shared by the Governors and Directors. The Council and the Board have written into the Constitution the process for the settling any disagreements between the Council and the Board of Directors.

The Council of Governors have dealt with a range of issues as part of their statutory duties, including the recruitment of Non-Executive Director Simon Barter.

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

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

Board of Governors

		Attendance	Appointment
Stuart Asher	Public	4/5	01/08/10 – 31/07/16
Tap Bali	Public	3/5	01/08/12 – 31/07/15
Caroline Bowes-Lyon	Public	5/5	01/08/11 – 31/07/14
Michael Bradley	Public	2/4	01/08/12 – 31/07/15
Chris Brearley (Lead)	Public	5/5	01/08/11 – 31/07/14
Jo Clack	Public	2/5	01/08/11 – 31/07/14
Sheena Garbutt	Public	3/3	01/08/10 – 31/07/13
Ray Gibbins	Public	3/3	01/08/10 – 31/07/13
Jake Griffiths	Public	5/5	01/08/10 – 31/07/16
Meredith Griffiths*	Public	1/5	01/08/12 – 31/07/15
Sarah Hamilton	Public	4/5	01/08/12 – 31/07/15
Fran Hook	Public	0/3	01/08/10 – 31/07/13
John Ingram	Public	5/5	01/08/12 – 31/07/15
Dick Lovelace	Public	1/5	01/08/11 – 31/07/14
Colin Marvell	Public	2/5	01/08/12 – 31/07/15
Carole Osterweil	Public	3/5	01/08/12 – 31/07/15
Sue Ross	Public	5/5	01/08/12 – 31/07/15
Steve Wright	Public	3/3	01/08/10 – 31/07/13
Kwasi Opoku	Public	0/2	01/08/13 – 31/07/16
Angelina Sclafani-Murphy	Public	2/2	01/08/13 – 31/07/16
Loyola Weeks	Public	2/2	01/08/13 – 31/07/16
Mark Edgar	Public	0/2	01/08/13 – 31/07/16
Barry Canterford	Public	2/2	01/08/13 – 31/07/16
Richard Pleydell-Bouverie	Public	0/2	01/08/13 – 31/07/16
Mel Wood	Public	2/2	01/08/13 – 31/07/16
Tara Gouldthorpe	Staff	1/5	01/08/12 – 31/07/15
John Lavelle	Staff	3/5	12/10/10 – 31/07/13
Janice Lepori	Staff	4/5	01/08/10 – 31/07/13
Beke Tshuma	Staff	1/5	01/08/12 – 31/07/15
Andrew Wellings	Staff	2/5	01/08/12 – 31/07/15
Erika Aldridge	Appointed	1/5	01/08/10 – 31/07/16
(Alzheimer's Society)			
Leslie Billy (Viewpoint)	Appointed	2/5	01/08/10 – 31/07/16
Peter Brown (Mencap)	Appointed	3/3	13/10/10 – 31/07/13
Fran Deschampsneufs (MIND)	Appointed	3/3	01/08/12 – 31/08/15
Cllr. Dorothy Hone	Appointed	2/3	01/08/10 – 31/07/13
(District Council)			
Jackie Knight	Appointed	1/5	01/08/10 – 31/07/14
(University of Hertfordshire)			
Mary Pedlow	Appointed	5/5	01/08/10 – 31/07/13
(Hightown Praetorian)			
David Andrews	Appointed	1/2	01/08/13 – 31/07/16
(Herts County Council)			
Eddie Veale	Appointed	4/5	01/08/10 – 31/07/16
(Chamber of Commerce)			

* Meredith Griffiths was absent following an operation.

The three working groups of the Council have continued to meet regularly to take forward work plans on behalf of the Governors, and provide a full report at each of the Council of Governors meetings. Group meetings have been attended by Board members and senior managers to support information sharing and engagement with Governors.

The areas which the groups worked on last year were:

Engagement:

- The group delivered a successful members' day and increased the number of attendees
- Developed a script to be used when talking with members and the public within their constituency

Performance:

- The group received performance reports and worked alongside a Non-Executive Director to develop future improvements
- The group discussed how Cost Improvement Programmes were identified, and agreed to ensure that safety and quality of service were not at risk from the impact of savings

Quality and Effectiveness:

- Quality Accounts – the group contributed to the process of choosing priorities for the year ahead
- The group has also received reports concerning Quality Accounts as well as information about performance against CQUIN targets.

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 the Governors where companies are likely to do business or are seeking to do business with the Trust.

Expenses

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

Membership

Public membership declined by 43 this year due to natural turnover: the net total as at the end of our financial year is 11,148.

Due to our current transformation programme, and the changes the Trust is making, we aim to increase membership in North East and Mid Essex – where we have been awarded contracts to provide Improved Access to Psychological Therapy (IAPT) services. We will be working with local MIND organisations to raise awareness of the Trust and its services, at the same time encourage new members. We will also continue to recruit new members within Hertfordshire at local community events.

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:

- | | |
|---|-----|
| • SBU MH East & North Herts | 858 |
| • SBU MH West Herts | 868 |
| • SBU Learning Disability and Forensic Services | 679 |
| • Corporate Services | 278 |

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

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

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

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

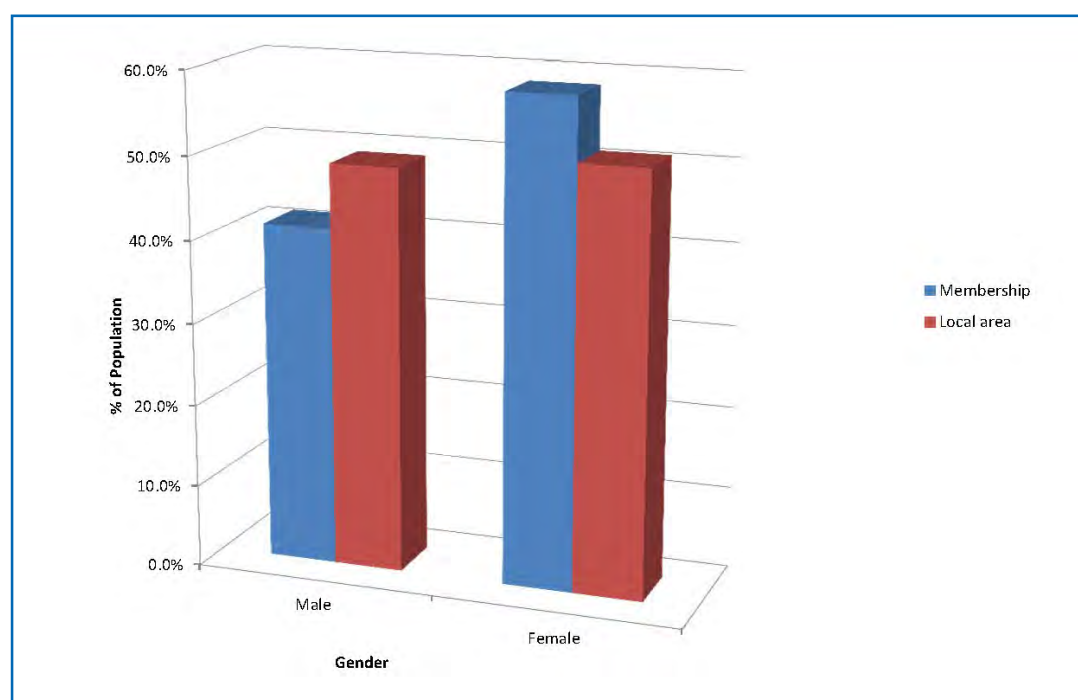
Membership size and movements

Public constituency (England & Wales)	Last year (2013/14)	Next year (estimated) (2014/15)
At year start (April 1)	648	646
New members	3	6
Members leaving	5	10
At year end (March 31)	646	642

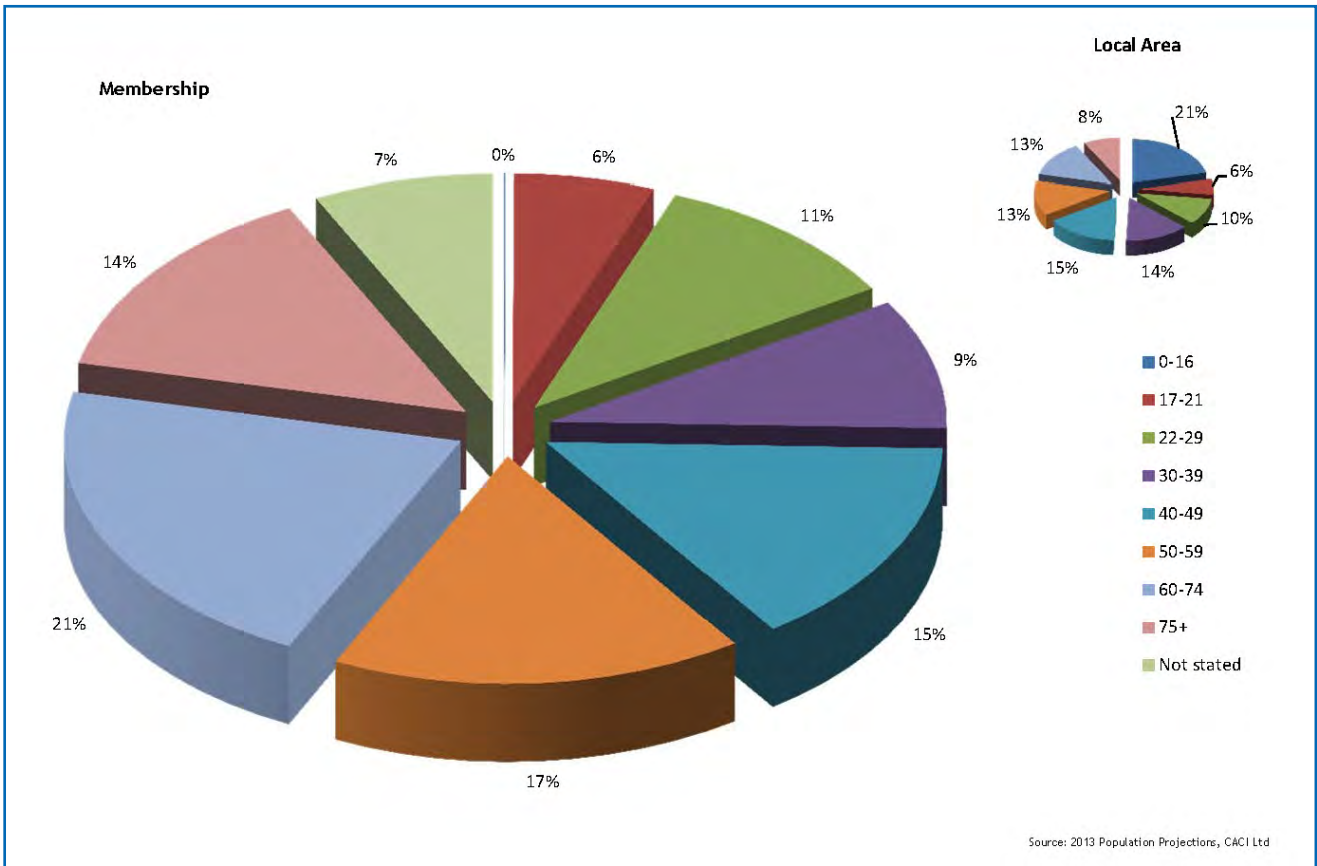
Public constituency (Hertfordshire)	Last year (2012/13)	Next year (estimated) (2013/14)
At year start (April 1)	10,543	10,502
New members	55	60
Members leaving	96	50
At year end (March 31)	10,502	10,512

Staff constituency	Last year (2012/13)	Next year (estimated) (2013/14)
At year start (April 1)	2,738	2,683
New members	270	450
Members leaving	325	335
At year end (March 31)	2,683	2,798

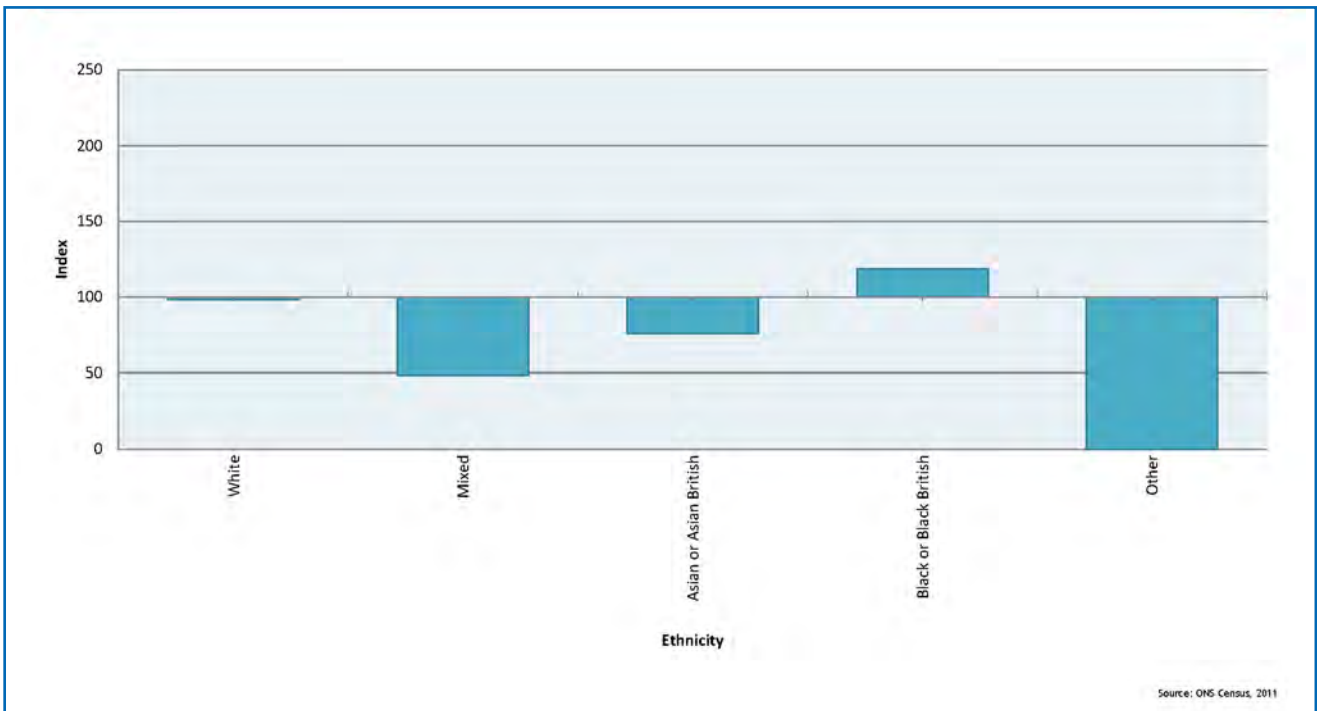
Gender Distribution



Age Distribution



Ethnicity Distribution



Quality Account

Part 1 – Statement by the Chief Executive

When the Department of Health introduced quality accounts to the NHS four years ago, it was clear that their primary aim was to describe to the populations served how good the care provided by each Trust had been in the previous year and what plans the Trust had to improve them further.

This idea of “telling the story” of quality in the Trust - in a way that is engaging, honest and relevant – remains very important to me. It obliges our Board of Directors to look hard at the quality of the services we provide, where they have gone well and where they have gone not so well.

In 2013/2014 we kept up a good record of compliance with the standards of both the Care Quality Commission and Monitor. I am proud to say that we are fully compliant with all CQC essential standards.

We achieved all our Monitor targets in the year – including those that focus on the service user experience such as supporting service users promptly after they are discharged from inpatient care and making full use of our crisis resolution teams to support people at home whenever possible.

We performed better than the national average in terms of what service users said about us in the National Service User survey (2013).

It has been a year of major transformation of services as we ensure that we make maximum use of the resources available. At times, this has been disruptive for service users, carers and staff and as a result the stretching targets we set ourselves in our annual plan at the start of the year have sometimes not been reached. Part 4 provides the more detailed explanation of each area of performance, and Part 3 shows how we are refocusing our efforts for the coming year.

Part 2 describes the services we provide.

Part 3 is about our plans for maintaining quality and safety in 2014/2015.

Part 4 explains the quality of what we have done – both our chosen quality indicators and the other areas which are relevant for all Mental Health Trusts.

Finally, Part 5 offers some concluding comments and information.

In HPFT we do not under-estimate the challenge of providing excellent care and treatment for those living with mental ill health and/or a learning disability. But we are excited about the year ahead – with the opening of our £40 000 000, 98 bedded Inpatient Services at

Kingfisher Court and other modern premises for community services and Learning and Development. These major developments help us all to be proud of HPFT services as we face the demands of the year ahead.

If you want to know more about anything in this report and our plans for quality, please contact Jonathan Wells Head of Practice Governance via jonathan.wells@hpft.nhs.uk

The account will be published before the end of June 2013 on the NHS Choices website and on ours www.hpft.nhs.uk

Paper versions and other formats will be available via our Communications Team on 01727 804459.

In accordance with the NHS (Quality Accounts) Regulations 2011 No. 269 as senior employee I hereby state that to the best of my knowledge the information in this document is accurate.

Signed:



Tom Cahill
Chief Executive

28/5/14

Part 2 – Introduction

In HPFT we remain committed to our vision to be:

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

This means that – as is common now in the NHS – our boundaries can be subject to change. In 2013/2014 we continued to provide:

- The full range of health and social care for people with mental health issues in Hertfordshire, including Enhanced Primary Mental Health Care alongside GPs
- Inpatient and community health care for adults with learning disabilities in Hertfordshire and North Essex
- Specialist inpatient services for adults with learning disabilities in Hertfordshire and Norfolk
- Specialist services for children and adolescents who need mental health inpatient care, for peri-natal mental health care, and for the treatment of severe obsessional-compulsive disorder

From 1 April 2014 we have begun providing enhanced primary mental health services in North East Essex and mid Essex, taking on around 100 new staff. We are exploring opportunities to provide integrated physical and mental health community care as they arise in the region.

Part 3 – Priorities for Quality Improvement 2014/2015

3.1. Consultation

As in previous years, in January 2014 we began to think about what was most important to us in terms of quality for the coming year.

We asked our Service User Council and Carer Council, and they said that they were worried about the level of change across Trust services, continued problems in accessing services when they needed them at times, and that they could still be more involved at the individual level and the planning level.

Our local commissioners – East and North Herts CCG and Herts Valleys CCG – who have worked with us closely to maintain quality through the year, wished to see further improvements in access to services and staff engagement.

We met Hertfordshire’s Healthwatch colleagues – who in similar vein spoke about the importance of better access to services especially CAMHS. They were clear that indicators of staff engagement and morale stilled showed a worrying picture and they urged the Trust to maintain a focus on supporting and informing staff well.

Some of our consultation took place under the heading of the Monitor annual plan rather than the Quality Account.

Our quality plans have been developed in the context of the growing financial pressures facing HPFT, and the increasing demand on services because of demographic and other factors.

In that context, we are pleased to see the increasing national emphasis on parity of esteem between the physical and mental health needs of the population in the past two years. This began with “No Health Without Mental Health” (July 2012) and continued with the latest statement of national priorities for mental health services “Closing the Gap” (January 2014).

Our Monitor plan for the three years 2013/2016 will be about balancing focus and ambition. In other words, we will make sure that we get the basics right whilst we also seek to develop and innovate where we can.

It can be seen from our eight objectives shown below that we are clear where our priorities lie between 2013 and 2016:

Quality

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

Workforce

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

Sustainability

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

These objectives are therefore reflected in our quality priorities for 2014/2015.

3.2. Priorities for Improvement

In March 2014 the Board agreed these priorities in principle as part of the annual plan. At the Board meeting in April the precise metrics were presented and agreed.

The priority areas will remain as:

1. Safe Services
2. Effective Services
3. Positive Experience – Service Users and Carers
4. Positive Experience – Staff

Under Safe Services we will adopt measures such as:

- Implementation of projects to reduce violence on inpatient units
- Maintenance of good levels of service users saying they have felt safe on the ward
- Use of the dementia challenge toolkit to improve safety on inpatient units for people with dementias

Under Effective Services we will adopt measures such as:

- Improved performance across all access targets (how long it takes to get help)
- More accessible and user-friendly CAMHS services in particular
- Better attention paid to the physical health needs of adults with severe mental health problems with better communication with GPs

Under Positive Experience for Service Users we will adopt measures such as:

- Improved levels of service users able to recommend Trust services to family or friends
- Improved levels of carers telling us they feel valued
- A better experience for people with learning disabilities when they have mental health problems that should be addressed in mental health services

Under Positive Experience for Staff we will adopt measures such as:

- Improved levels of staff saying they would recommend Trust services to family or friends – both as places to work and as places to receive care
- Improved levels of engaged and committed staff – measured through implementation of our customer care strategy

Quarterly quality reports on progress against these indicators will be made to the Integrated Governance Committee (a sub-committee of the Board), and the Quality and Risk Management Committee will have responsibility for overseeing implementation of progress. The majority will also be reported on a quarterly basis to commissioners as they will also be CQUIN goals.

The Executive Director – Quality and Medical Leadership continues to be the accountable Executive Director.

Part 4 – Review of Quality Performance

4.1 Background

It is a daunting task to sum up the quality of the care we provided last year in just a few pages. We are very much aware that each individual who receives services from us will have a different experience. This can be a positive – where services are different because they are tailored to what that individual expects and requires. Or it can be a negative – where treatments are not provided to a consistently high standard, or where resources are unevenly spread.

There are also many different ways of defining and measuring quality in mental health care. There is a wealth of information gathered and reported (both internally and externally) about our services. Our approach aims to take into account all this information, but then reduce it to a set of indicators which together give an authoritative account of quality as we know it.

So this section is divided into three sections.

The first states how we did with regard to the 14 quality indicators we selected for ourselves.

The second shows how we did in other areas which are nationally recognised as important so that we can compare how we have done with the performance of other Mental Health Trusts

The third is where we describe other important developments during the year which have had an impact on quality.

4.2. Local Quality Indicators

4.2.1. Context

From January 2013, we considered our performance on quality indicators in 2012/2013 and discussed with a range of stakeholders what approach we should take in the coming year.

As a Foundation Trust we also have to publish an annual report (including a quality report) and we have been required to produce an annual plan which covers much of the same ground.

From our Board's point of view, the priorities for the quality account are part of the Monitor annual plan, which was signed off by them in March 2013 as in previous years.

This indicator set has 14 elements:

- 3 indicators for patient safety
- 5 indicators for clinical effectiveness
- 4 indicators for service user and carer experience
- 2 indicators for the workforce

Performance on these is shown below. For each one, the indicator is defined, the rationale for its selection is given, the data source is noted and the performance is stated (including whether our own target was achieved, partially achieved, or not achieved).

Simple charts in a standard format are used to illustrate how we did.

In some cases, the “target line” begins in the middle of the year because we have had to set up ways of gathering the information and finding a baseline first.

We have tried to strike a balance between explaining measurements enough so that the results are not misinterpreted, and not providing too much technical detail which can distract from the big messages about quality which we wish to convey.

Overall, for the 14 indicators, 3 were fully achieved, 1 was partially achieved and 10 were not achieved.

4.2.2. Results

A Safety: Externally reported incidents as a proportion of all incidents

Definition: The number of serious incidents that have to be reported outside the Trust as a proportion of all incidents reported.

Rationale: This indicator is carried over from 2012/2013 and the rationale is unchanged. It remains important that staff continue to report all incidents so that trends can be analysed and actions taken to prevent them where possible. However we are also determined to reduce the numbers of major incidents, which (as with all Mental Health Trusts) are often apparent suicides. This measure tries to capture how we are doing in both these areas.

In 2012/2013 our target was that serious incidents should make up less than 0.25% of all incidents reported in the Trust. Even though our serious incidents were low last year, we narrowly failed to achieve this target, and so we set it again.

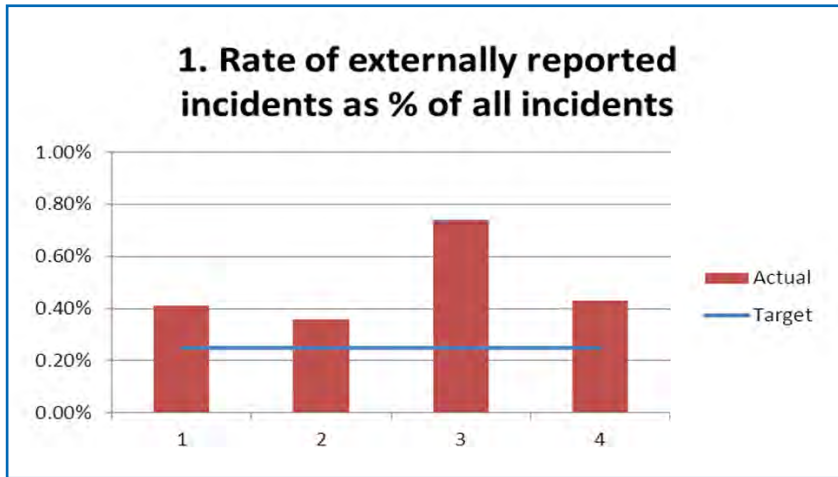
(In quarter 4, 2012/2013 we were at 0.29% when our aim was to be below 0.25%).

National benchmarking data is not available for this as local commissioners have a say in what should be defined as reportable to them and so this introduces some local variations.

The data is not governed by national standard definitions.

Data source: The internal incident reporting e-system, datix.

Progress:



In Q4 our result was 0.43% against a target of less than 0.25% - so we **did not achieve** it.

Several factors are important to note with regard to this information:

- Section 4.3.6. provides more detailed contextual information and shows how our reporting compares to that of other Mental Health Trusts. It indicates that whilst our overall levels of reporting are within the normal range, our levels of the most major incidents – moderate, severe and fatal – are consistently below the national average
- In the year 62% of incidents reported externally were apparent suicides compared to 77% in 2012/2013; thus these data should not be read as showing a rise in suicides
- We are careful to use the term “apparent suicide” in this section of the report. This is because it is only when an inquest is held – usually six to twelve months after the event – that the cause of death is confirmed and a formal verdict of suicide can be given

With regard to apparent suicides, we know that Hertfordshire continues to have a suicide rate below the national average, and the latest National Confidential Inquiry into Suicides and Homicides report shows that our proportion of all local suicides is down to 14%, which is below the national average for Mental Health Trusts.

This gives us some encouragement in our stated aim to reduce suicides by those under our care each year. At the same time, as would be expected, we recognise that every such death is a tragedy and demands that we constantly renew our efforts to provide staff and systems that minimise such risks at all times.

B Safety: Inpatients reporting feeling safe

Definition: The number of people saying that they have felt safe during their current inpatient stay as a proportion of all those answering the question.

Rationale: This indicator was carried over from last year, even though last year we achieved our target (in Q4 we achieved 92.4% saying they felt safe against a target of 86%).

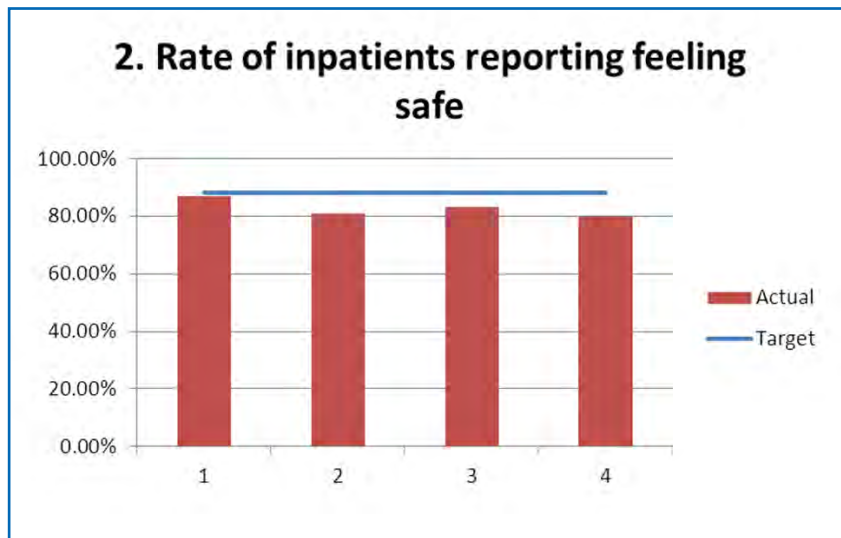
We have held onto this target because we believe it is a crucial area and we have confidence in the metric – which is about whether service users experience our inpatient services as safe, not whether we as professionals would rate them that way.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Service users express their views through the Trust's Having Your Say questionnaires, which are available in a variety of formats.

Progress:



We aimed to exceed 88% of respondents saying they felt safe. In Q4 the satisfaction rate was 79.9% - so this target was **not achieved**.

Some caution needs to be used in interpreting results from Having Your Say (HYS), as most service users do not chose to give us their views by completing the questionnaires. However, this is an indicator that we have used for several years and it is clear that in 2013/2014 - even though a strong majority of respondents still feel safe - performance has declined.

The Trust has a good record with regard to inpatients feeling safe. When there was a national acute inpatient survey for Mental Health Trusts, we were able to compare our performance with others. In the 2009 national survey, 63% of our service users said they felt safe, which put us within the normal range of 60 to 69%. We made a concerted effort to improve inpatient safety, which led to us achieving our aim of at least 83% of inpatients saying they felt safe in 2012/2013. This year we have not been able to improve that performance further, but we are not aware of other Mental Health Trusts with a better record in this area.

The pattern we identified last year of reduced beds and a higher level of detained inpatients has not reduced, and these are factors which can lead to high levels of challenging behaviour in inpatient settings. But during the year a range of initiatives to make inpatient units safer places for service users and staff have begun under the Making Our Services Safer project led by the Executive Director – Quality and Safety.

Our state of the art new Inpatient Services at Kingfisher Court – together with the commitment of our staff selected to provide the care – will enhance service users' initiatives such as Making Our Services Safer will increase inpatient safety Trust-wide.

C Safety: Safeguarding adults alerts

Definition: The number of decisions as to whether to investigate a safeguarding adult alert in mental health services made within one working day as a proportion of all alerts received.

Rationale: This indicator was carried over from last year where we had been consistently below our target of deciding whether to investigate safeguarding alerts within one working day in at least 70% of cases.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Our safeguarding adults database

Progress:



We were confident that this target was within our control and achievable. We set ourselves stretching targets across the four quarters of the year. In Q4, against a target of 90%, we achieved 92.1% which means this target is **achieved**.

This result shows an increased commitment from many staff, especially community mental health services managers, to respond quickly when concerns about the safety of vulnerable adults have been raised. We recognise that this is not the whole story: we are determined alongside partner agencies to play our part in preventing the maltreatment of vulnerable adults in Hertfordshire – whether they are under our care or not.

D Clinical Effectiveness: Achievement of waiting times targets

Definition: Achievement of all waiting times targets for a given quarter as defined by local commissioners.

In the first half of the year this meant achieving 11 out of 11. In the second half it meant achieving 12 out of 12 - once we had developed the reports on the indicator relating to the

target of having less than 18 weeks between referral and the start of treatment in secondary mental health services.

Rationale: This is a new and ambitious indicator – set because we knew that our performance on some such indicators required improvement and we were clear that there is no point having highly effective services if people cannot access them when they need them.

We have a list of targets set via local commissioners for responding well to new referrals of individuals – whether urgent or routine. Performance against CAMHS waiting times targets is excluded as these reports were developed later in the year.

Otherwise, all services and their own targets are included as we wanted to ensure access was good across the board.

Data source: The electronic patient record

Progress:



The table shows that we set an ambitious target of 100% for all indicators.

This metric is made up of the following - with results shown for each for Q4:

Indicator	% compliance	target	
Urgent referrals to CMHT – response within 24 hours	91.2	98	Red
Routine referrals to Early Intervention in Psychosis services – response within 14 days	97.7	98	Yellow
Urgent Fair Access to Care referrals to CMHTs – response within 48 hours	35.7	98	Red
Routine referrals to CMHTs – response within 28 days	90	98	Red
Referrals to Crisis teams – response within 4 hours	98	98	Green
Routine referrals to Community Eating Disorders (CEDs) services – response within 28 days	96.6	98	Yellow
Urgent referrals to CEDs – response within 96 hours	100	98	Green
18 week waiting time (referrals to treatment) for all MH and LD services	99	98	Green
Referrals to IAPT meeting 3 day wait target for initial contact	99.2	98	Green

Indicator	% compliance	target	
Referrals to IAPT Step 2 psychological therapies – re-response within 28 days	98.2	98	Green
Referrals to all psychology meeting 28 day target	97.1	98	Yellow
Referrals to EMDASS – first appointment within 6 weeks	81.6	90	Red

This is summarised as a performance of 5 out of 12 (42%) which shows that the target **has not been achieved**.

We have worked hard to streamline the referral process between our Single Point of Access service and community mental health services, and to maintain very good access to our primary care mental health services. We have made changes to how psychological therapies can be accessed and improved performance in this area, but not enough to achieve the target.

A score of particular concern is that around urgent social care needs in community mental health services which are not being well met at present due to the disruption caused by the reorganisation of these services. This is expected to improve significantly in the first half of the coming year once the new community mental health services are fully established.

E Clinical Effectiveness: Improved outcomes in mental health services

Definition: Use of the Health of the Nation Outcomes Scales (HoNOS) to show improved clinical outcomes in mental health services.

Rationale: HoNOS is a traditional rating scale which can be used to demonstrate whether services are achieving the positive clinical outcomes for service users that are their aim. Its use in HPFT has been inconsistent.

To demonstrate the clinical effectiveness of mental health services we decided to make more use of HoNOS in 2013/2014.

Data source: Reports to Board.

Progress: This indicator does not have numerical scores. The task has been to show greater use of HoNOS as a source of information about clinical outcomes achieved.

Some progress has been made on this indicator through the year, but not as much as was hoped. HoNOS scores are now embedded in the wider scores used to cluster cases as the Trust prepares itself for Payment by Results. This has made it difficult to extract scores by service which clinicians can then use to compare what they have achieved.

Data reported has been incomplete and insufficient to inform services about the effectiveness of their care.

In conclusion, it has been decided to rate this indicator as **not achieved**.

F Clinical Effectiveness: Service users helped to see a positive future

Definition: The number of people saying Trust services have helped them to see a positive future for themselves as a proportion of all those answering the question.

Previously, this had been defined as those answering both "True" and "Partly True" to the statement in the HYS questionnaire. This was changed to only those answering "True" – which was felt to be a more accurate measure of people's experience

"For the indicator "rate of service users saying Trust services help them see a positive future", scores are derived from several versions of the Having Your Say questionnaire which is made widely available to service users.

In Q1, the score was derived from a question with this exact wording in the versions of HYS used for mental health inpatients, mental health community service users and service users with learning disabilities (inpatient and community).

For Qs 2, 3 and 4 revised versions of HYS were used, reflecting more closely the aspects of care important to service users. For these quarters, the score for this indicator is taken from responses to the statement: "The services I receive have helped me to look to the future more confidently" by mental health community service users, and responses to the question: "Has the help we've given you made you feel better?" by service users with learning disabilities (inpatient and community).

Although the wording is different, we have reported these results together as we have felt that the questions are all aimed at assessing the same aspects of care – namely whether Trust services promote recovery and engender feelings of positivity and hope."

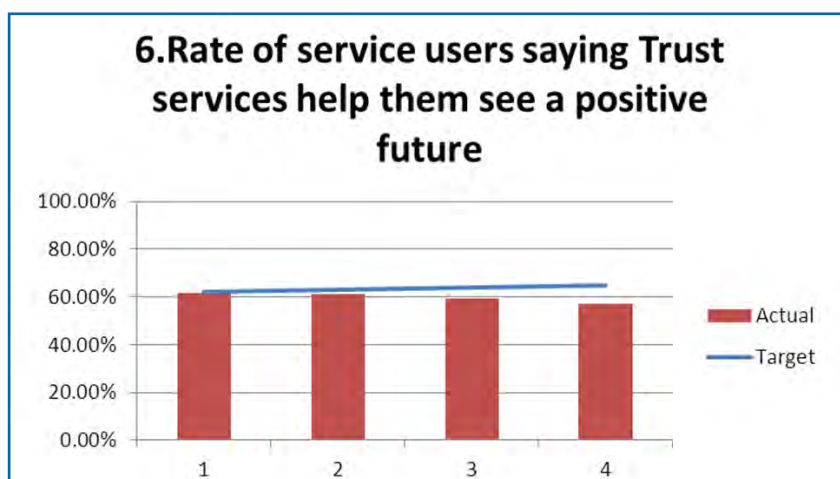
Rationale: This indicator – although achieved in 2012/2013 – has been carried over into 2013/2014 because it is a strong measure of whether our services are experienced as promoting recovery, and we have wanted to focus carefully on this area of our work to ensure that progress is maintained as services come under greater pressure.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In 2012/2013 in Q4 64.1% of respondents answered "True" to this question. In the interests of transparency, and in order to stretch ourselves further, in 2013/2014 we decided to include in our definition only those who answered "True" and to exclude those who said "Partially True".

In 2013/2014 – using this definition - performance was at 57.3% against a target of 65%, meaning that the target **has not been achieved**.

The Trust's commitment to the recovery model is undiminished, and in the past year there have been a range of initiatives to support staff to practice in a way that truly gives service users hope and respects their aspirations and strengths. We have developed the ways in which peer support workers operate alongside professional staff as volunteers or paid, on inpatient units or in community teams, and we have many positive stories about how service users and carers have felt helped in these ways.

Many teams have set themselves actions to ensure that they promote recovery fully and that they enable service users to stay well through health and well-being plans. Progress on this has been reported to commissioners as part of CQUIN. In 2014/2015, new posts in community mental health services such as vocational and accommodation advisors and peer support workers are expected to make a significant difference in helping service users in their individual recovery journeys.

G Clinical Effectiveness: Staff saying they would recommend Trust services to friends or family

Definition: The number of staff saying in internal surveys that they would recommend Trust services to friends or family if they needed them, as a proportion of all respondents.

Rationale: In 2013/2014 the Trust was not obliged to ask its staff this question but we have wanted to know their views in this important area and have been pleased to use our own wording.

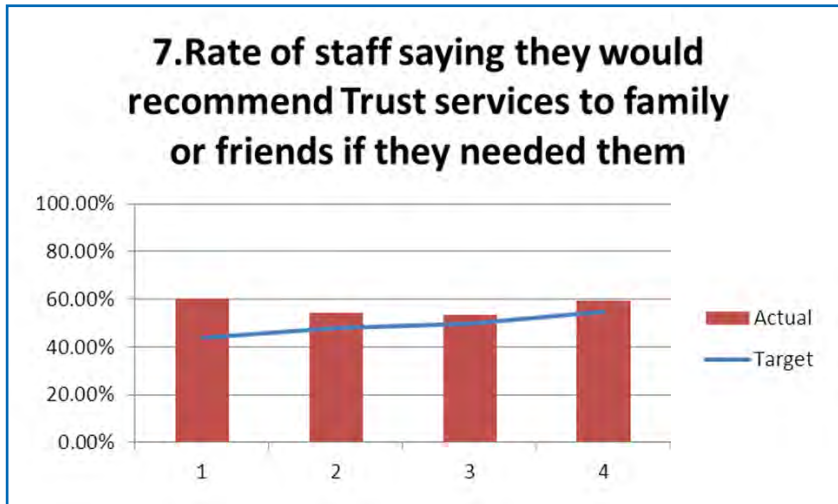
We knew from similar questions in last year's quarterly internal staff surveys that colleagues' levels of engagement with Trust objectives seemed to have declined. We therefore set ourselves this indicator as a priority, with a relatively low baseline derived from previous scores on relevant questions.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

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

Progress:



In Q4 we scored 59.5% against a target of 55% which means this target is **achieved**.

This reflects a considerable amount of work led by the Deputy Director of Workforce and Organisational Development. The Board and Executive Team have been clear that we must find new ways of articulating our vision to staff and rewarding them for the quality of the care they provide every day. To this end, there have been monthly Inspire wards for staff nominated by their peers, a glitzier than ever Annual Awards ceremony, and more Big Listen events.

This new focus is beginning to bear fruit, but more remains to be done and our performance will be highlighted in 2014/2015 when the Friends and Family question for staff becomes mandatory.

H Clinical Effectiveness: Staff satisfied with the quality of care they deliver

Definition: The number of staff saying in internal surveys that they are happy with the quality of care they can deliver as a proportion of all respondents.

Rationale: We knew from similar questions in last year’s quarterly internal staff surveys that colleagues’ confidence that we could provide excellent care seemed to have declined. We therefore set ourselves this indicator as a priority, with a relatively low baseline derived from previous scores on relevant questions.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Internal staff surveys (“Pulse” surveys).

Progress:



The target is to have achieved the intended level of performance in the final reporting period (Quarter 4).

In Q4 we scored 61.2% against a target of 65% which means we have **not achieved** it.

Both our national staff survey and internal survey results had indicated for the past two years that we were struggling in this area, which is why we made it a priority. However, despite the initiatives noted in G above – together with agreement of our Values and Behaviours across the Trust and the launching of our Customer Care strategy last Autumn, it is taking more than one year to turn these crucial areas round.

Our national staff survey results (2013) published earlier in 2014 showed significant improvements with scores for five questions now in the top 20% for all NHS Trusts. This gives us considerable encouragement as we enter a new year when our colleagues' pride in what they do will be critical.

I Service User and Carer Experience: Friends and Family Test

Definition: The number of those saying they would recommend Trust services to family or friends if they needed them as a proportion of all those answering the question.

Rationale: This question was not mandatory for Mental Health Trusts in 2013/2014 but will be so in 2014/2015 (with a slight change in wording).

We have asked it for several years and see it as a very powerful indicator of quality – especially when viewed alongside other types of service user feedback.

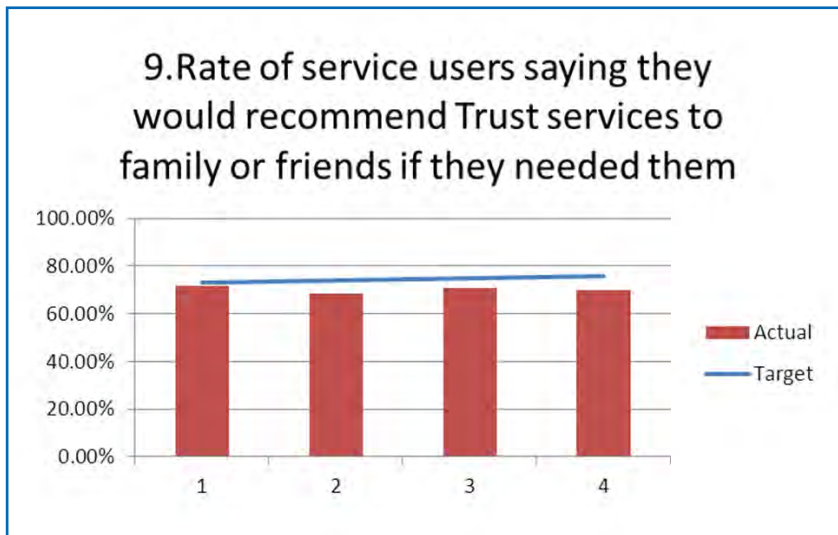
We achieved this target last year but see this indicator as a core one on which we aim to track our performance year on year. Therefore we have retained it.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In the final quarter of 2011/2012 we were at 69%.

In the final quarter of 2012/2013 we were at 77.8%.

In the final quarter of 2013/2014 we were at 70.0% and our scores were fairly even through the year.

Thus we have **not achieved** our target of 76% in Q4.

Whilst this is disappointing it can be read in several different ways. Compared to two years ago, we are providing more care, which is well rated by more service users, through significantly fewer staff. It could be said that we have done a good job of maintaining quality, but not of continuously improving it across the board. We want staff to take some encouragement from the numbers of service users and carers willing to endorse them, at the same time as they look to find ways of doing things better – through newly configured services – in the coming year.

J Service User and Carer Experience: Service users finding staff polite and respectful

Definition: The number of service users saying they find Trust staff polite and respectful as a proportion of all respondents

Rationale: This is a new indicator. We had previously asked service users whether they felt treated with respect and dignity, but felt these terms had become part of the language of the NHS rather than the language of everyone. Service users came up with the new wording which was included in our Having Your Say questionnaire from Q2.

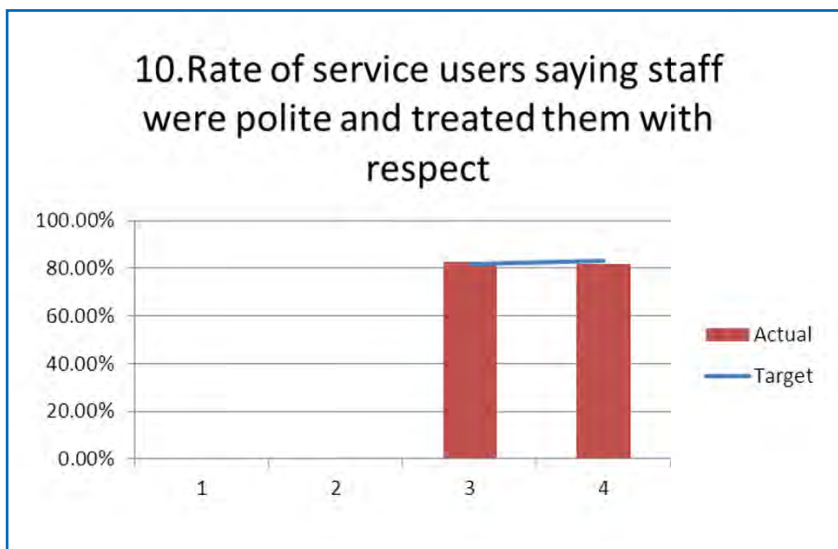
For a variety of reasons, including our at times poor results from staff surveys and our response to the Francis and Berwick reports, we have been very keen to explore how well staff relate to each service user as perceived by the service user. This gives us areas to work on, and gives us a better chance of focussing our efforts on the aspects of care provided that are most important to those who receive them.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say (from Q2).

Progress:



Having taken our baseline from Q2, we were on target in Q3 but slightly below target in Q4 – 81.8% against a target of 83%. When we are within 5% of the target score, this is rated as Amber, which equates to “**partially achieved**”.

This can be seen as an encouraging performance against a stretching target – which provides a sound basis for further developments in 2014/2015 in helping staff engage as effectively as possible with all service users – for example through our new programme of customer care training.

K Service User and Carer Experience: Carers feeling valued

Definition: The number of carers saying they feel valued by Trust staff as a proportion of all respondents

Rationale: This is carried over from last year. Although the target was achieved last year it was seen as a crucial indicator which needed to be monitored and improved where possible in 2013/2014.

We knew that we had made an explicit commitment to applying the Triangle of Care and to re-advertising to staff best practice in relation to carers. But we also knew - from investigations into serious incidents and from other sources - that we still exclude carers at times when they have such an important role to play.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In Q4 2012/2013 we achieved 84.5% on this indicator. A target was set of maintaining 80% or more throughout the year. A good start did not continue and for Q4 our result was 72.2% against a target of 80% so that this target was **not achieved**.

L Service User and Carer Experience: Carers being supported

Definition: The number of carers saying that they felt involved in care planning as a proportion of all respondents

Rationale: In 2012/2013 the target related to whether carers could access support when they needed it was missed. Therefore, complementing the other carer indicator above, this was carried over. As HYS had been redrafted in the meantime, the precise questions were no longer there to be asked, so the nearest equivalent has been used.

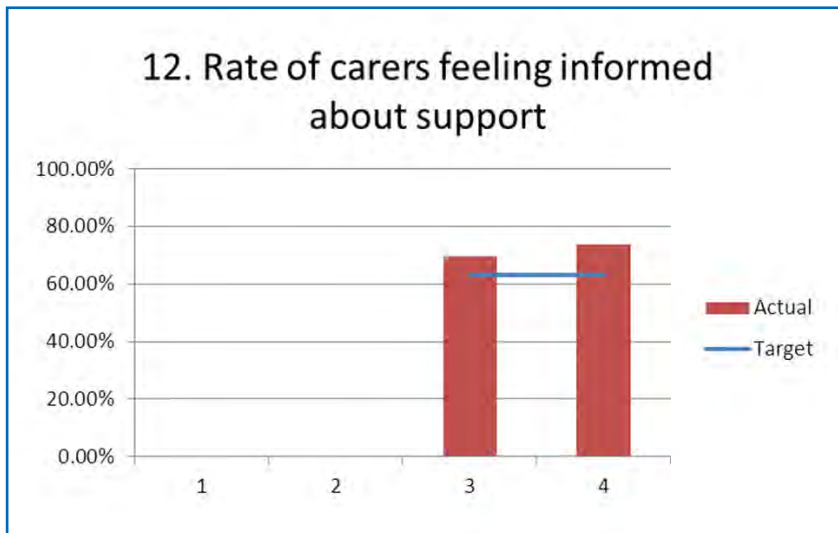
Carers remain very important customers of the Trust – both as key partners in providing the best care for their loved ones and in managing any risks they may present, and in receiving advice and support themselves, to which they have a statutory right.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In Q4 73.8% carers said they felt involved in reviews against a target of 63% - so this target is **achieved**. This is testimony to the hard work of the Head of Inclusion and Engagement, senior social workers and many colleagues in community mental health teams. However, given the weaker performance on the other carer indicator and the ongoing pressures on community mental health services, there is no room for complacency.

M Workforce: Staff would recommend the Trust as a place to work

Definition: The number of Trust staff saying they would recommend the Trust as a place to work as a proportion of all staff completing the internal survey

Rationale: This target was not achieved last year and so has been carried over. Year on year our quality accounts have shown a growing appreciation that it's not possible to provide consistently excellent care without staff who feel confident about their skills, committed to their service users and carers, and proud of the organisation that employs them.

This is what makes the complementary Friends and Family questions so powerful – because we know that where empowered and optimistic staff and service users come together, there is every chance of success!

It is important to distinguish this indicator from G above.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In Q4 2012/2013, the score was 44.3%.

In Q4 2013/2014 the score was 44.0% against a target of 55% - so this target has **not been achieved**.

The static numbers should not be taken to mean that little has happened in this area in the past year. In fact, in the face of the major change programme which saw 25% of staff at any one time involved in formal changes to their services and their jobs, an extra programme of support to staff - with training for managers in organisational development and stress-busting advice - has also taken place.

N Workforce: Engaged and motivated staff

Definition: The number of staff saying they feel engaged and motivated as a proportion of all staff completing the internal survey.

Rationale: This target was not achieved last year and so has been carried over.

As indicated above, this is another workforce indicator that remains critical if the quality of services is to be maintained and where possible improved.

National benchmarking data is not available for this as this is not a question that all Mental Health Trusts ask.

The data is not governed by national standard definitions.

Data source: Having Your Say

Progress:



In Q4 2012/2013 54.5% of staff said they felt engaged and motivated.

In Q4 2013/2014 50.0% of staff said they felt engaged and motivated against a target of 65% - so this target has **not been achieved**.

4.3. National Core Quality Indicators

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

Performance against the three primary Monitor targets is shown in detail below. No national benchmarking data for these is available to the Trust.

Performance against the other Monitor targets is as follows:

measure	baseline	target	Q1	Q2	Q3	Q4
Adults on CPA receiving annual care review	95%	95%	98.3%	96.3%	94.9%	95.2%
Delayed transfers of care	6.1%	<7.5%	6.06%	4.88%	5.05%	5.46%
Early Intervention in Psychosis Service – new cases by end of year	184	150	41	39	41	63
MHMDS data completeness - identifiers	98%	97%	98.3%	98.6%	99.6%	99.5%
MHMDS data completeness - outcomes	80%	50%	86.2%	93.5%	83.6%	86.9%

We are delighted to have achieved all these targets. This represents very good performance in key areas of mental health care, and demonstrates that they have been kept as a priority throughout the year.

For Mental Health Trusts, there are six indicators that require detailed reporting in the quality account.

Progress on each is described in the necessary format below.

4.3.1. Seven Day Follow Up

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

Our definition applies two exclusions in addition to the national guidance:

- a. For patients who are discharged from inpatient care directly to the care of an out of area mental health provider (whether inpatient or community services) or out of area prison outreach team, where we have verified that discharge documentation includes clearly set out arrangements for the handover of responsibility for care to the other provider, we have assumed the requirements under the indicator have been met.
- b. Patients who leave the country (other than as a result of forced removal which is a national exemption).

	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
score	96%	97%	98%	99%	98.9%	97.8%	98.7%	98.6%

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

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

We are happy with our performance in this area which shows consistent achievement of the standard of 95%.

4.3.2. Crisis Resolution and Home Treatment

This refers to the percentage of admissions to acute wards for which the Crisis Team, (known in this Trust as the Crisis Assessment and Treatment Team – CATT), acts as a gatekeeper. Gatekeeping by the RAID (Rapid Assessment Interface and Discharge) Service, which assesses

people with mental health problems in Hertfordshire’s two Acute Hospitals, is also included in this definition. This is to make sure that wherever possible people are being offered treatment in their own home rather than hospital even when they are acutely mentally ill.

	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
score	98%	97%	97%	97%	100%	100%	100%	100%

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

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

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

- Performance continues to be closely monitored by Managing Directors.

Performance has been consistently good with complete achievement of the standard of 95%.

4.3.3 Readmission Rates

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

It is an important measure of how transfers from hospital are planned and of the range and effectiveness of community mental health services. However, in mental health services where movement between acute inpatient care and CATT (see 3.4.2. above) can be a very positive experience for service users and something we are keen to provide, the measure can be misleading.

Results:

	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
score	4.2%	4.1%	5.6%	4.0%	4.9%	4.6%	4.4%	6.3%

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

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

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

- Performance is closely monitored by senior managers especially the senior management team of our Strategic Business Unit (West) which is responsible for the quality of care on our acute inpatient units county-wide
- We are reviewing our adult mental health acute care pathway to ensure that when service users are acutely mentally ill they receive well co-ordinated care appropriate to their needs

Performance is considered satisfactory but will require careful monitoring after the decline in Q4. 100% of these service users are 16 or over.

4.3.4. Friends and Family Test – Staff

This refers to the percentage of staff employed by or under contract to the Trust who would recommend the Trust as a provider of care to their family or friends.

The figure is derived from the annual NHS staff survey.

The wording of the statement in the survey is:

“If a friend or relative needed treatment, I would be happy with the standard of care provided by the organisation.”

Results:

	2011	2012	2013
score	52%	56%	56%

These results compare to the national picture - the national average, the best performing NHS Mental Health Trust and the worst - as follows:

	Trust	average	lowest	highest
2013	3.52	3.55	-	4.04
2012	3.48	3.54	3.06	4.06
2011	3.38	3.42	3.07	3.94

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

- It derives from the national NHS staff survey which is administered independently of the Trust to national standards. This includes data collection and reporting.

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

- See 4.2.2. G above.

Performance is considered satisfactory but with room for improvement.

4.3.5 Service User Experience of Community Mental Health Services

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

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

Result: 8.5 out of 10.

This compares with the lowest 2013 score nationally by a Mental Health Trust of 8.0 and the highest of 9.0 and is rated as average.

It is close to the 2012 score of 8.6.

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

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

Some of the actions to improve this score and so the quality of our services are outlined in section 3.2. above where many of the indicators derived from Having Your Say cover similar ground to the national survey:

This section focusses on the strength of the relationships our staff establish with service users. Last year there was a strong emphasis on enabling staff to do this more effectively; the "In Your Shoes" project got staff from across the Trust and service users together to explore each other's points of view. It led to agreement of Values and Behaviours which are described in words chosen by staff, service users and other stakeholders.

This in turn is informing our new customer care training for staff – as we continue to make our values and behaviours a reference point for all that we do and a set of simple standards against which those who receive our services can evaluate them.

Performance is considered to be good; our achievements in the national service user survey as a whole have been commended by commissioners.

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

4.2.2. above provides information on this area in a way that the Trust has found particularly useful, but does not use the definitions that are required for the quality account.

The detailed information derived from the National Reporting and Learning Service (NRLS) is shown below.

The National Reporting and Learning Service (NRLS) was established in 2003. The system enables patient safety incident reports to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS trusts in England to report all serious patient safety incidents to the Care Quality Commission as part of the Care Quality Commission registration process.

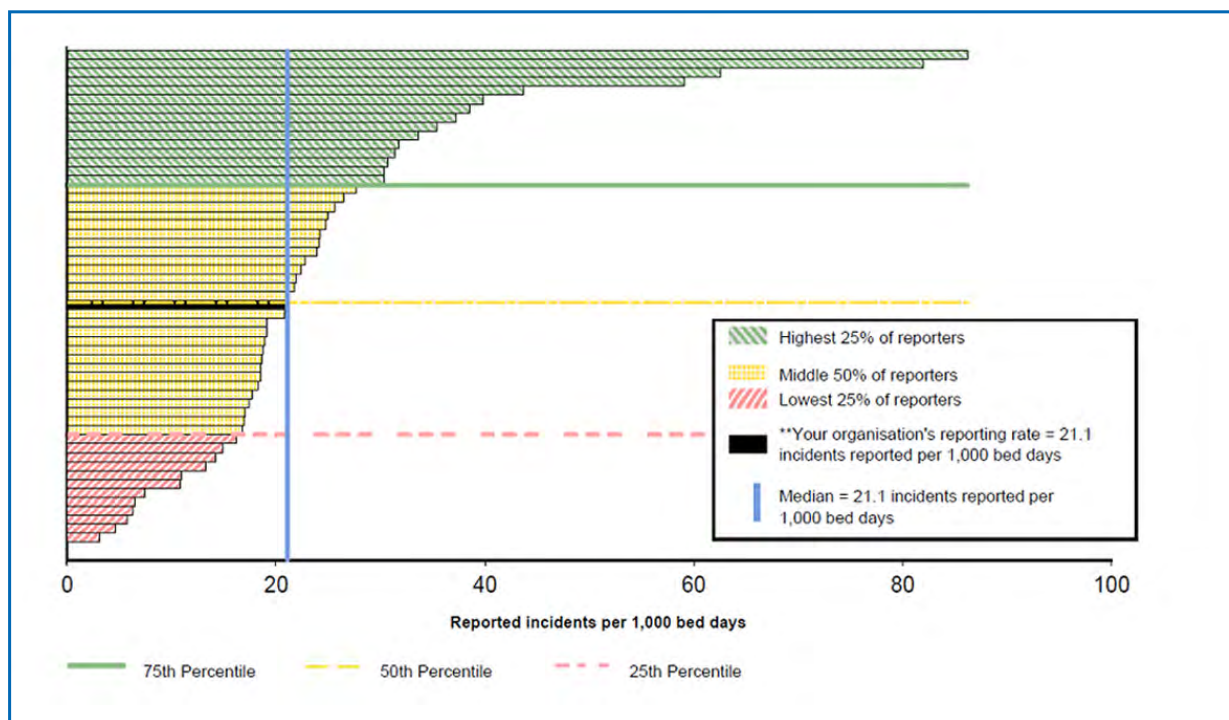
As there is not a nationally established and regulated approach to reporting and categorising patientsafetyincidents, differentTrustsmaychoose to applydifferentapproachesto reporting, categorisation and validation of patient safety incidents. In addition, the classification of the impact of an incident may be subject to a potentially lengthy investigation which may result in the classification being changed. This change may not be reported externally and the data held by a Trust may not be the same as that held by the NRLS.

Therefore, it can be difficult to explain the differences between the data reported by the Trusts as this may not be comparable.

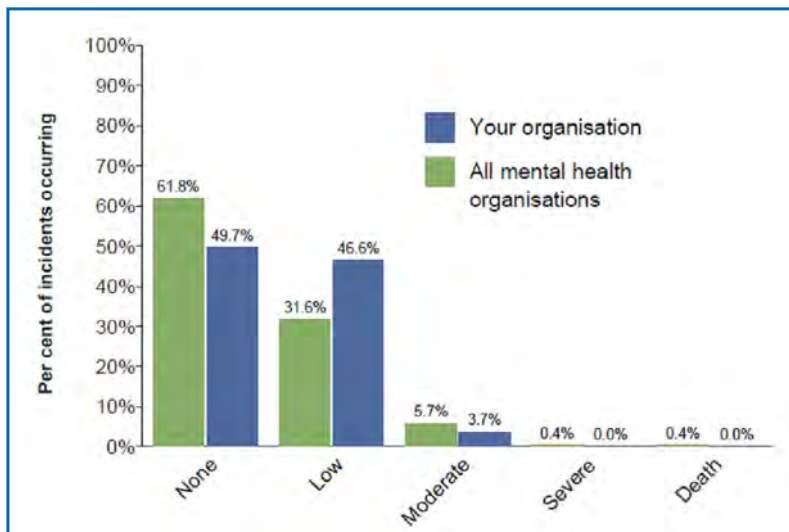
A. April 2011 - September 2011

- 1,615 incidents reported by the Trust
- Rate per 1,000 bed days - 21.06
- Severe Harm - no incidents reported
- Death - no incidents reported

Comparative reporting rate per 1,000 bed days for 57 mental health organisations



Incidents reported by degree of harm for mental health organisations

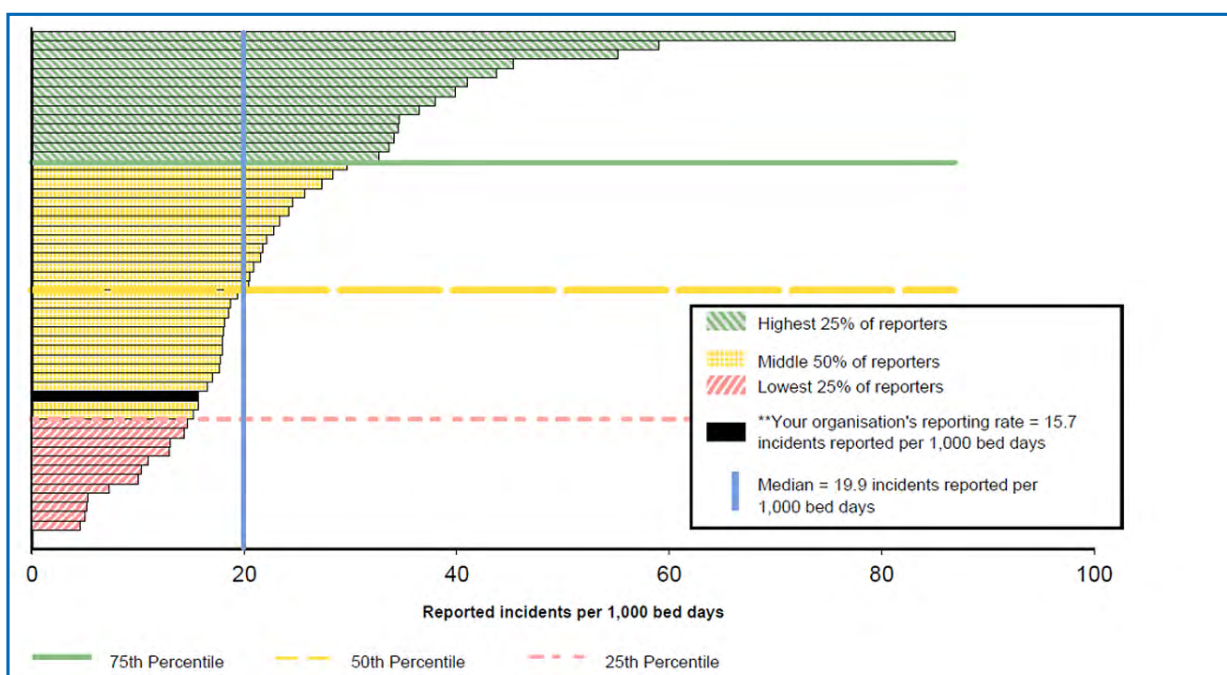


- Highest reporting MH Trust - 6,385 incidents
- Lowest reporting MH Trust - 24 incidents
- Highest number of incidents resulting in Severe Harm - 51 incidents
- Lowest number of incidents resulting in Severe Harm - 11 Trusts reported no Severe Harm incidents (including HPFT)
- Highest number of Deaths reported - 50 incidents
- Lowest number of Deaths reported - 10 Trusts reported no Deaths (including HPFT)

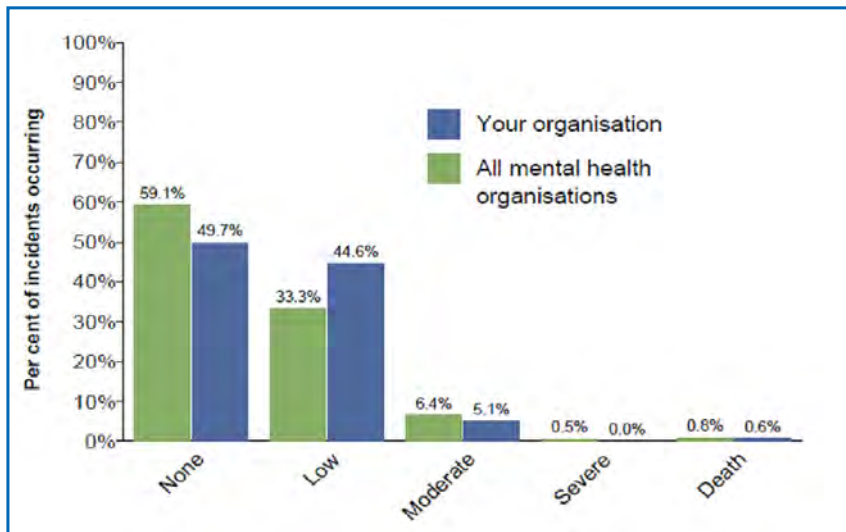
B. October 2011 - March 2012 (revised guidance from NRLS & CQC regarding the reporting of community suicides came into effect from October 2011)

- 1,424 incidents reported by the Trust
- Rate per 1,000 bed days - 15.68
- Severe Harm - no incidents reported
- Death - 8 incidents; 0.6% of all incidents reported

Comparative reporting rate per 1,000 bed days for 56 mental health organisations



Incidents reported by degree of harm for mental health organisations

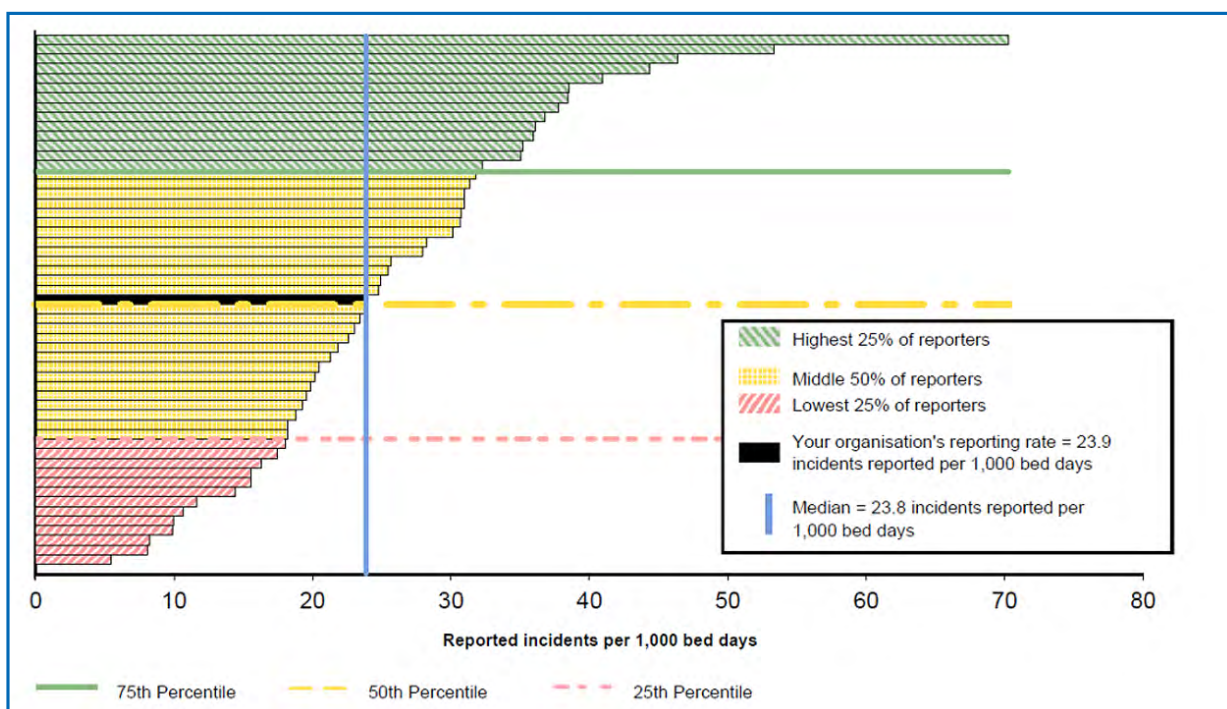


- Highest reporting MH Trust - 6,080 incidents
- Lowest reporting MH Trust - 44 incidents
- Highest number of incidents resulting in Severe Harm – 69 incidents
- Lowest number of incidents resulting in Severe Harm - 10 Trusts reported no Severe Harm incidents (including HPFT)
- Highest number of Deaths reported - 53 incidents
- Lowest number of Deaths reported - 5 Trusts reported no Deaths

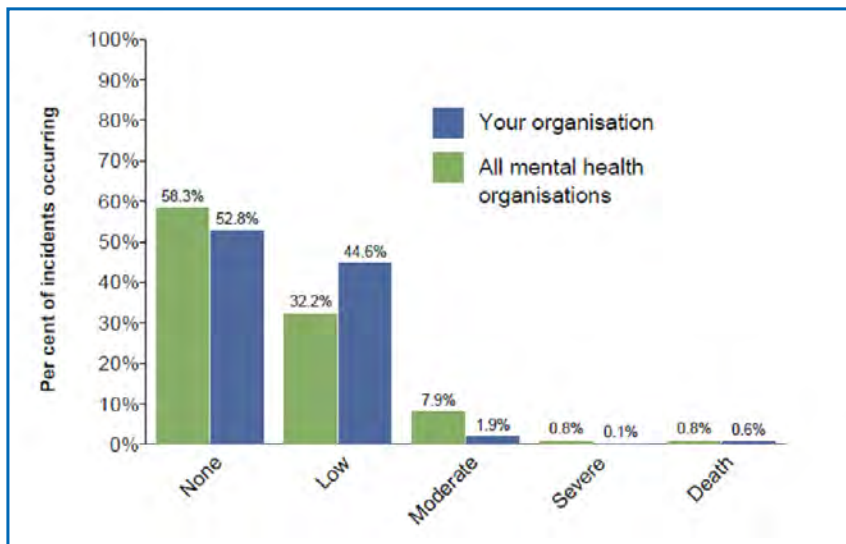
C. April 2012 - September 2012

- 1,371 incidents reported by the Trust
- Rate per 1,000 bed days - 23.92
- Severe Harm - 2 incidents; 0.1% of all incidents reported
- Death - 8 incidents; 0.6% of all incidents reported

Comparative reporting rate per 1,000 bed days for 56 mental health organisations



Incidents reported by degree of harm for mental health organisations

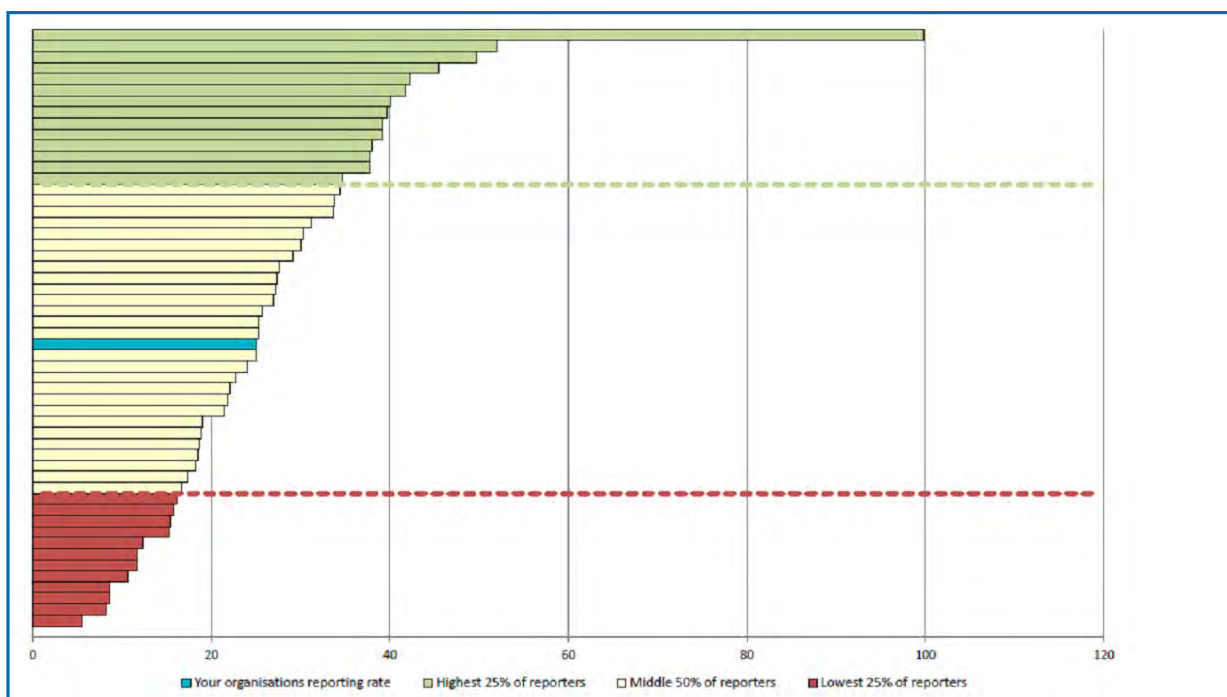


- Highest reporting MH Trust - 6,903 incidents
- Lowest reporting MH Trust - 22 incidents
- Highest number of incidents resulting in Severe Harm - 316 incidents
- Lowest number of incidents resulting in Severe Harm - 7 Trusts reported no Severe Harm incidents
- Highest number of Deaths reported - 78 incidents
- Lowest number of Deaths reported - 5 Trusts reported no Deaths

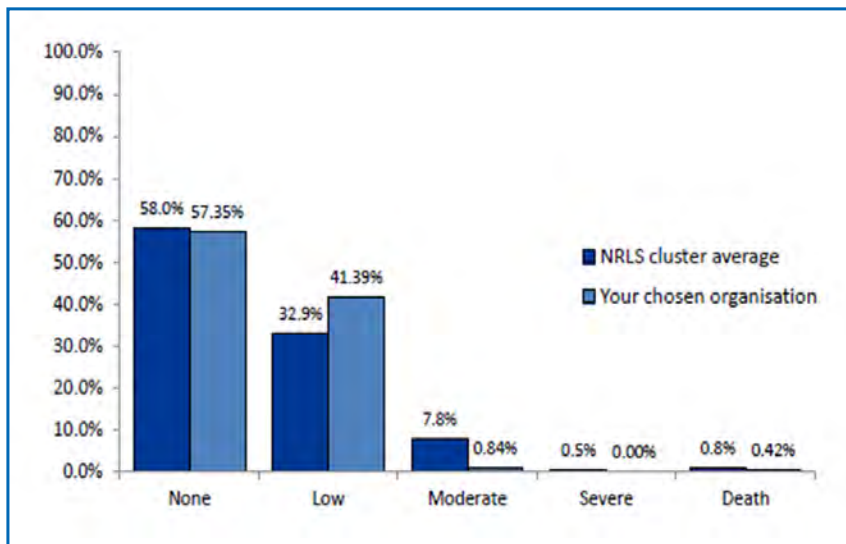
D. October 2012 to March 2013

- 1,435 incidents reported by the Trust
- Rate per 1,000 bed days - 25
- Severe Harm - 0 incidents; 0% of all incidents reported
- Death - 6 incidents; 0.42% of all incidents reported

Comparative reporting rate per 1,000 bed days for 55 mental health organisations



Incidents reported by degree of harm for mental health organisations

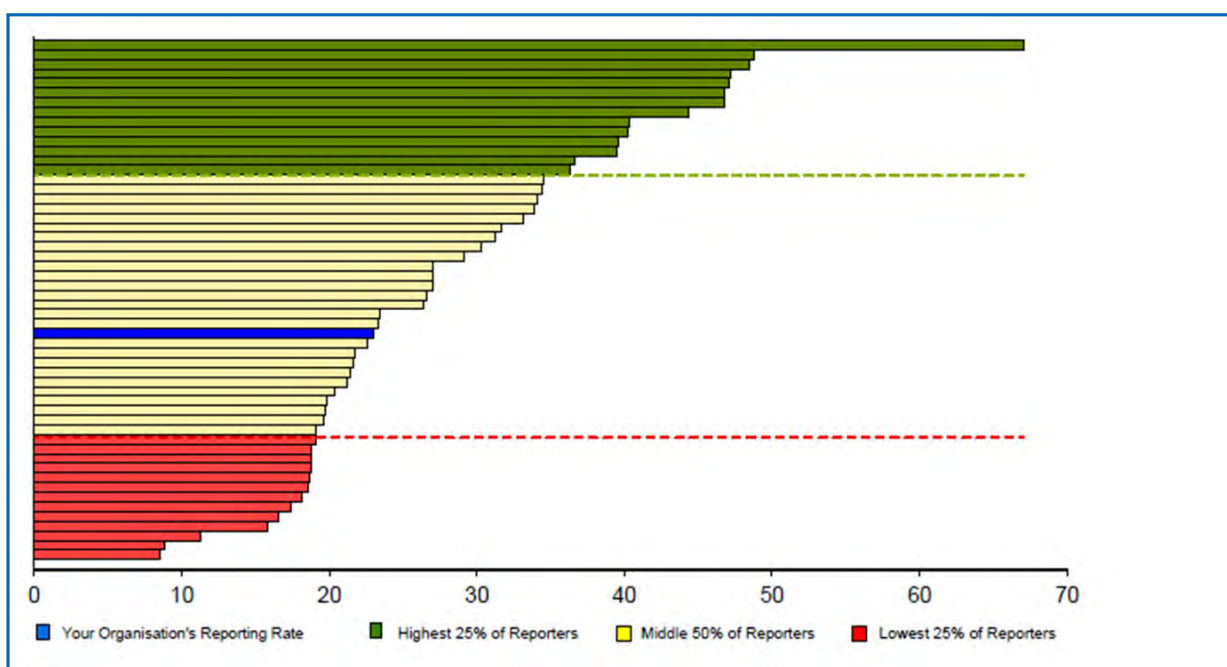


- Highest reporting MH Trust - 6,737 incidents
- Lowest reporting MH Trust - 3 incidents
- Highest number of incidents resulting in Severe Harm - 122 incidents
- Lowest number of incidents resulting in Severe Harm - 6 Trusts reported no Severe Harm incidents
- Highest number of Deaths reported - 59 incidents
- Lowest number of Deaths reported - 6 Trusts reported no Deaths

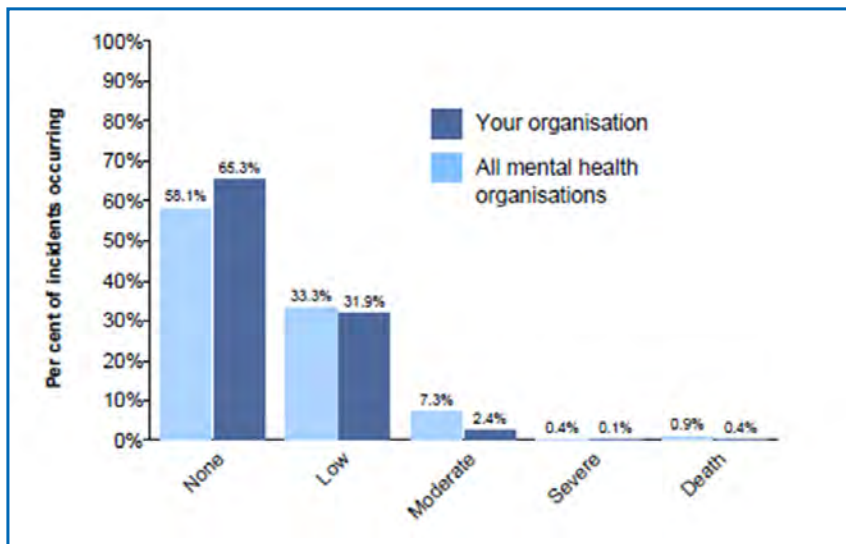
E. April 2013 to September 2013

- 2,038 incidents reported by the Trust
- Rate per 1,000 bed days – 23.04
- Severe Harm - 1 incidents; 0.4% of all incidents reported
- Death - 8 incidents; 0.4% of all incidents reported

Comparative reporting rate per 1,000 bed days for 55 mental health organisations



Incidents reported by degree of harm for mental health organisations



- Highest reporting MH Trust - 6,609 incidents
- Lowest reporting MH Trust - 401 incidents
- Highest number of incidents resulting in Severe Harm - 36 incidents
- Lowest number of incidents resulting in Severe Harm - 7 Trusts reported no Severe Harm incidents
- Highest number of Deaths reported - 76 incidents
- Lowest number of Deaths reported - 3 Trusts reported no Deaths

F. October 2013 to March 2014

The following information is provided on a provisional basis only, has not yet been validated by the NRLS and only covers a 5 month period.

- 1,436 incidents reported by the Trust
- Safety incidents involving severe harm (as a percentage of all patient safety incidents reported) – 1 (0.07%).
- Safety incidents involving death (as a percentage of all patient safety incidents reported) – 13 (0.9%).

NB: the third figure is expected to change as the Trust has asked the NRLS to remove three cases which did not receive Suicide or Open verdicts.

Summary:

	April 11 to Sep 11	Oct 11 to March 12	April 12 to Sep 12	Oct 12 to March 13	April 13 to Sep 13	Oct 13 to Feb 14
Total patient safety incidents	1615	1424	1371	1304	2042	1436
Rate per 1000 bed days	21.06	15.68	23.92	22.76	23.04	Not yet available

	April 11 to Sep 11	Oct 11 to March 12	April 12 to Sep 12	Oct 12 to March 13	April 13 to Sep 13	Oct 13 to Feb 14
Severe harm incidents as % of all	0	0	2 (0.1%)	0	1 (0.05%)	1 (0.07%)
Deaths as % of all	0	8 (0.6%)	8 (0.6%).	9 (0.7%)	9 (0.4%)	13 (0.9%)

The Trust's reporting rates are close to the national average which indicates that our systems are consistent and reliable.

Within overall patient safety incidents, we are a high reporter of patient accidents. This may be because we are a bigger provider of inpatient care for frail elderly patients than many Mental Health Trusts. However, we have focussed on falls prevention on older people's units in the past year – with better awareness and more consistent practice using standard assessment tools – so that falls incidents have declined.

This benchmarking data provided by NRLS offers considerable assurance both that our staff understand the importance of reporting incidents and do so consistently, and that our levels of more severe incidents are comparatively low.

4.4. Statements of Assurance

4.4.1. Review of Services

During 2013/2014 the Trust provided services through 25 locations registered with the Care Quality Commission, with all community services registered at the Trust Head office location.

The number of locations increased from last year with the registration of Astley Court on 21st June 2013 which is based at Little Plumstead Hospital, Norfolk and provides inpatient assessment and treatment for people with learning disabilities.

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

The income generated by the NHS services reviewed in 2012/2013 represents 100% of the total income generated from the provision of services by the Trust in this period.

4.4.2. Clinical Audits

National Audits

In the past year, the National Audit of Schizophrenia and all POMH UK audits have been relevant for us.

Also the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness applies.

The national clinical audits and national confidential inquiries that we participated in, and for which data collection was completed during 2013/2014, are shown below, alongside the number of cases submitted to each audit or inquiry as a percentage of the number required.

Audit	National Audit of Schizophrenia
Trust questionnaire	completed
Audit - submissions	88 (88%)
Audit – minimum number of submissions	100
Service user questionnaire - submissions	61 (122%)
Service user questionnaire – minimum number of submissions	50
Carer questionnaire - submissions	18 (72%)
Carer questionnaire – minimum number of submissions	25

POMH UK topic	Participating teams - HPFT	Submissions	Participating teams - national	Submissions - national
13a: Prescribing for ADHD	22	250	374	5523
7d: Monitoring of patients prescribed lithium	27	212	883	6306
4b: Prescribing anti-dementia drugs	12	135	420	9005

The reports of all POMH-UK audits in which we participated in 2012/2013 were reviewed following their publication and each has its own action plan co-ordinated by the Head of Medicines Management. These were:

- Prescribing high dose and combination anti-psychotic medication
- Screening for side effects of anti-psychotic drugs
- Prescribing anti-psychotic medication for people with dementia

The results of the first of these were disappointing and led to intensive awareness raising of best practice followed by re-audit. This showed that the improvements required had been made – with a focus on our Psychiatric Intensive Care Unit and forensic units.

The report of the National Audit of Psychological Therapies (second cycle) in which we participated in 2012/2013 was not published until recently.

The overall findings show that the Trust’s Psychological Services are performing above the national average in the areas of :

- Waiting times
- NICE Guidance based Therapies
- Therapists providing Therapy under Supervision, and having had formal training
- Routine collection of outcome data,
- Median recovery rates
- The rate of attrition from therapy

Other areas of performance are within the average range, although the audit also highlights the need to improve the availability of psychological therapies for older people with mental health problems in secondary care.

The reports of the POMH-UK audits in which we participated in 2013/2014 have been reviewed, apart from that on prescribing anti-dementia drugs which was only published on 7th April 2014.

Through participating fully in the National Confidential Inquiry into Suicides and Homicides we contribute to an important ongoing benchmarking exercise about patterns of suicide by those under the care of Mental Health Trusts. After publication of this annual report in summer 2013, we were able to compare our performance with other Mental Health Trusts. We found that the proportion of all suicides in our catchment population that were by those under our care had reduced from 16% in the previous report to 14%, which is significantly less than the national average and suggests that we are effective in preventing suicide in many cases – although there is always more that might be done.

Local Audits

In 2013/2014 the Trust reviewed the reports of 66 clinical audits, all of which were checked for their validity by the Head of Practice Governance and a multi-disciplinary group.

The audit programme is co-ordinated centrally and includes a wide range of Trust services, with the audits themselves varying in method and scope.

Some of the actions we are taking to improve the quality of care on the basis of audit findings are as follows:

- We have examined the timeliness and quality of discharge notifications and discharge summaries when service users leave inpatient care and found several areas for improvement. We are now using our new electronic patient record system (Paris) to create one template for each of these documents, and through our medical leads we have stated clearly the standards expected.
- Through several audits we have driven up the quality of our engagement with the physical health needs of our service users. Audit plus standard documentation have led to better attention to physical health issues such as smoking status, diet and alcohol and drug misuse. As a result, we have referred 350 service users for help with smoking cessation during the year – a figure which should continue to grow.
- We have used NICE – including its quality standards such as that on the service user experience of mental health services – to aim for the best for our service users. For example, an audit which found that inpatients' levels of one to one time with mental health professionals who know them was lower than it should be has been used to set standards of care at the new Inpatient Services at Kingfisher Court which open this summer.
- We have conducted audits and re-audits on the response of staff when service users do not attend for appointments, looking at practice both in adult and in child and adolescent mental health services. Whilst re-audits showed some improvement, we found that staff were still not always considering possible risk factors. The audit also found that our policy was not as clear as it could be and it has now been revised.
- In services for people with learning disabilities we have used several local audits to compare practice across our services in Essex and Hertfordshire with regard to epilepsy care, moving towards a model that is better for all.

There have been two other distinctive features to our audit programme in 2013/2014.

One is that we have deliberately focussed more on providing assurance that basic aspects of care are sound. This has been necessary given the importance of maintaining high quality care at a time of unprecedented change. Audit has become an increasingly important aspect of our response to incidents when they occur. When last Autumn we had concerns about the quality of care in some of our inpatient units for older people with dementias, an initial comprehensive audit of clinical care was necessary – leading to a programme of quality improvement led by the relevant Managing Director.

A similar approach has been necessary since January in aspects of our community mental health services.

Secondly, we have continued to explore new ways - beyond traditional clinical audit - of investigating and improving quality of care. In this light, we have made further use of peer experience listeners – current or former service users or carers who are paid by us to use their expertise by experience to elicit richer feedback from service users about their experience. Recently the results of a second round of a project with those who have been assessed under the Mental Health Act were published. These will be used to inform the practice of psychiatrists and approved mental health professionals who undertake these assessments at such critical points in the lives of service users.

4.4.3. Research

In 2013/14 we have maintained good recruitment to a range of studies that are on the UK CRN portfolio. These are studies that are recognized as being of national priority within the NHS. We also had a number of smaller-scale studies running, which include collaborations between HPFT and the University of Hertfordshire, as well as projects being carried out as part of educational programs. All research studies within the Trust have full ethics and R&D approval. Monitoring data from 2013/14 216 indicates that 216 patients were recruited to over 20 different research studies (final figures are subject to confirmation).

We are the sponsor for 2 NIHR-RfPB studies (one in the area of behavioural problems in dementia and the other looking at the feasibility of treating alcohol abuse in people with learning disabilities). We also have funding agreed for two more NIHR-RfPB funded studies (one looking at the benefits of combining CBT with SSRIs in the treatment of OCD, and one looking at the potential benefits of using books without words to help people with learning disabilities gain a better understanding about their treatment for epilepsy).

Key findings from our research studies are disseminated and shared where appropriate to guide service developments.

4.4.4. Commissioning for Quality and Innovation

2.5% of our income in 2013/2014 was conditional on our achieving quality improvement and innovation goals agreed between us and our commissioners – local and specialist – through the CQUIN payment framework.

Our goals agreed with our Hertfordshire commissioners – Herts Valleys, and East and North Herts Clinical Commissioning Groups – were as follows:

Goal Number	Goal Name	Description of Goal	Goal weighting (% of CQUIN scheme available)	Quality Domain (Safety, Effectiveness, Patient Experience or Innovation)
1	NHS Safety Thermometer	To reduce harm. The power of the NHS Safety Thermometer lies in allowing frontline teams to measure how safe their services are and to deliver improvement locally	5%	Safety

Goal Number	Goal Name	Description of Goal	Goal weighting (% of CQUIN scheme available)	Quality Domain (Safety, Effectiveness, Patient Experience or Innovation)
2	Development of recovery-oriented planning with mental health service users	Development of recovery-oriented planning with mental health service users	12%	Innovation
3	Supporting family carers	For family carer support groups to be run in HPFT learning disability services	10%	Effectiveness
4	Improvement in EMDASS waiting times	Waiting Times from Referral to first Appointment for the EMDAS Service has been set at 4-6 weeks.	10%	Effectiveness
5	Improved access to CAMHS services	Improvement in appointments outside of working hours and in the community	11%	Innovation
6	IAPT – Long Term Conditions	Increase referrals into IAPT from people with Long Term Conditions	10%	Effectiveness
7	IAPT – Older People	Increase referrals into IAPT from older people	10%	Effectiveness
8	IAPT – Self Referrals	Increase self- referrals into IAPT	10%	Patient experience
9	Inpatient activities	Improve physical and meaningful activities in inpatient settings	12%	Patient experience
10	Roll out of Making Every Contact Count	Training in MECC and improve referrals into public health services	10%	Patient experience

These goals have been stretching, but as intended they have given us the incentive to continue to innovate and improve whilst not neglected the more basic aspects of care.

The monetary total for income conditional on achievement of these goals has not yet been confirmed by either local or specialist commissioners.

The value of CQUIN income received at the end of 2012/2013 was £3,348,000 (100%).

4.4.5. Care Quality Commission

The Trust is required to register with the CQC and our current registration status is “fully registered without conditions”.

The CQC has not taken enforcement action against us during 2013/2014.

We have participated in one special review by the CQC during the year, relating to “Health Services for Safeguarding and Looked After Children in Hertfordshire”. An Inter-agency action plan was developed, with ten actions for this Trust.

We have by 31st March made the following progress:

- Updated the Child Protection Policy strengthening the section on supervision standards
- Reviewed child protection training for our staff (level 1 and level 2 training)
- Begun team briefings about the implications of this review

Amongst our expected inspection visits to services, in September the CQC reported minor concerns about Elizabeth Court, a continuing care unit for older people with dementias in Stevenage. We worked closely with CQC, drawing up and implementing an action plan so that when they returned in January 2014 they were able to find us compliant against all assessed outcomes with no concerns.

We value the monthly Quality and Risk Profile reports from CQC comparing these reports with our internal sources of evidence about quality and safety.

4.4.6. Information Governance

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

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

- 97.44% for admitted patient care
- 99.77% for outpatients

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

- 95.89% for admitted patient care
- 99.02% for outpatients

Our Information Governance Assessment Report overall score for 2013/2014 was 78%. We were rated as “Green” in all areas.

We were not subject to the Payment by Results clinical coding audit during the year by the Audit Commission.

We were audited in November 2013 by the London Clinical Coding Academy:

Results:

Primary Diagnosis Correct - 94.06%

Secondary Diagnosis Correct – 99.15%

We will be taking the following actions to improve data quality with regard to clinical coding and other areas:

- Further clinical coding audits once issues with regard to the new electronic patient record (Paris) have been resolved.
- Further use of data quality officers to work with teams on data entry with special attention paid to the use of Paris.
- A new Performance Group chaired by the Chief Operating officer with the remit of defining the key data requirements of the Trust and with an emphasis on reducing reporting requirements so that only reports that support quality governance are expected.

4.5. The Rest of the Story

This account of quality in HPFT over the past year will only be engaging if it tells a story with which many people who have encountered Trust services in many different ways, can identify.

In this section we offer some different perspectives on the Trust – many from the point of view of our staff colleagues and the people they serve.

We know from service user carer and staff feedback that good care often consists of doing the simple things well – being reliable and effective, getting to know each service user well, and being attentive to what matters most to them. Equally, we know that frustrations for service users arise when we do show these qualities, but also when the ways we work are too rigid.

Sometimes service users and carers – coping with the many stresses and problems that mental health issues or learning disabilities can lead to - understandably want Trust services to solve problems in their lives that are simply beyond our scope.

In 2013 we embraced the idea that staff, service users, carers, referrers and partner agencies - all those who want something from HPFT – are in a similar position. The hard data in this and other reports was telling us that we could not expect to provide excellent care every time if our staff sometimes lacked pride in the jobs they do.

The Francis Report (February 2013) and subsequent national reports especially Berwick's "A Promise to Learn: A Commitment to Act" (August 2013) illustrated starkly how easy it can be to forget about basic principles of patient care. They forced us into revisiting some aspects of these basic principles that could no longer be taken for granted.

This was brought home to us through a series of exercises called "In Your Shoes" . This brought staff and service users together to explore – in a sense – what they had in common, and how they could build stronger therapeutic relationships.

In the same spirit Tom Cahill spent a day shadowing a service user with learning disabilities, John from Stevenage as he used Trust services before inviting John back to see life from the perspective of Head Office.

Under the heading of our Customer Care Strategy, this work has had significant results. Not least has been the creation of our Values and behaviours, using words chosen by staff and service users, and widely communicated. Now we are starting to see these values quoted in compliments and - at times - in complaints.

We have published our response to Francis and the subsequent national reports on our website, and the Board will seek evidence of progress against our actions every six months. So far, the messages about ensuring staff are fully engaged with our quality agenda are those that we have felt most strongly. We are eagerly awaiting clarification from NICE on expected staffing levels across our services, in an area where best practice standards have been hard to find.

A challenging year therefore has also been a year of more celebration of what staff, service users, carers and other partners have achieved together in 2013/2014.

Some examples are:

- HPFT led a joint bid with Universities and Mental Health Trusts across the East of England for funding over two years from the Health Foundation under the heading "Closing the Gap". We were delighted to be successful in the bid and will now be able to use the latest evidence-based approaches to make acute mental health services safer – learning from both experts in the field of patient safety and from Mental Health colleagues.
- We were also successful in a bid for regional NHS funding in order to establish more effective joint working between our Enhanced Primary Care Mental Health service and GPs. We are now providing treatment to over 5 000 people per year with anxiety and depression alongside their GPs and over the next year this project will enable us to achieve excellent depression care, making sure that people with moderate mental health problems can be helped to live their lives to the full.
- Our University status is increasingly showing benefits for us and our service users. Our annual Sharing Good Practice conference in December 2013 was a joint effort between the University of Hertfordshire and ourselves, and Charles Walker MP as keynote speaker took the chance to praise our staff, saying that people with mental health problems are "... no longer given the cold shoulder....because of wonderful people like you."
- Delegates from across the country attended a conference at Stevenage in June to hear about the Trust's innovative Host Families project including the challenges of setting up the scheme and how they were overcome and the benefits the scheme brings those using the service.
- The Trust was praised in a campaign report by national mental healthcare charity Mind for the way we have phased out face down restraint in our services; all staff who work directly with service users are given training in a range of techniques to de-escalate difficult and challenging situations which sometimes occur.

- The Trust marked National Carers Week (10-16 June) by inviting a group of carers to Trust Head Office on 10th June for the launch of the Trust's Carers Strategy. The Carers Strategy is a five-year plan, recognising the essential role carers play in providing support to loved ones with mental health problems or learning disabilities and outlines the Trust's commitment to ensuring that carers receive timely support that helps them to carry on caring should they wish to do so.
- The Trust's Talking Mats project was chosen from a large number of national submissions to be published by the Department of Health in a Good Practice report for Norman Lamb, Minister for Care and Support. The project looked at using Talking Mats to gain feedback from people with autism, learning disabilities and limited communication skills living at Kingsley Green.
- Other conferences on Learning Disabilities Services, Recovery, Forensic Services, Eating Disorders, and Social Work were hosted by the Trust through the year. These all allow us to challenge the stigma that still attaches itself to mental health and learning disabilities, and celebrate the quality of care that HPFT provides.

Part 5 – Final Notes

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

Other relevant documents are Quality Accounts: Reporting Arrangements for 2012/2013 (Department of Health 2013) and 2013/2014 Detailed Requirements for Quality Reports (Monitor, February 2013).

The NHS Foundation Trust Annual Reporting Manual 2013/2014 and Monitor's 2013/2014 Detailed Guidance for external assurance on quality reports have also been sources of information.

The report is written to form the quality report section of the annual report and to be the Quality Account.

After publication of the Quality Account at the end of June 2014 an easi-read version will be produced and made available.

Some acronyms are used, although they are avoided where possible. Some explanatory boxes are provided, and a glossary at the end is shown.

Feedback on any aspect of this report is welcomed. Comments should be addressed to Jonathan Wells, Head of Practice Governance: jonathan.wells@hpft.nhs.uk

Appendix 1

Glossary

ADHD	Attention Deficit Hyperactivity Disorder
AMH	Adult Mental Health
CAMHS	Child and Adolescent Mental Health Services
CATT	Crisis Assessment and Treatment Team
CBT	Cognitive Behavioural Therapy
CEDS	Community Eating Disorders Service
CMHT	Community Mental Health Team
CPA	Care Programme Approach
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
EDS	Equalities Delivery Scheme
EMDASS	Early Memory Diagnosis and Support Services
EPMHS	Enhanced Primary Mental Health Services (IAPT)
HoNOS	Health of the Nation Outcome Scales
HPFT	Hertfordshire Partnership University NHS Foundation Trust
HQUIP	Healthcare Quality Improvement Partnership
HSCIC	Health and Social Care Information Centre
HYS	Having Your Say
IAPT	Improving Access to Psychological Therapies
JCT	Joint Commissioning Team
LD	Learning Disabilities/Disability
MH	Mental Health
NICE	National Institute for Health and Clinical Excellence
NIHR	National Institute for Health Research
NRLS	National Reporting and Learning System
OCD	Obsessive Compulsive Disorder
POMH UK	Prescribing Observatory for Mental Health – UK
Q	Quarter (3 month period)
PBR	Payment by Results
R and D	Research and Development
RAID	Rapid Assessment Interface and Discharge

RfPB	Research for Patient Benefit
SBU	Strategic Business Unit
SPA	Single Point of Access
SSRI	Selective Serotonin Reuptake Inhibitor (a type of anti-depressant medication)
UK CRN	UK Clinical Research Network

Appendix 2: Quality Indicators Data Set 2013/2014

Priority area	measure	Baseline	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1. Safety	1. Rate of externally reported incidents as % of all incidents	0.29%	0.41%	0.36%	0.74%	0.43%
			<0.25%	0.43%	0.25%	0.25%
	2. Rate of inpatients reporting feeling safe	92%	87.1%	81.0%	83.0%	79.9%
			>88%	>88%	>88%	>88%
	3. Rate of decisions as to whether to investigate a safeguarding adults alert made in one working day	48%	82.2%	89.0%	79.2%	92.1%
			>60%	>70%	>80%	>90%
2. Effectiveness	4. Achievement of waiting times targets	n/a	8 out of 11	7 out of 11	5 out of 12	5 out of 12
			11 out of 11	11 out of 11	12 out of 12	12 out of 12
	5. Improved clinical outcomes in MH services as shown by HoNOS					
	6. Rate of service users saying Trust services help them see a positive future	61%	61.6%	61.0%	59.3%	57.3%
			>62%	>63%	>64%	>65%

Priority area	measure		Baseline	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
2. Effectiveness	7. Rate of staff saying they would recommend Trust services to family or friends if they needed them	Performance	n/a	60.2%	54.5%	53.3%	59.5%	
		Target		>44%	>48%	>50%	>55%	
	8. Rate of staff saying they are satisfied with the quality of care they can deliver	Performance	n/a	62.5%	53.8%	55.6%	61.2%	
		Target		>57%	>58%	>60%	>65%	
3. Customer experience	9. Rate of service users saying they would recommend Trust services to family or friends if they needed them	Performance	69.1%	71.8%	68.6%	70.8%	70.0%	
		Target		>73%	>74%	>75%	>76%	
	10. Rate of service users saying staff were polite and treated them with respect	Performance	80.8%	n/a	n/a	n/a	82.7%	81.8%
		Target		n/a	n/a	n/a	>82%	>83%
	11. Rate of carers feeling valued by staff	Performance	75.6%	81.1%	78.3%	75.9%	72.2%	
		Target		>80%	>80%	>80%	>80%	
	12. Rate of carers feeling informed about support	Performance	63%	n/a	n/a	n/a	69.6%	73.8%
		Target		n/a	n/a	n/a	>63%	>63%
	13. Rate of staff saying they would recommend the Trust as a place to work	Performance	40%	47.1%	38.1%	39.6%	44.0%	
		Target		>44%	>48%	>50%	>55%	
	14. Rate of staff saying their levels of engagement and motivation have increased	Performance	54%	52.5%	45.1%	47.2%	50.0%	
		Target		>57%	>58%	>60%	>65%	

Appendix 3: Statements from Partner Agencies

3.1. Clinical Commissioning Groups



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

Both Herts Valleys Clinical Commissioning Group (HVCCG) and the East and North Herts Clinical Commissioning Group (ENCCG) have reviewed the information provided in the Quality Account and checked the accuracy of the data within it. We believe the information is a true reflection of the Trust's performance during 2013/14, based on the data submitted during the year as part of the on-going quality monitoring process.

During 2013/14 the CCGs have worked closely with HPFT, meeting regularly to review progress in relation to quality improvement initiatives, and the Trust's action plan based on recommendations and learning from publications including the Francis Report and Berwick review. Additionally the CCGs have monitored progress regarding actions required relating to Winterbourne View.

The Trust's 2013/14 Quality Account clearly evidences the improvements made and where improvements are still needed regarding their quality priorities.

We would firstly like to congratulate the Trust on their performance against the 2013/14 Commissioning for Quality and Innovation (CQUIN) targets and are pleased to see the commitment made to continue to drive quality for the coming year.

The results from the CQC Community Mental Health survey show that HPFT were rated amber and green and received no red ratings from patients. The majority of questions have been scored amber, meaning that the Trust is performing similarly to other Trusts. It is positive that HPFT was above the national average for a number of questions, and scored significantly higher than the national average regarding Service User's understanding of their care plan.

The CCG's were pleased to see that following last year's focus on Improving Access to Psychological Therapies (IAPT) performance has improved, with the target for a 10% increase in referrals being met. The recovery rate has also remained consistently above the target of 50% during 2013/14.

It is positive to see that where concerns have been raised regarding HPFT services these have been dealt with promptly to ensure service users are safe and receive high quality care. This was demonstrated following the Care Quality Commission (CQC) visit to Elizabeth Court in September 2013. Concerns were found in relation to four of the outcomes inspected and following prompt action by the Trust the CCGs were pleased to note that a further visit by the CQC in January found the unit to be fully compliant in all outcomes.

The CQC also carried out a Hertfordshire wide review of Looked After Children and Safeguarding Services which highlighted a number of recommendations for improvement, particularly regarding HPFT services. ENCCG and HVCCG will be working closely with the Trust during the coming year to ensure the required improvements are made.

Whilst the Trust has achieved three of their 2013/14 Quality Priorities:

- seeing improvements in the timeliness of identifying whether a safeguarding adult alert is required
- the number of carers reporting their involvement in care planning and;
- staff recommending the Trust's services to their friends and family

the failure to achieve ten of their quality priorities with deterioration in some areas compared to last year is cause for concern. For example the proportion of inpatients feeling safe has decreased during 2013/14. Both CCGs recognise the Trust's commitment to continue a number of these priorities in the coming year and expect to see clear focus, learning and improvement.

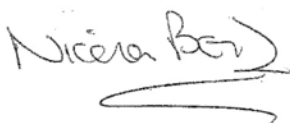
The results of the 2013 NHS Staff Survey was poor in relation to staff morale and engagement, although it is positive to note that the Trust has made improvements in areas such as staff motivation. The CCG's are expecting to see continued focus and improvement for the coming year.

Both HVCCG and ENCCG provided feedback to the Trust on their draft Quality Account, and the absence of key information regarding themes and learning from complaints and Serious Incidents, safeguarding, and performance updates relating to key services was noted. In particular the CCGs had expected to see information relating to the work being undertaken within the Child and Adolescent Mental Health Services (CAMHS) within the Quality Account, and will be looking for this to be an area of focus during 2014/15. We would also have expected to see a progress update following the work undertaken by the Trust regarding Winterbourne View.

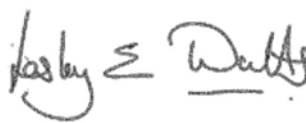
Whilst assurance has been provided by the Trust that the areas detailed above are to be included in the Monitor Annual Report, the CCGs believe inclusion of these areas within the Quality Account would have been beneficial, and would have provided further assurance to the public of the Trust's commitment to patient experience, patient safety and learning.

Overall both HVCCG and ENCCG acknowledge where improvements have been made, but further significant focus and progress is required in the coming year. This is particularly important with the increased financial challenge and on-going transition of services. The CCGs are looking forward to seeing the changes and improvements taking place in the new centralised inpatient unit, King Fisher Court, due to open later in 2014.

Both CCGs look forward to working closely with HPFT in the coming year to improve both the quality and safety of services provided to their service users and their carers.



Nicola Bell
Accountable Officer
Herts Valleys CCG



Lesley Watts
Chief Executive
East & North Herts CCG

May 2014

3.2. Hertfordshire Healthwatch



Healthwatch Hertfordshire's Response to Hertfordshire Partnership University NHS Foundation Trust (HPFT) Quality Account 2014

Healthwatch Hertfordshire welcomes the opportunity to make a comment on the 2013/2014 Quality Account for HPFT. The report is set out clearly with some frank observations about why priorities have not been met while at the same time showing pride where success has been achieved.

We are aware of the effects of reduced investment in services made necessary by reduced budgets and we will make Healthwatch England aware of our concern. Apart from financial pressures, the uncertainties and problems of trying to deal with a county wide joint commissioning process directed by two Clinical Commissioning Groups cannot be over emphasized. We do now need clarity on the responsibility for commissioning Mental Health and Learning Disability services as between the Joint Commissioning Team and the Clinical Commissioning Groups. However this is resolved, we do need to continue with knowledgeable and committed patient participation in the commissioning process.

Given the particular pressures on social care budgets (greater than for health) it will be interesting to see how the waiting times (in particular for urgent social care needs in community mental health services) are 'expected to improve significantly' in the first half of the coming year. Waiting times in almost all services are still far too long and this is acknowledged by the Trust. Urgent Fair Access means precisely that. We would like to be kept updated on this.

CAMHS (Child and Mental Health Services) waiting times have not been measured this year, so there is no mention of them. They are of a particularly concern to us and we are glad to see them included in the targets for next year.

We are really concerned at the rise in Service User deaths and would like some further explanation of possible reasons for this rise. Similarly the drop in performance for the rate of inpatients reporting feeling safe is disappointing and we would like to know more about the initiatives referred to in the Quality Account (Making Our Services Safer).

Despite the disappointing score for one area of carer involvement the trust can generally be reasonably proud of its engagement with service users, carers and stakeholders. Clearly staff engagement remains a source of difficulty though the Trust is clearly putting real effort into improving the working experience of staff.

We would like the Trust to continue to monitor its clinical effectiveness and report on it annually. Likewise, we would recommend a continuation of monitoring of Service Users' seeing a positive future and, therefore, of the success of the Recovery process.

We wish Kingfisher Court well and hope that the new transport system works effectively and contributes to higher Service User and Carer satisfaction. It is pleasing to note that NICE standards have been used to set standards of care and service user experience at the new premises.

Healthwatch Hertfordshire is committed to continuing engagement with the Trust as a critical friend and to using its resources to enhance its role as a champion of the public interest.

A handwritten signature in black ink, appearing to read 'SW', with a long, sweeping horizontal line underneath it.

Sarah Wren MBE, Chairman Healthwatch Hertfordshire, May 2014

3.3. Hertfordshire County Council Health Scrutiny Committee.



Chairman Health Scrutiny Committee

**Seamus Quilty
County Councillor
Bushey South**

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

**Tel 01992 556557
Fax 01992 556575**

email:
seamus.quilty@hertfordshire.gov.uk

Dear Colleague

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

Yours sincerely

A handwritten signature in black ink, appearing to read "S. Quilty".

Seamus Quilty
Chair, Health Scrutiny Committee

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

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

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- The content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual

The content of the quality report is not inconsistent with internal and external sources of information, including:

Board minutes and papers for the period April 2013 to end of April 2014

Papers relating to quality reported to the board and the Integrated Governance Committee over the period April 2013 to end of April 2014

Feedback from the commissioners, dated 16 May 2014

Feedback from governors, dated 5 February 2014

Feedback from Hertfordshire Healthwatch, dated May 2014

The Trust's draft annual complaints report, to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 15th May 2014

The 2013 national patient survey

The 2013 national staff survey

The Head of Internal Audit's annual opinion over the trust's control environment, dated 21 May 2014

Care Quality Commission monthly quality and risk profiles for the year

- The quality report presents a balanced picture of the NHS foundation trust's performance over the period covered
- The performance information reported in the quality report is reliable and accurate

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

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

By order of the board

Chair:



Date:

28/5/14

Executive Chief:



Date:

28/5/14

Hertfordshire Partnership University NHS Foundation Trust

Findings and Recommendations from the 2013/14 NHS Quality
Report External Assurance Review

Final Report to the Council of Governors

the
Distinctive
audit

29 May 2014

Dear Governors

We have pleasure in setting out in this document our report to the Council of Governors of Hertfordshire Partnership University NHS Foundation Trust on our external assurance review of the 2013/14 Quality Report. This report covers the principal matters that have arisen from our review.

We look forward to discussing our findings with you at the forthcoming Council of Governors meeting.

Yours faithfully



Senior Statutory Auditor

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



The big picture

The big picture

We have completed our Quality Report testing and have issued our limited assurance opinion.

Status of our work

- We have received the final signed Quality Report and letter of representation and are in a position to issue our final report to the Governors.
- The scope of our work is to support a "limited assurance" opinion, which is based upon procedures specified by Monitor in their "Detailed Guidance for External Assurance on Quality Reports 2013/14".
- In response to the growth of performance indicators across the NHS, we have developed a framework of considerations for evaluating data quality. We have used this framework in evaluating our findings and the recommendations we have raised.
- We have signed an unmodified opinion for inclusion in your 2013/14 Annual Report.

Context

Governance Risk Rating: **Green**

The Care Quality Commission inspected Hertfordshire Partnership Trust during the year and did not find any significant issues

	2013/14	2012/13
Length of Quality Report	52 pages	50 pages
Quality Priorities	4	5
Future year Quality Priorities	4	4

Scope of work

We are required to:

- Review the content of the Quality Report for compliance with the requirements set out in Monitor's Annual Reporting Manual ("ARM").
- Review the content of the Quality Report for consistency with various information sources specified in Monitor's detailed guidance, such as Board papers, the Trust's complaints report, staff and patients surveys and Care Quality Commission reports.
- Perform sample testing of three indicators.
 - The Trust has selected CPA 7-day follow-up and Access to Crisis Resolution Teams (known within the Trust as CATT Gatekeeping) as its publically reported indicators – the alternative was minimising delayed transfers of care. We also reviewed these same two indicators as part of our external assurance work last year.
 - For 2013/14, all Trusts are required to have testing performed on a local indicator selected by the Council of Governors. For this indicator, the Governors have selected a question from their service user survey: "The services I have received have made me look at the future more positively".
 - The scope of testing includes an evaluation of the key processes and controls for managing and reporting the indicators; and sample testing of the data used to calculate the indicator back to supporting documentation.
- Provide a signed limited assurance report, covering whether:
 - Anything has come to our attention that leads us to believe that the Quality Report has not been prepared in line with the requirements set out in the ARM; or is not consistent with the specified information sources; or
 - There is evidence to suggest that the CPA 7 day follow-up and Access to Crisis Resolution Teams indicators have not been reasonably stated in all material respects in accordance with the ARM requirements.
 - Provide this report to the Council of Governors, setting out our findings and recommendations for improvements for the indicators tested: CPA 7 day follow-up, Access to Crisis Resolution Teams and the "Positive Future" Survey Question.

The big picture (continued)

Our work is now completed with no significant issues found.

Content and consistency review



We have completed our content and consistency review; based on our work, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014 the Quality Report is not prepared in all material respects in line with the criteria set out in the ARM.

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

Performance indicator testing



Monitor requires Auditors to undertake detailed data testing on a sample basis for two mandated indicators. We perform our testing against the six dimensions of data quality that Monitor specifies in its guidance.

From our work, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014, the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the ARM and the six dimensions of data quality set out in the "Detailed Guidance for External Assurance on Quality Reports 2013/14".

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

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

Content and consistency findings

Content and consistency review findings

We have completed our content and consistency review

The Quality Report is intended to be a key part of how the Trust communicates with its stakeholders.

Our work is based around reviewing content against specified criteria and considering consistency against other documentation. Although outside the formal scope of our work, we have also made recommendations to management to assist in preparing a high quality document. We have summarised below our overall assessment of the Quality Report, based upon the points identified in our NHS Briefing on Quality Accounts from our wide experience.

Key questions	Assessment	Statistics
• Is the length and balance of the content of the report appropriate?	G	Length: 52 pages
• Is there an introduction to the Quality Report that provides context?	G	
• Is there a glossary to the Quality Report?	B	
• Is the number of priorities appropriate across all three domains of quality (Patient Safety, Clinical Effectiveness and Patient Experience)?	G	Patient Safety: 3 Clinical Effectiveness: 5 P. Experience: 4
• Has the Trust set itself SMART objectives that can be clearly assessed?	B	
• Does the Quality Report clearly present whether there has been improvement on selected priorities?	G	
• Is there appropriate use of graphics to clarify messages?	G	
• Does there appear to have been appropriate engagement with stakeholders (in both choosing priorities as well as getting feedback on the draft Quality Report)?	G	
• Is the language used in the Quality Report at an appropriate readability level?	A	
		Flesch Reading Ease: 37.1
<p> G No issues noted B Satisfactory – minor issues only A Requires improvement R Significant improvement required </p>		

Deloitte view

We found the Quality Report to be a very interesting and informative read that the Trust had taken time to develop; however, we would make the following observations for improvement for next year:

- The Quality Report includes a glossary of acronyms used within the report. This could be improved by providing an explanation of key terms or acronyms e.g. CQUINs, allowing the readers to contextualise the information presented;
- The quality priorities should have SMART objectives and clearly defined key performance indicators to measure progress during the year; and
- The readability level of the draft Quality Report could be improved. We have used the Flesch Readability software to calculate a score of 37.1, which is at the lower end of the readability spectrum (1-100) with 60-70 range being ideal. It can be difficult to improve readability given some of the mandated statements and wording but we are aware of some Foundation Trusts who have managed to do so.

We have noted the good practice that the Trust has adopted by communicating widely with stakeholders about the quality priorities.

Performance indicator testing

Care programme approach 7 day follow up

The Trust has consistently exceeded Monitor and internal targets

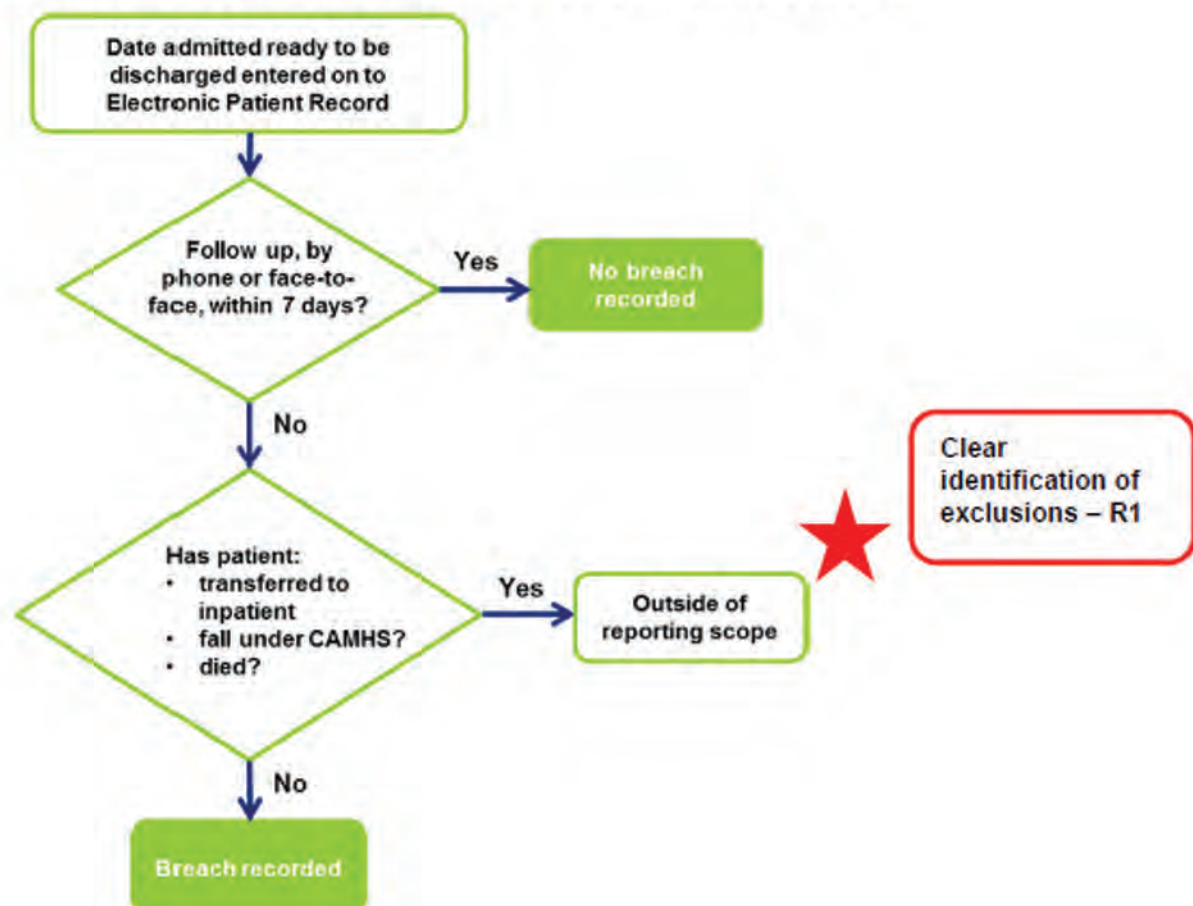
	Trust reported performance	Target (Monitor/Internal)	Overall evaluation of our work
2013/14	Q1: 98.9% Q2: 97.8% Q3: 98.7% Q4: 98.6%	95.0%/97.0%	B
2012/13	Q1: 96.0% Q2: 97.0% Q3: 98.0% Q4: 99.0%	95.0%/97.0%	B

Indicator definition and process

Definition:

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

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

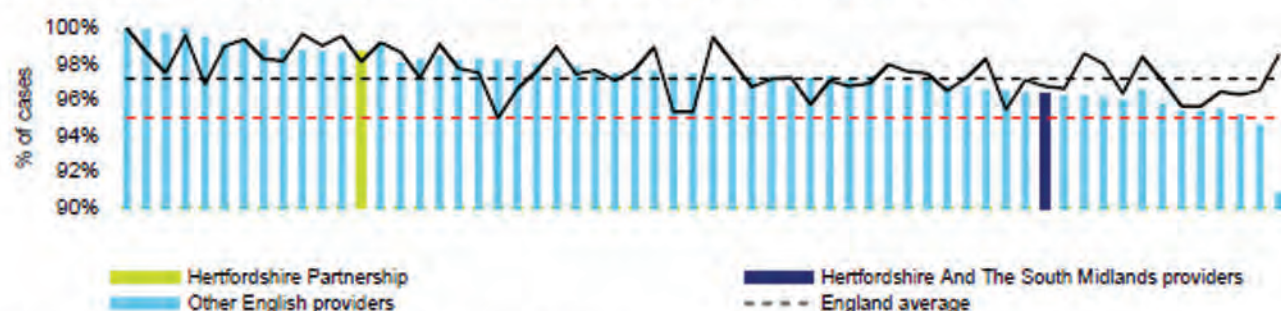


Care programme approach 7 day follow up (continued)

National context

The chart below shows how the Trust compares to other organisations nationally for 2013/14, based on the latest national data available. Performance for the year exceeds target and the England average.

Care Programme Approach patients receiving follow-up within 7 days - 2013-14



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

Approach

- Meetings were held with the Trust's leads to understand the process from discharge of a service user to the overall performance being included in the Quality Report. We also discussed progress on last year's recommendations and our findings are noted later in this report.
- We evaluated the design and implementation of controls throughout the process and discussed with management whether there were any areas representing a greater risk that we should focus our sample testing on.
- We selected a sample of 25 from 1 April 2013 to 31 March 2014 including in our sample service users who had and had not been followed up within 7 days. During our work we identified 2 errors and therefore extended our sample by a further 4 items.
- We agreed our sample of 29 to the underlying data from Paris and Carenotes system.

Findings

- From our sample of discharges, we identified one case where the individual was included in the calculation, but was noted in the system as CPA exempt. See [Recommendation 1](#).
- In addition to the Monitor exemptions relating to the performance indicator, additional local exemptions are applied in calculating the percentage. We have noted that, as last year, the Trust have disclosed this within their Quality Report.

Deloitte View:

Overall, we found that the Trust has improved its processes during the year to generate a satisfactory quality of data underpinning the indicator. Of the six dimensions of quality, we found some issues with two: validity and relevance, and have made some recommendations for improvement.

Access to Crisis Resolution Home Treatment Team

We have identified some issues as a result of the transfer between Casenotes and Paris IT systems

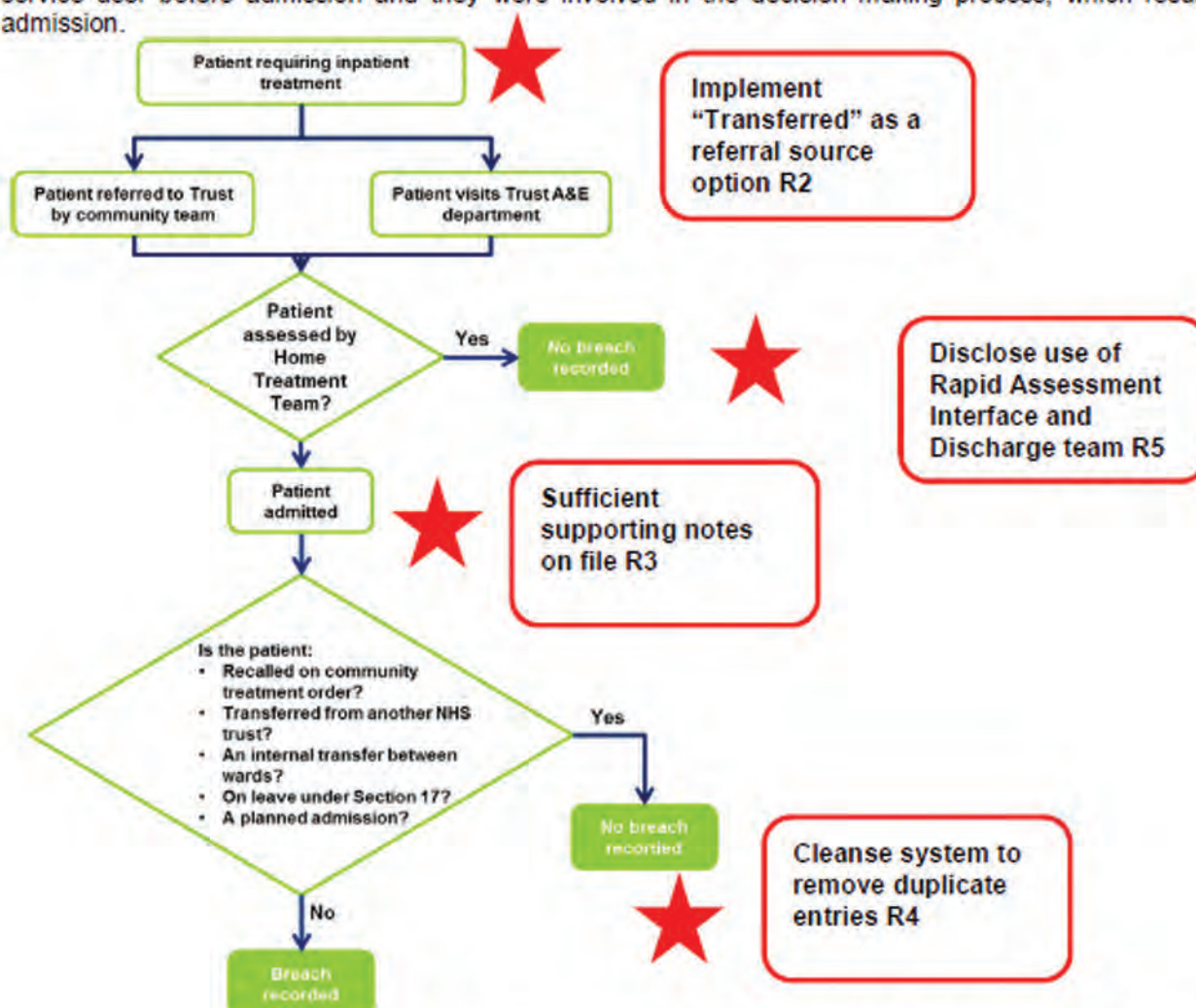
	Trust reported performance	Target	Overall evaluation of our work
2013/14	Q1: 100% Q2: 100% Q3: 100% Q4: 100%	95%	B
2012/13	Q1: 98% Q2: 97% Q3: 97% Q4: 97%	95%	B

Indicator definition and process

Definition:

"The proportion of inpatient admissions gatekept by the crisis resolution home treatment teams."

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

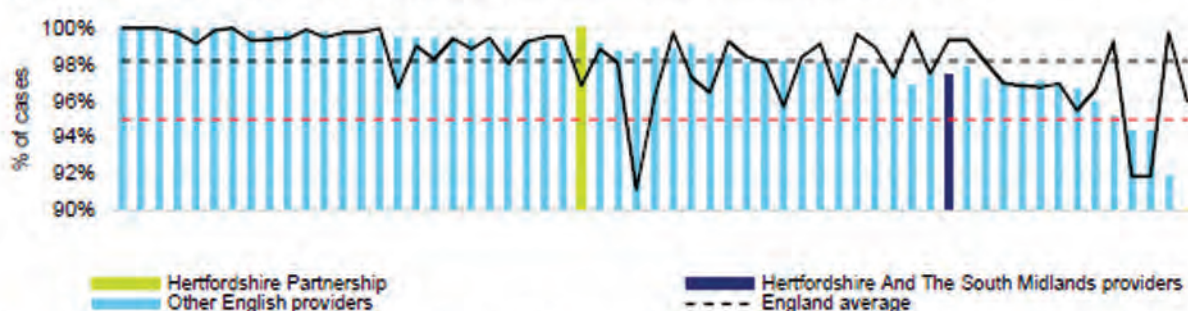


Access to Crisis Resolution Home Treatment Team (continued)

National context

The chart below shows how the Trust compares to other organisations nationally for 2013/14, based on the latest national data available. Performance for the year exceeds target and is above the England average.

Inpatient admissions with access to Crisis Resolution/Home Treatment teams 2013/14



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

Approach

- We met with the Trust's leads to understand the process from identifying that a service user should have access to the crisis resolution team to the overall performance being included in the Quality Report. We also discussed progress against our recommendations from last year and this is noted later in this report.
- We evaluated the design and implementation of controls throughout the process.
- We selected a sample of 25 from 1 April 2013 to 31 March 2014 including both service users assessed by the Home Treatment Team and those who were not assessed. During our work, we found 2 errors and therefore extended our sample by a further 4.
- We agreed our extended sample of 29 to the underlying data held within Paris and Carenotes systems.

Findings

- Following migration of the data from Casenotes to Paris systems, some issues have arisen resulting in duplicate entries for the same admissions. This has resulted in double-counting of cases both in the numerator and the denominator of this indicator. Furthermore, some cases had been incorrectly included in the calculation due to issues with the referral source options on the system. See [Recommendation 2 and 4](#).
- From our testing, we identified two cases where the admission was marked as gatekept but there was no supporting evidence on the system to support it. See [Recommendation 3](#).
- The indicator reported refers to CATT gatekeeping, but the Rapid Assessment Interface and Discharge team also undertake gatekeeping assessments. This should be disclosed in the Quality Report for transparency. See [Recommendation 5](#).

Deloitte View:

Whilst we found that the Trust has processes to generate a satisfactory quality of data underpinning the indicator, we found a number of issues relating to the transfer of systems from Casenotes to Paris that could impact on this if not resolved quickly. Of the six dimensions of quality, we found some issues with three: validity; reliability and relevance, and have made some recommendations for improvement.

Furthermore, we have recommended that the Trust include a disclosure note within the Quality Report about the use of the Rapid Assessment Interface and Discharge team in the gatekeeping process.

Local Indicator: “The services I have received have helped me to see a more positive future”

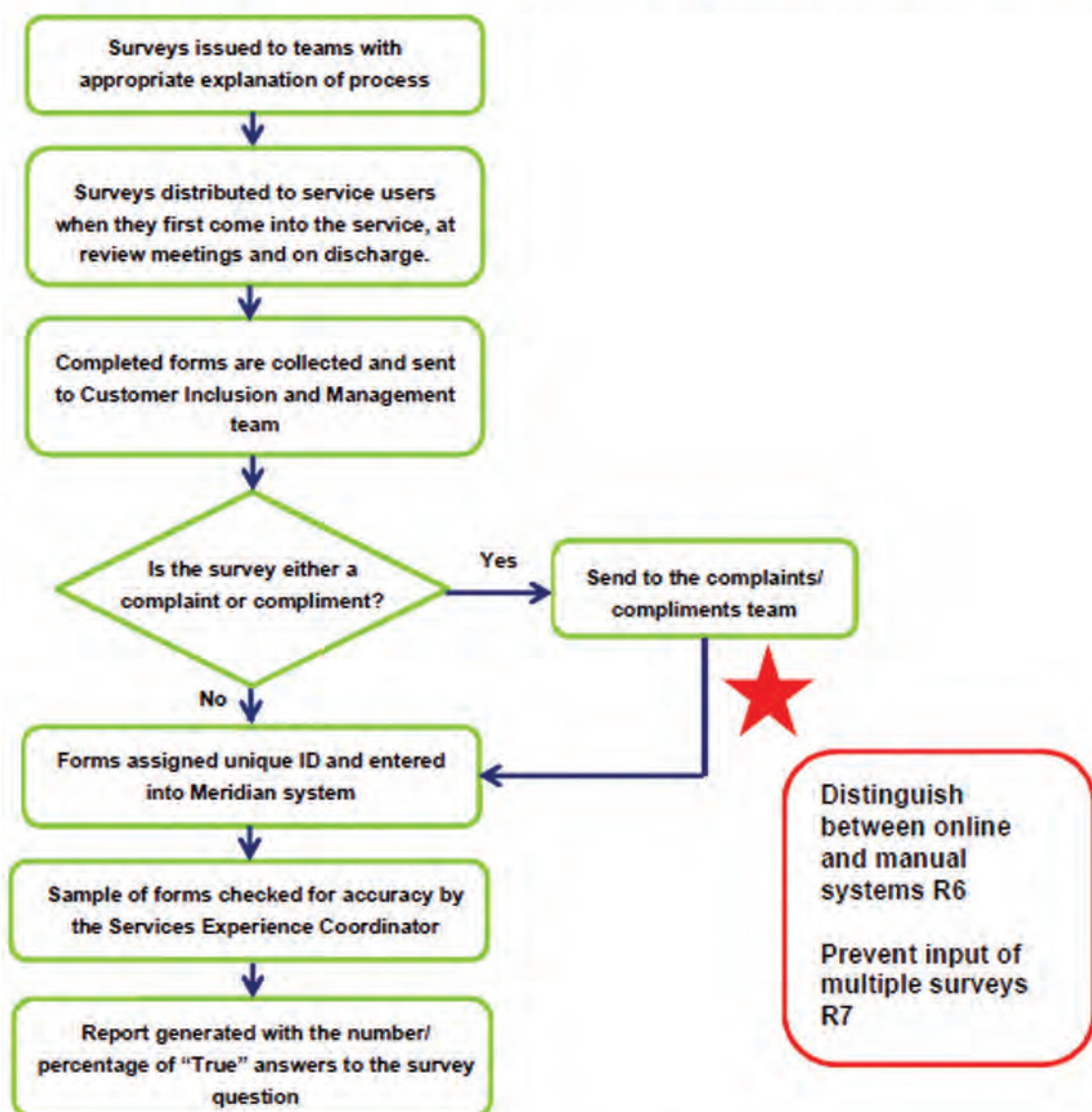
The data was found to be accurate throughout our audit testing

	Trust reported performance	Target	Overall evaluation of our work
2013/14	60.6%	61.5%	8

Indicator definition and process

Definition:

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



Local Indicator: “The services I have received have helped me to see a more positive future (continued)”

Approach

- We met with the Trust's leads to understand the process from a service user undertaking the survey to the overall performance being included in the Quality Report.
- We evaluated the design and implementation of controls throughout the process.
- We selected a sample of 25 survey results from 1 April 2013 to 31 March 2014 including those that gave a 'true' and a 'not true' response. During our work, we found 1 error and therefore extended our sample by a further 2.
- We agreed our extended sample of 27 to the supporting survey documentation.

Findings

- We found one error of a 'true' response being recorded incorrectly. When we extended our sample, we found no further errors and concluded that this was a result of human input error.
- It is not possible to distinguish between online surveys and the hardcopies being input by HPFT personnel in the report. This could lead to a lack of clarity as to whether hard copies are missing or whether the surveys were completed online. See [Recommendation 6](#).
- Whilst we found no specific errors of this manner, there are currently no mechanisms to prevent input of duplicate surveys, which would skew the results if it were to happen. See [Recommendation 7](#).

Deloitte View:

As the local indicator, this was the first time that we had reviewed this indicator. Overall, we found that the Trust has processes to generate a satisfactory quality of data underpinning the indicator. We also noted that the team responsible for inputting and analysing the surveys had made further improvements to their hard copy filing systems between our site visits. Of the six dimensions of quality, we found an issue with one: validity, and have made some recommendations for improvement.

We noted that the wording of the survey question under review changed slightly after Q1 2013/14 and we requested that this be disclosed for transparency within the Quality Report.

Recommendations

Recommendations for improvement

Our recommendations to improve the quality of data

Indicator	Deloitte Recommendation	Management Response	Priority
CPA 7 Day Follow-up	<p>1. Clearly Mark Excluded Patients</p> <p>A separate box should be included on the reports, which marks a circumstance that would result in the patient being excluded from the indicator calculation, i.e. CAHMS service user, or deceased, or simply not CPA. This will allow the performance improvement team to clearly identify patients whom should be excluded from the calculation.</p>	<p>This will be arranged by the performance improvement team</p> <p>Responsible Officer: Sally Wilson</p> <p>Timeline: By 1st September 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	Medium
CATT Gate Keeping	<p>2. Source Referral Option "Transferred"</p> <p>Set up a source referral option as transferred (and other exempt referral sources). These items will flag up as not "CATT" or "Gatekept" and can be immediately excluded from the calculations.</p>	<p>This is completed</p> <p>Responsible Officer: Sally Wilson</p> <p>Timeline: 28th May 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	High
CATT Gate Keeping	<p>3. Ensure Every Case Gatekept is Supported by Notes</p> <p>Ensure that for every case which is marked as having been gatekept there are sufficient supporting notes on the system to back it up.</p>	<p>This is an operational issue and will be communicated by the Service Line Lead</p> <p>Responsible Officer: John Lavelle SLL</p> <p>Timeline: By 1st July 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	High
CATT Gate Keeping	<p>4. Cleanse System Data to Remove Multiple Referrals</p> <p>Cleanse system data to remove duplicate admissions and ensure staff are adequately trained and set processes are in place to avoid patients being logged on the system multiple times for the same admission.</p>	<p>This will require further wide ranging work to ensure fully accurate inputting to the EPR. The first step will be engagement with the Paris team followed by use of Paris champions to ensure accurate inputting checked via regular reporting of data</p> <p>Responsible Officer: Jonathan Wells</p> <p>Timeline: 1st October 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	Medium
CATT Gate Keeping	<p>5. Disclose the use of the RAID team as part of the gatekeeping process</p> <p>For transparency, the use of the RAID team should be disclosed within the Quality Report to ensure comparability.</p>	<p>Completed</p> <p>Responsible Officer: Jonathan Wells</p> <p>Timeline: 22nd May 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	High

Recommendations for improvement (continued)

Survey Question	<p>6. Distinguish Responses Between Online and Manual Surveys</p> <p>A request should be made to Meridian for them to include some way to distinguish between online survey responses and manual surveys.</p>	<p>This will be taken into account when the tender for surveys is taken forward later this summer</p> <p>Responsible Officer: James Holland</p> <p>Timeline: 1st November 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	Medium
Survey Question	<p>7. Preventing input of Multiple Surveys</p> <p>A control to prevent the inputting of false or duplicated data within unreasonable time-frames should be implemented, for example allowing a certain computer IP to input a maximum of one survey every hour.</p>	<p>This will be taken into account when the tender for surveys is taken forward later this summer</p> <p>Responsible Officer: James Holland</p> <p>Timeline: 1st November 2014</p> <p>Process for updating Council of Governors: By report by Jonathan Wells to the Governors' Quality Sub-group before end of 2014</p>	Medium

Update on prior year recommendations

Our prior year recommendations have largely been addressed.

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

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

Key:

Achieved

Developing

Lagging

Data Quality Framework

Data Quality Framework

For evaluating the findings from our testing

Overview

The volume and importance of non-financial performance information across the NHS has grown significantly in recent years. Performance reporting has emerged as a key tool used both internally and externally. Managers use information to monitor performance, regulators use it to gauge risk, commissioners use it to ensure their priorities are met, and governors, patients and the public use it to gain more information about their trust and to hold them to account.

Whilst the availability and use of non-financial performance information has developed quickly, the control frameworks used to produce and control such information has not been subject to the same level of rigour as that of financial information. On average a trust will receive information on 61 performance indicators on a monthly basis, but very few will be subject to independent review. This can result in a potential assurance gap.

In the table below, we have prepared a summary of key considerations that each trust should be able to answer regarding their performance information. It can be used as an assurance tool to gauge the risk around accuracy and completeness of performance information.

Area	Overview	Key considerations
System	The accuracy of an indicator is influenced by the level of automated vs. manual controls. In general, an automated system requiring minimal manual adjustment has a lower risk of error. However, this assumes that the system controls are operating as they are intended.	<ul style="list-style-type: none">• Is the indicator generated from one system or the interaction of different systems?• How often are system controls reviewed to ensure they are appropriate and meet indicator definitions?• How quickly is data produced after the event?• Does data require manual adjustment prior to being reported as a performance indicator?
Governance	Accuracy and completeness of indicators are influenced by the 'tone at the top'. Good performance would mean clarity of responsibility for performance metrics, clear processes and procedures in place for each metric that are regularly updated, and quick and comprehensive action where concerns have been raised.	<ul style="list-style-type: none">• Who is responsible for the quality and completeness of performance information at Board level?• If different individuals are responsible for different indicators, is it clear who is responsible for each?• Are there documented procedures and processes for each indicator and is this regularly updated?• If data quality concerns have been raised, have they been addressed quickly and comprehensively?
Inputs	Some performance indicators rely on a wide variety of sources to produce the end metric. In general, the greater the number of separate sources of information, and the higher the volume of data, the greater the likelihood of error.	<ul style="list-style-type: none">• What is the volume of inputs of each indicator on a daily / weekly / monthly basis?• How many different sources of data are there, and how do you know they all apply consistent methodology in collecting and reporting the data?• What checks are in place to ensure the consistency and completeness of input data?
Complexity and skill	Some indicators require specific skills to identify, analyse and report performance. Some indicators have complex rules, which require specialist consideration. If the complexity of these rules is not understood and applied correctly, there is a risk that indicators contain errors or are reporting incomplete information.	<ul style="list-style-type: none">• If performance indicators have specific rules, is there regular training to ensure that all individuals involved understand these rules and apply them correctly?• Does the Trust have its own assurance systems in place to test compliance with such rules?• Has the Trust got the appropriate skill and level of resources to identify, analyse and report performance for complex indicators?• If national guidance is not clear, does the Trust have local guidance regarding process and procedures and is this shared with appropriate individuals?

Responsibility statement

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

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

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

What we don't report

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

The scope of our work

- Our observations are developed in the context of our limited assurance procedures on the Quality Report and our related audit of the financial statements.
- We described the scope of our work in our audit plan dated 5 December 2013 and the supplementary "Briefing on audit matters" circulated to you on 5 September 2012.

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

Deloitte LLP

Deloitte LLP
Chartered Accountants

29 May 2014

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

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Quality in Service User Care and Stakeholder Relations

Service user involvement, stakeholder relations and quality are pivotal to the work we do within the Trust. Full details of the Trust's performance with regard to the quality of services provided in 2013/2014 are given in the quality report (see page 37).

Some aspects of the care provided to service users and carers are summarised here.

In 2013/2014 the Trust used its Foundation Trust status by continuing to implement its major capital programme as planned. Astley Court at Little Plumstead, Norfolk - a 12 bedded open inpatient unit for adults with learning disabilities and challenging behaviour - was opened in June 2013. Kingfisher Court the 96 bedded Inpatient Service at Kingsley Green near Radlett is opening as planned in June 2014.

More information on performance is to be found in the quality report (section XX). Key performance targets as reported to Monitor were all achieved. These are:

- Admissions to inpatient care being gate kept by the Crisis Resolution and Home Treatment service
- Follow up within 7 days of those discharged from inpatient care under the Care Programme Approach
- Review at least annually of all those being managed under the Care Programme Approach
- Delayed Transfers of Care minimised
- New referrals to Early Intervention in Psychosis Service
- Data completeness (MHMDS) - identifiers
- Data completeness (MHMDS) - outcomes

During the year, significant changes have been made to several services. Community services for adults with learning disabilities in North Essex have been reorganised and a similar service transformation but on a bigger scale has taken place across Hertfordshire's community mental health services. These are planned to make services more accessible, consistent and clinically effective at lesser cost.

We continued to develop a model of acute mental health care which is not dependent on beds. To this end, in November 2013 we opened a second Acute Day Treatment Unit for East and North Herts.

We are also making significant changes to our Child and Adolescent Mental Health services, concentrating on making them more accessible, more flexible and less stigmatising in the ways they operate, and reorganising the skill mix in teams so that more psychological therapies can be provided.

Our results from the National Service User survey 2013 were encouraging. CQC divide Trusts' performance into bands - with the broadest being the middle band. We scored in this middle range for all 9 sections of the survey.

Nationally 67% rated their experience as good, whereas in HPFT the figure was 73%.

Other good results for the Trust include:

- 81% said they were definitely listened to carefully.
- 76% said they definitely had their views taken into account by the last professional who saw them
- 88% said they were definitely treated with respect and dignity

Areas for improvement included help with employment , finances and accommodation. Our new community mental health services include new vocational advisor and accommodation advisor posts which are designed to bring this support more effectively to service users, together with new sessions from the local authority's Money Advice Unit.

In the National Staff survey 2013 the Trust had improved scores but there are also areas that require more attention. We have supported and trained more managers in the skills required to implement change, and developed a Values and Behaviours framework so that staff are clear how they can expect to treat others and be treated - so that they are less likely to feel pressurized.

We have also developed a major new project – “Making Our Services Safe” – led by our Deputy Chief Executive, aimed at giving staff the confidence and skills to manage difficult situations with service users well so that the chances of threatened or actual violence are minimised. This incorporates national best practice including “No Force First” and the “Safer Wards” initiative developed at the Institute of Psychiatry which we successfully piloted last year and will now extend.

The Trust has a target of a first response to 90% of complaints within 25 working days. In 2013-14 response rates varied between 74% and 93% throughout the year. Options for improving response rates, which include training and support to help managers resolve complaints in a timely manner, are being explored.

'A Review of the NHS Hospitals Complaints System: Putting Patients Back in the Picture' by the Right Honourable Anne Clwyd MP and Professor Patricia Hart was published in October 2013.

Thirty-nine recommendations were made under four headings:

- Improving the Quality of Care (10 recommendations)
- Improvements in complaints handling (19 recommendations)
- Greater perceived and actual independence in the process (5 recommendations)
- Whistle blowing (5 recommendations)

The Trust has carried out a mapping exercise to identify how it is performing against recommendations, concentrating initially on those related to the complaints and whistleblowing processes. This exercise has shown that the Trust is compliant with the recommendations related to the whistleblowing process. There are some areas within the current complaints process which will be strengthened in light of new recommendations made in the review, and the Trust is looking at how these changes can be achieved.

Compliments, comments and complaints

The Trust places great importance on the comments, compliments and complaints sent in by service users, their carers, relatives and friends. We actively encourage people to raise concerns with staff on the units, to use the Comments, Compliments and Complaints leaflets available on all wards and outpatient units - or the link on the Trust website. In addition, all service users and carers are encouraged to complete Having Your Say forms during their recovery journey and to use the patient experience trackers where they are available, to provide ongoing feedback on their experiences. We now have a number of volunteers who visit some of our inpatient units to assist service users with completing Having Your Say forms.

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

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

Patient Advice and Liaison Service (PALS)

PALS provides people with advice and assistance if they have a concern or enquiry. The number of contacts has decreased by 11% over the last year. Table B shows the number and main categories of PALS contacts, comparing 2013/14 with 2012/13, 2011/12, and 2010/11.

Table B: Number of PALS contacts and main categories

Category	01/04/10 - 31/03/11	01/04/11 - 31/03/12	01/04/12 - 31/03/13	01/04/13 - 31/03/14
Advice	109	66	22	17
Enquiry	-	40	99	61
Feedback	30	42	71	47
Issues for resolution	134	159	223	239
Other	15	3	1	3
Translation request	1	3	1	3
Not HPFT	-	19	25	21
Total	289	332	442	391

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 and carers can benefit from the resulting changes.

The number of complaints received in 2013/14 was the same as that received in 2012/13. Table A shows the number and primary category for each complaint, comparing 2010/11, 2011/12, 2012/13 and 2013/14.

Table A: Number of formal complaints and main issues

Main complaint issue	01/04/10 - 31/03/11	01/04/11 - 31/03/12	01/04/12 - 31/03/13	01/04/13 - 31/03/14
Assault / abuse	9	5	6	3
Clinical practice	83	79	83	74
Communication	27	40	38	29
Environment etc.	4	3	6	3
Staff attitude	28	42	41	36
Security	1	1	3	2
Systems & Procedures	60	74	55	84
Transport	1	2	0	1
Total	213	246	232	232

Of the 232 complaints received during the year, 190 (82%) were sent a first response within 25 working days and 28 (12%) were responded to over 25 working days. 14 complaints were still open at the time this report was prepared, one of which was overdue.

Emerging themes from the PALS issues and complaints received

Some PALS 'Issues for Resolution' are transferred to the formal complaints process, either because they cannot be resolved within one working day, or due to the serious nature of the issues raised. Most issues and enquiries are dealt with immediately, or very quickly, by the clinical teams and do not result in a complaint.

Of the 74 complaints where clinical practice was the primary issue:

- 30 concerned direct care
- 22 concerned care planning
- 7 concerned diagnosis
- 5 concerned administration of drugs or medicines.

The 84 Systems and Procedures complaints fell into 20 categories with

- 6 complaints about breach of confidentiality
- 21 about assessment and treatment
- 11 about access to treatment
- 9 about discharge.

Of the three complaints about alleged assault, two were related to use of restraint techniques and one was about alleged physical abuse to a service user. After careful consideration by the multidisciplinary team, and through safeguarding where appropriate, none of these three complaints were upheld.

During 2013/14 we received eight requests for files from the Parliamentary and Health Services Ombudsman (PHSO). One was returned with a request to provide additional information to the complainant's family, while the rest remain under investigation. The Trust received three decisions from the PHSO for complaints referred during 2012/13. In addition, the Trust was asked to provide clinical information for a PHSO investigation about another Trust.

Two PHSO investigations were closed with no further action, and one was partly upheld. The Trust is currently preparing an action plan to remedy the faults identified by the PHSO.

Compliments

All teams are asked to forward letters of thanks from service users, carers, advocates and visitors to the PALS and Complaints Team so that they can be logged and reported. The team continues to remind all units of the importance of forwarding compliments to ensure that they are recorded accurately and there has been a big increase in the number of compliments forwarded to the team.

01/04/10 – 31/03/11	432
01/04/11 – 31/03/12	674
01/04/12 – 31/03/13	673
01/04/13 – 31/03/14	942

The Trust actively encourages services to use compliments at a local level to reinforce what is working well. Teams do this in a variety of ways. In 2013-14 the Trust recorded four times as many compliments as formal complaints.

Service User and Carer Involvement

In making the decision two years ago to publish the number of paid hours that service users or carers spent in involvement activities we set ourselves quite a challenge. So it is great to be able to follow on from last year's increase (31% on the previous year) with another increase of 37% this year.

Every one of the 2,954 hours of involvement activities is a very much valued contribution to the continuing development and improvement of our services – and it is really good to have the chance to thank our service users and carers for this.

Areas that much of this work has covered are:

- 334 hours Auditing and Researching HPFT services (including Patient Led Audits of the Care Environment).
- 125 hours in staff training – the Service User and Carer input to our Induction Conferences is highly popular with new staff.
- 30 hours advising us on the best ways to present information and helping us prepare documents for circulation.
- 662 hours in various regular Councils and Forums – including the Service User and Carer Councils and the 'Making Services Better' group for people with learning disabilities. We have particularly valued the continued commitment of these groups during a time of considerable change.
- 425 hours in direct contributions to transformation of services and service improvement; including steering groups covering services and the environment at Kingsley Green, development of new care pathways, clinical practice and change, and more recently the Transformation Stakeholder Reference Group.

At a time of tremendous change it has been particularly important to continue with our commitment to involving service users and carers in as many staff interviews as possible; a very powerful and direct way to influence our quality and values. We are pleased to be able to report that there has been a 96% increase in the number of service user and carer hours spent involved in interviewing staff – from 379 hours (itself a 50% increase on the previous year) to 743 hours.

Numbers aside, there have been many really exciting developments in the involvement agenda.

We are now using our new Principles for Involvement, developed with service users and carers – to help ensure that all involvement activities are Recovery focussed and Rewarding, Inclusive, Grounded, Honest and Timely (R.I.G.H.T).

The Trust's Young People's Council, supported by our Specialist Young Persons Involvement Worker has gone from strength to strength. It's success has been recognised nationally – and members have taken part in conferences locally, nationally, and internationally.

Peer Experience Listening (a jointly funded project with Hertfordshire Health & Community Services) has continued to provide high quality, in depth feedback from our service users and carers. Our trained Peer Experience Listeners have spent 626 hours preparing for and interviewing service users and carers about their experiences of our services in a variety of areas, including Adult Acute Inpatient Services and personal budgets.

An innovative project involved training and working with people with learning disabilities to explore experiences of personalisation and personal budgets. The Listeners also re-visited their very first topic – experiences of Mental Health Act Assessments – revealing that the actions undertaken following learning from the first project had resulted in service improvement, and that the information leaflet produced in partnership with Peer Experience Listeners as a result of the initial project had a 100% positive response. As the service has grown and become an even more important ongoing area of engagement and service development the Peer Experience Listening Coordinator has now been joined by a project support worker to assist in this rapidly expanding area of qualitative work.

Peer Experience Listeners have made significant contributions to conferences, workshops and articles – and took part in the ‘in Your Shoes’ initiative which led to the development of the new Trust Values.

Peer Support work has been a very successful addition to the range of services we can offer; with trained and supported service users and carers using their own experiences to work with others. Following on from the success of a trial as part of our Community Services Review, and the commissioning of specialist accredited training, 12 fixed term contracts were made available for peer support in the community. At the year end these new workers were starting out in their posts – and the support of other staff has been generous and enthusiastic. We have also completed a training course for Carer Peer Support Workers – and roles within services are to be made available for four of the trainees. Recruitment of specialist workers to support and develop both Peer Support and Volunteering will allow for continued expansion in those areas.

Our Service users and carers often report on the positive effect of involvement work on the recovery process for both service users and carers, so its been particularly rewarding for them to be involved with the HPFT Head of Recovery & Psychological Services who leads on recovery focussed work for the organisation. Service users and carers took part in last year’s extremely successful Recovery Conference, an international Recovery Workshop day and are involved in planning implementation of recovery focussed practices throughout the Trust – as members of the Recovery Implementation Group.

The past year has seen a significant increase in the number of hours made available for involvement opportunities. However we are still aware of areas where this could have been improved. The further development over the coming year of our involvement principles, as well as the decentralisation of much of our involvement activity, will see more people than ever getting involved in shaping services that are local to them.

Following three years of rapid increases in involvement work, it will be important over the next year to focus on enriching experiences. We have started work on increasing training opportunities - particularly around interviewing job applicants, and building confidence in contributing to meetings. We are keen to work closely with our Service User, Carer and Youth councils, and other regular participants in involvement, to identify and meet any needs. We will also work towards increased support for involvement workers.

Carers

Following the launch of our new carer strategy at the end of the previous business year, we have been working hard this year to further improve the processes that should be in place to support carers. Much of this work has been managed corporately and focused on issues such as:

- Carer records
- Responding to concerns
- Involvement of carers in transformation programmes

Through the year teams have worked closely with front line services to make gradual improvements in our approaches to providing support services to carers (e.g. carer assessments and grants).

Areas of progress through the year include:

- **Triangle of Care (TOC)** – We have signed up as a member of the national TOC for carers. This process has meant that the Trust has been required to assess all adult acute inpatient environments for their competence against the six pledges of the TOC. This first stage is due to be completed by 31 July 2014 after which time the next stage will see the project expanded to older people's services.
- **Community Support for Carers** – As part of our review of community mental health services a working group has been developing a new model for carer support that will be launched in 2014. This model will see improved points of contacts for carers within teams and more dedicated time spent with carers.
- **An evening with carers** – in November 2013 HPFT held it's first 'evening with carers' event as part of carers rights day. The event was provided as an opportunity for carers to have a break, hear about the Trust, and receive some alternative therapy tasters as well as taking part in guided meditation for relaxation. These events will become a regular part of the Trust carer support programme.
- **Carers Handbook** – The HPFT carer handbook was launched in October 2013 as a comprehensive guide for carers of people using mental health and dementia services. The handbook has been well received and supports our commitment to help carers become better informed about our services, where carers have fed back this is needed. With the successful introduction of the handbook, a similar guide aimed at providing information for young carers is currently being developed.

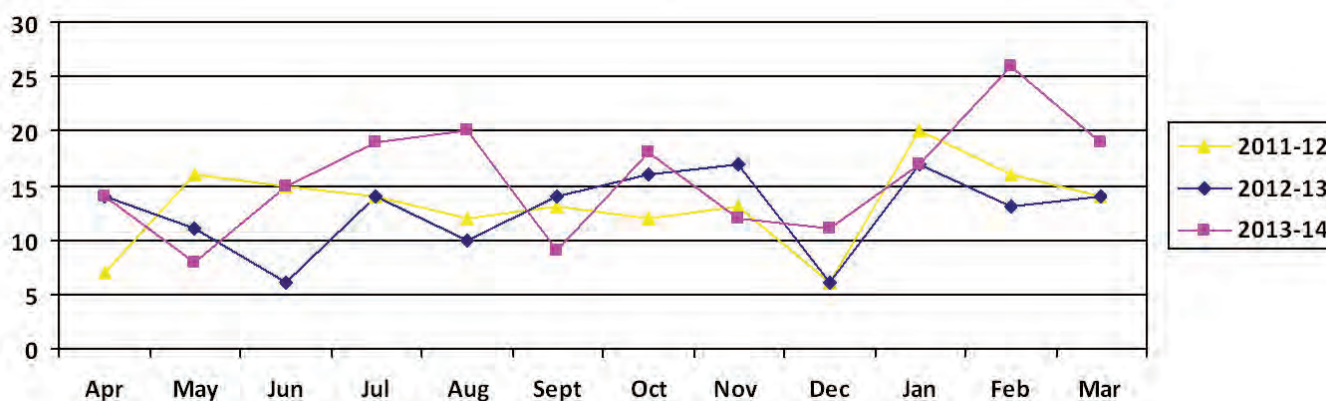
Over the next year it is hoped new models of carer support in the community and inpatient service areas will ensure carers feel better supported to carry on caring. One way we will be approaching this is through introduction of peer support workers for carers. These are staff members, who are also carers, and have been trained in how to provide support to carers identified through services.

Requests for Information

Freedom of Information Act 2000 (FOIA)

The number of Freedom of Information Act 2000 (FOIA) requests received by the Trust during this year has risen by 26%. We have received a total of 190 requests compared with 151 for 2012/13 and 158 for 2011/12.

The monthly trend for requests received is shown in the graph below:



Who has asked for information?

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

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

Type of requester	Number of requests 2013/14	Number of requests 2012/13	Number of requests 2011/12
Other/Unknown	88	70	72
Companies	48	52	47
Journalists	32	11	20
Staff/Other NHS Trusts	14	9	13
Students	4	9	4
MPs	4	0	2
Total Number	190	151	158

Timescales for responses

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

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

Not meeting this legal timescale may result in the Trust receiving a Practice Recommendation from the Information Commissioner and an adverse comment in a report to Parliament.

Information has been provided to applicants within the following timescales:

Response Time (in working days)	Number of requests 2013/14	Number of requests 2012/13
1 - 5 days	19	29
6 - 10 days	26	20
11 - 15 days	28	18
16 - 20 days	45	39
21+ days	28	30
Requests currently being processed	36	15
Cancelled/Withdrawn	8	

Exemptions

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

The following exemptions were considered and applied to all or part of a request during 2013/14:

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

Year	No of requests with exemptions applied	Exemptions used and frequency
2013-2014	31	s.12 x 1
		s.21 x 20
		s.40 x 9
		s.43 x 1

Publication of information requested (disclosure log)

Requests from the previous 12 months are routinely published on the FOI disclosure log on the Trust website. This enables us to direct applicants to information already available and to apply exemption s.21 (information accessible by another means) where the same/similar information has been requested. The Trust has used s.21 for 20 requests received in 2013/14. We anticipate that this figure will increase over time.

The Information Governance Team regularly monitors requests. Where information is frequently asked for (i.e. departmental structures, board papers, medicines management information etc) the Information Governance Team will liaise with the relevant department to ensure that this information is made available on the website. The Trust's Publication Scheme¹ will be updated to 'signpost' future applicants to the relevant section on the website.

Data Protection Act 1998 (DPA)

The DPA gives an individual (or someone appointed on behalf of the individual with the appropriate authority) the right to apply to see the information we hold on them. During 2013/14 the Trust received 503 Subject Access Requests (SARs) for copies of individuals' care records. This is an increase of 42% compared to 2012/13 (355).

Timescale for responses

DPA legislation requires the Trust to provide information within 40 calendar days. However, Department of Health guidance advises that healthcare organisations should aim to respond within 21 days.

From April 2013 information was provided to applicants within the following timescales:

Response Time	Number of requests 2013/14
Within 21 calendar days	188
Within 40 calendar days	85
40+ calendar days	50
No longer required or closed during processing	111
Currently pending	69

The Trust will endeavor to respond to SARs within 21 calendar days; however due to the number of requests, and large volumes of notes that require processing, this is not always achievable. We aim to keep applicants informed of any delay and provide regular updates if a request is going to take longer than the statutory 40 calendar days.

¹ The Publication Scheme is a complete guide to the information routinely published by HPFT. It is a description of the information about our Trust which we make publicly available.

Reporting of Personal Data Related Incidents

Loss of personal data is a risk which is monitored nationally. The tables below show the incidents that have been classified at (a) a rating of level 2 (reportable to the Information Commissioners Office) and (b) a rating of Level 1 (investigated internally) that occurred within the Trust in 2013/14.

These figures have been aggregated in line with the Health and Social Care Information Centre 'Checklist Guidance for Reporting, Managing and Investigating Information Governance Serious Incidents Requiring Investigation (1 June 2013 V2).

a) Summary of Serious Incidents Requiring Investigation (SIRI) for 2013/14 scored at level 2

Summary of Serious Incidents Requiring Investigations involving personal data as reported to the information commissioner's office in 2013-14				
Date of incident (month)	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
Dec 2013	Loss of patient identifiable information.	Name; Address; NHS number; telephone number; referral and assessment documentation.	Six	Individuals notified by telephone conversation and letter
Further action on information risk	<p>The Trust will continue to monitor and assess its information risks, in light of the events noted above in order to identify and address any weaknesses and ensure continuous improvement of its processes. For example, shortly after this incident a learning note was published in the Trust's staff magazine to remind employees about their obligations in relation to data security.</p> <p>In relation to the staff involved in this particular incident, appropriate action was taken. The Information Commissioner has also confirmed that he is satisfied the Trust has taken the appropriate steps when investigating this incident.</p>			

b) Summary of Serious Incidents Requiring Investigation (SIRI) for 2013/14 scored at Level 1

Summary of other personal data related incidents in 2013-14		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error Disclosed in error	17
C	Lost in transit	0
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	3
F	Non-secure disposal - hardware	0
G	Non-secure disposal - paperwork	0
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	0
K	Other (e.g. postman delivered to wrong address, letter not arriving, letter sent to patient that had a sentence that was not about them)	5

Sustainability reporting

A Year of Challenge – People, Places and Profit: 2013/14

People

The Trust continues to strive towards its sustainable goals, and to this end is reviewing the recent guidance issued by NHS England “Sustainable, Resilient, Healthy People and Places” which asks trusts to review:

1. The environmental impact of the health and care system and the potential health co-benefits of minimising this impact.
2. How the healthcare system needs to adapt and react to climate change including preparing for and responding to extreme events.
3. How the NHS public health and social care system maximises every opportunity to improve economic, social and environmental sustainability.

Places

This past year has seen the start of our Hubs and Spokes programme, with the closure of six sites in Watford and Welwyn Garden City, and opening of Hubs in these areas - namely Colne House and Rosanne House. This has helped reduce the Trust’s CO² emissions and helps us towards our targets for 2015.

The Trust now has a Procurement Lead, and in the past year he has reviewed all the current Trust contracts. Where relevant these have been re-tendered and as evidence of the success of this, the new Total Facilities Management contract will save £750k in its first year.

Profit

In 2012/13 there was considerable vandalism on the Kingsley Green site: the Trust had to replace stolen cabling and increase security. There have been no serious thefts on this site in 2013/14 and with the new unit (Kingfisher Court) being built on this site utility services have been greatly rationalised and the systems on site are now far more efficient.

Waste Disposal System

Our contract for recycling and clinical waste services across all sites has seen volumes reduce as some sites closed.

This contract finished on the 31 March 2014 when it will become part of the new total Facilities Management contract managed by Interserve who have been given the Trust waste targets to achieve by 2015.

Travel

The number of miles covered by the Trust's vehicles has increased by 1.7%, and although the cost of fuel has risen year-on-year the rationalisation of our services, and more efficient vehicles, has resulted in a change of strategy in ordering vehicles.

The vehicles have been chosen for their efficiency and we are currently getting 38.45 MPG across our vehicle fleet. Purchasing less fuel has resulted in a 14.5% reduction in total fuel costs. The vehicles we use are leased for five years, and as the fleet has been totally replaced the efficiency year-on-year is unlikely to create any further reductions unless we can increase our workload within existing runs.

The CO2 savings since 2011/12 are currently running at 19%.

Summary of Carbon Reduction Performance

This has been a challenging year for HPFT due to a number of factors: cold weather which extended into early spring 2013, storms coupled with high winds and heavy rain during the early winter of 2014, and the increase in utility costs. The challenge has been to reduce the utilities usage whilst maintaining an ageing inefficient building stock which presents many maintenance issues, and also included a number of major system failures.

The estates portfolio has started its progression through service transformation and reduction in the number of sites. Over the last 12 months we have moved forward with this process via the closure of a number of sites/buildings and have consolidated the services into larger, more efficient and purposeful premises/buildings.

The closure of a number of buildings has resulted in the removal from the estates portfolio of inefficient building stock, but the challenge for HPFT was to continue to provide its services during this initial period of estate transformation.

Prior to any relocation, the new premises have undergone transformation and refurbishment, through this action HPFT have been able to remove existing inefficient plant, eg boilers, water storage and power, and install more efficient services and at the same time move away from many of the services previously supplied by any landlords. This has enabled HPFT to take greater control of the utilities we use.

At the Kingsley Green site near Radlett we have closed a number of buildings which have been isolated from all utilities, and within two retained buildings, the existing district heating system has been removed. This has enabled HPFT to install new services, i.e. water, gas and power, which have resulted in the installation of two new self-contained boiler houses, completely independent of each other and the remaining services on the old site.

The existing district heating system and mains water pipework at Kingsley Green has continued to prove problematic. Several larger leaks have been encountered, which has resulted in substantial water escapes, and as a consequence increased costs.

Another area where an existing water main failed was Little Plumstead Hospital (near Norwich). The existing water main, which originally fed the entire site, was dilapidated and consequently resulted in significant water losses. As a result the entire water main was replaced.

The work carried throughout the entire estates portfolio will bring long term-benefits for HPFT reducing utilities usage i.e. water, gas and electricity. This will reduce CO2 emissions, and cut the running costs of these new, or refurbished, premises.

The initial value of any costs and CO2 reductions is at present difficult to quantify due to the aged infrastructure - we are awaiting fresh data.

The programme so far has been based on the installation of efficient boilers, reduction in power use, and reduction of water usage - together with the installation of Building Management Systems (BMS) which will enable HPFT to achieve better monitoring and control of energy use, and also to improve the internal working environment.

HPFT have very recently entered into a contract agreement with a new preferred partner. Part of this contract will be the provision of an Energy Bureau Service, this will help us with the monitoring of utilities usage but invoice validation, but the monitoring of utilities usage - with 5% savings guaranteed per annum over the term of the contract.

This element, coupled together with ongoing estates transformation, is expected to yield significant carbon benefits and savings over the coming year, which will be quantifiable with accurate historical data.

Emergency Planning

This year the Strategic Business Units have run a Major Incident and Business Continuity Planning (MI & BCP) training exercise, followed by a specific exercise for the Executive Team. The Trust MI & BCP plan is now being updated to take into account lessons learnt from these exercises.

The Trust has completed the core standards self-assessment and is compliant with the majority of the core standards issued by NHS England for Emergency Planning, Response and Recovery (EPRR). The Trust is compliant on 119 out of 124 standards relevant to HPFT and as such feels assurance of the resilience of the Trust should it encounter serious business interruption. Work is ongoing to address any areas of concern.

HPFT is committed to working with NHS England and the local Health Resilience Partnership in all aspects of Major Incidents and Business Continuity Planning and is a member of the Memorandum of Understanding set across Hertfordshire Health and Social Care Organisations.

Equality and Diversity – 2013/14

The Trust has now been working for a year within its new model of Equality and Diversity. The work of the Equality and Diversity team is based within the wider Inclusion and Engagement team to assist with mainstreaming the Equality and Diversity agenda. The Inclusion and Engagement team comprises:

- Equality and Human Rights
- Service User and Carer Involvement
- Compliments, Concerns and Complaints
- Patient Advice and Liaison Service (PALS)
- Carer work
- Peer led work
- Advocacy
- Service Experience (service satisfaction)
- Mental Health Community Engagement (with marginalised groups)
- Volunteering
- Spiritual Care and Chaplaincy

Throughout 2013/14 the Trust has continued to work with the NHS Equality Delivery System (EDS) framework as a means of engaging with our stakeholders, and getting feedback on how we are doing when providing services for different and diverse groups. The EDS was re-launched as EDS2 - however the Trust had already undertaken its own assessment of performance in April 2013. During this process our stakeholders chose to focus on those areas identified in 2012 for improvement. These are detailed further on in this section.

Targeted working

Within the Inclusion and Engagement team, two part-time Equality and Diversity Coordinators lead this agenda across workplaces and services. To ensure that this is more productive, in 2013 we aligned these workers to specific strategic business units (SBUs) so that issues that arise can be easily resolved, as well as developing new pieces of work that are beneficial to the communities local to specific services.

Furthermore, the Trust continued its work with Community Engagement Workers to provide more targeted mental health support to men, women, older adults, young people, ethnic minority, LGBT people and gypsy and traveller communities. A review of these roles began in 2013/14 as part of the community service review to see how we can continue to ensure maximum support for people from marginalised groups through our new community services structure.

Strategy and Legal compliance

During 2013/14 the Trust consulted on, and finalised, a new strategy for Equality entitled: 'Equality, inclusion and human rights strategy: supporting people to flourish and thrive'.

The strategy has been written to demonstrate the synergy between robust engagement principles and how this can help in contacting hard-to-reach groups (and vice versa). The strategy is due to be launched in early 2014/15.

The Trust continues to monitor its performance against equality and diversity criteria outlined through the Public Sector Equality Duty (PSED) and what this means for the Trust. Compliance continues to be published annually via the Trust website. The effectiveness of the implementation of the strategy and processes will be evaluated next year

Statistics

The Trust is required under the PSED to collect and publish diversity data for staff and those affected by its policies and processes. In addition the Trust is required to publish one or more equality objectives spanning a four year period. This has been done against the Trust annual objectives for the NHS Equality Delivery System.

All PSED compliance reporting is published through the Equality and Diversity section of the Trust website. However below is an overview of Trust staff and membership as of 31st January 2014.

	Employed staff		Members	
Gender	Number	%	Number	%
Male	788	29.207	4544	41.40
Female	1910	70.793	6417	58.47
Undisclosed	-	-	14	0.13
TOTAL	2698		10975	

	Employed staff	
Age Band	Number	%
16-20	5	0.2
21-25	103	3.8
26-30	179	6.6
31-35	204	7.6
36-40	341	12.6
41-45	432	16.0
46-50	457	17.0
51-55	448	16.6
56-60	300	11.1
61-65	162	6.0
66-70	55	2.0
71 & above	12	0.5
TOTAL	2698	

	Members	
Age Band	Number	%
0 - 16	9	0.1
17 - 24	1206	11.0
25 - 34	1201	11.0
35 - 59	3875	35.3
60+	3898	35.5
No data	786	7.1
TOTAL	10975	

Ethnic Group	Employed staff		Members	
	Number	%	Number	%
White British	1482	54.93	8853	80.7
White Irish	89	3.30	149	1.4
White - Any other white background	178	6.6	379	3.5
Mixed - White & Black Caribbean	10	0.37		
Mixed - White & Black African	7	0.26		
Mixed - White & Asian	17	0.63	1	0.01
Mixed - Any other mixed background	18	0.67	2	0.02
Asian or Asian British - Indian	108	4.00	103	0.9
Asian or Asian British - Pakistani	28	1.04	29	0.3
Asian or Asian British - Bangladeshi	10	0.37	5	0.05
Asian or Asian British - Any other Asian background	127	4.72	52	0.5
Black or Black British - Caribbean	58	2.15	76	0.7
Black or Black British - African	221	8.19	115	1.05
Black or Black British - Any other Black background	16	0.6	29	0.26
Chinese	15	0.56	45	0.4
Any Other Ethnic Group	74	2.74	489	4.5
Data missing	8	0.30		
Not stated	232	8.60	3	0.03
TOTAL	2698		10975	

Disability	Employed staff		Members	
	Number	%	Number	%
Yes	93	3.45	299	2.72
No	1667	61.79	10597	96.56
Undisclosed	479	17.75	9	0.08
Undefined	459	17.01	70	0.64
TOTAL	2698		10975	

	Employed staff		Members	
Sexual Orientation	Number	%	Number	%
Lesbian	4	0.15	-	-
Gay	17	0.63	2	0.02
Bisexual	10	0.37	8	0.07
Heterosexual	1526	56.56	163	1.49
Undisclosed	557	20.64	10731	98.40
Undefined	584	21.65	1	0.01
TOTAL	2698		10905	

	Employed staff		Members	
Religion/Belief	Number	%	Number	%
Agnostic	-	-	9	0.08
Atheism	190	7.04	30	0.27
Buddhism	19	0.70	4	0.04
Christianity	1051	38.95	80	0.73
Hinduism	79	2.93	2	0.02
Islam	68	2.52	5	0.05
Jainism	1	0.04	-	0.00
Judaism	30	1.11	4	0.04
Sikhism	7	0.26	3	0.03
Other	135	5.00	22	0.20
Undisclosed	535	19.83	77	0.70
Undefined	583	21.61	10739	97.85
TOTAL	2698		10975	

Priorities and Targets











The key priority areas for equality in 2013/14 were to focus on ensuring that the NHS Equality Delivery System (EDS) can be evidenced by all protected groups.





















The Trust completed its second annual grading of performance during 2013/14 and during the year NHS England also launched a refreshed EDS 2 (www.england.nhs.uk/eds) The process for grading in colours corresponds to the following:







- **Red** – Underdeveloped (Achieving for up to two out of nine protected groups)
- **Amber** – Developing (Achieving for three to five protected groups)
- **Green** – Achieving (Achieving for six to eight protected groups)
- **Purple** – Excelling (Achieving for all nine protected groups)

Over the past year this shows an improvement of three outcomes from amber to green. Further annual assessments will take place in May & July 2014.

Comparison of EDS grades in 2012 and 2013

Goal	Narrative	Outcome	2012	2013
1. Better Health Outcomes for All	The NHS should achieve improvements in patient health, public health and patient safety for all, based on comprehensive evidence of needs and results	1.1 Services are commissioned, designed and procured to meet the health needs of local communities, promote well-being, and reduce health inequalities		
		1.2 Individual patients' health needs are assessed, and resulting services provided, in appropriate and effective ways		
		1.3 Changes across services for individual patients are discussed with them, and transitions are made smoothly		
		1.4 The safety of patients is prioritised and assured. In particular, patients are free from abuse, harassment, bullying, violence from other patients and staff, with redress being open and fair to all		
		1.5 Public health, vaccination and screening programmes reach and benefit all local communities and groups		

Goal	Narrative	Outcome	2012	2013
2. Improved Patient Access & Experience	The NHS should improve accessibility and information, and deliver the right services that are targeted, useful, useable and used in order to improve patient experience	2.1 Patients, carers and communities can readily access services, and should not be denied access on unreasonable grounds		
		2.2 Patients are informed and supported to be as involved as they wish to be in their diagnoses and decisions about their care, and to exercise choice about treatments and places of treatment		
		2.3 Patients and carers report positive experiences of their treatment and care outcomes and of being listened to and respected and of how their privacy and dignity is prioritised		
		2.4 Patients' and carers' complaints about services, and subsequent claims for redress, should be handled respectfully and efficiently		
3. Empowered, engaged and well-supported staff	The NHS should increase the diversity and quality of the working lives of the paid and non-paid workforce, supporting all staff to better respond to patients' and communities' needs	3.1 Recruitment and selection processes are fair, inclusive and transparent so that the workforce becomes as diverse as it can be within all occupations and grades		
		3.2 Levels of pay and related terms and conditions are fairly determined for all posts, with staff doing equal work and work rated as of equal value being entitled to equal pay		
		3.3 Through support, training, personal development and performance appraisal, staff are confident and competent to do their work, so that services are commissioned or provided appropriately		
		3.4 Staff are free from abuse, harassment, bullying, violence from both patients and their relatives and colleagues, with redress being open and fair to all		
		3.5 Flexible working options are made available to all staff, consistent with the needs of the service, and the way that people lead their lives. (Flexible working may be a reasonable adjustment for disabled members of staff or carers.)		
		3.6 The workforce is supported to remain healthy, with a focus on addressing major health and lifestyle issues that affect individual staff and the wider population		

Goal	Narrative	Outcome	2012	2013
4. Inclusive leadership at all levels	NHS organisations should ensure that equality is everyone's business, and everyone is expected to take an active part, supported by the work of specialist equality leaders and champions	4.1 Boards and senior leaders conduct and plan their business so that equality is advanced, and good relations fostered, within their organisations and beyond		
		4.2 Middle managers and other line managers support and motivate their staff to work in culturally competent ways within a work environment free from discrimination		
		4.3 The organisation uses the "Competency Framework for Equality and Diversity Leadership" to recruit, develop and support strategic leaders to advance equality outcomes		

NB the criteria listed in the above table has been amended as a result of the new, refreshed, EDS 2 launched November 2013.

Our Staff

Staff Engagement

The Trust maintains its commitment to staff engagement, and values the input of all members of staff at all levels. There has been a rolling programme of engagement events throughout the year, both for staff and with key stakeholders, to ensure effective two-way participation in the making of key decisions. These events included:

Our 'Big Listen' events, which were launched in May 2011. They are held twice a year and give staff a platform to express their views and experiences directly to the Chief Executive and Executive team. The last Big Listen, held in late March 2014, involved more senior leaders and focused on empowering Trust staff to take individual and collective responsibility for change.

Senior Leaders' Forums continue to take place six times per year for the Trust's senior leaders and are intended to be strategically focused developmental sessions.

Monthly breakfast meetings with the Chief Executive have continued, they are an opportunity for staff to feedback their views and experiences of working for the Trust - and how we can improve the quality of care for service users. People from different staff groups are invited to each session including students in placement at HPFT

Summary of performance – NHS Staff Survey 2013

Key Findings (KF)	2012	2013	2013 National Avg	Difference Trust/Nat Avg	Against other trusts
Overall Staff Engagement (KF22, KF24, KF25)	3.64	3.71	3.71	0	Average
Response Rate	54%	51%	50%	1%	Above Average

Top 5 Ranking Scores

Key Findings (KF)	2012	2013	2013 National Avg	Difference Trust/Nat Avg	Against other trusts
KF 26 - % Staff having equality and diversity training in last 12 months	82%	92%	67%	25%	Best 20%
KF2 - % Of staff agreeing that their role makes a difference to patients	91%	93%	90%	3%	Best 20%

KF 20 Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	22%	18%	22%	4%	Best 20%
KF 14 - % Staff reporting errors, near misses or incidents witnessed in the last month	94%	95%	92%	3%	Best 20%
KF 25 Staff motivation at work	3.84	3.91	3.85	0.06	Best 20%

Bottom 5 Ranking Scores

Key Findings (KF)	2012	2013	2013 National Avg	Difference Trust/Nat Avg	Against other trusts
KF 4 - Effective team working	3.74	3.68	3.83	-0.15	Worst 20%
KF 6 - % Staff receiving job-relevant training, learning or development in last 12 months	81%	76%	82%	-6%	Worst 20%
KF 5 - % Staff working extra hours	72%	77%	71%	-6%	Worst 20%
KF 16 - % Staff experiencing physical violence from patients, relatives or the public in the last 12 months	31%	24%	19%	-5%	Worst 20%
KF 19 - % Staff experiencing harassment, bullying or abuse from staff in last 12 months	26%	24%	20%	-4%	Worst 20%

Largest local changes since the 2012 Survey – Key areas where staff experience has deteriorated

There are no areas where staff experience has deteriorated.

Key area where staff experience has improved

Key Findings (KF)	2012	2013	2013 National Avg	Difference Trust/Nat Avg	Against other trusts
KF 21 - % Staff reporting good communication between senior management and staff	28%	33%	31%	2%	Above Average

The Trust made significant gains in the National Staff Survey, particularly when benchmarked against other organisations, and is now 'above average' or 'in best 20%' in ten of the measures (compared with five last year).

The table below shows the Trust's performance against other organisations over the last three years and demonstrates how it has improved from having only one measure in the top 20% in 2011 to having five in the top 20% in 2013. The Trust has halved the number of measures in the worst 20% from ten to five in the last year.

	Top 20%	Above Average	Average	Below Average	Worst 20%	TOTAL
2011	1	11	4	14	9	39
2012	1	4	4	9	10	28
2013	5	5	5	8	5	28

The Trust had very positive results in questions that related to staff satisfaction with the level of care they are able to provide (above average), and was in the best 20% for staff agreeing that their role makes a difference to patients.

Staff motivation at work was amongst the best 20%, and 'staff receiving appraisals' and 'having high quality appraisals' were both above average. The Trust also ranked in the best 20% for staff not feeling pressure to attend work when they were unwell.

Staff reported that communication between staff and senior managers was good (above average) and that not only did they report errors and near misses (best 20%) but that incident reporting procedures were perceived as fair (above average).

The Trust's performance has not improved in relation to staff experiencing violence from service users – although the numbers are very small, we continue to rank in the worst 20% when benchmarked against other Trusts.

The Trust also received disappointing results in relation to staff experiencing bullying and harassment from other staff, and for working additional hours. Access to job relevant training and effective team working were the other key areas for action. It is recommended we continue to focus our actions around three broad themes - Management and Leadership, Trust Procedures and Communication and Involvement. We will also review our organisational development plan to incorporate specific actions identified within the SBUs, along with actions to support any new requirements identified as a consequence of Francis.

Many of the actions will require further time to embed and support staff and impact in a positive way felt by staff, we expect to see an improved set of results in 2014, as a consequence of actions already being taken, the progress of these actions will be continued to monitored through the quarterly pulse surveys.

Safer staffing for our Trust

The Trust continues to have a rigorous system for checking the identity of applicants; the right of applicants to work in this country; registration of professional staff and qualification checks; employment history and reference checks; criminal record checks and occupational health checks in line with the NHS Employment Checks Standard.

The Trust holds quarterly pre-employment check audits and meetings, to ensure all processes are standard across staff groups and that any national changes to processes are embedded and aligned internally.

In 2013, the recruitment function has taken an overview and updated the recruitment processes. This has resulted in a more streamlined, effective and safer model of recruiting staff. An updated Recruitment Policy has been launched which fully follows the principles of the NHS Employment Checks Standards and outlines the process to be followed, ensuring that managers are aware of their responsibility for safe and effective recruitment. In addition, the trust has moved to e-DBS system as a checking mechanism, which in turn has improved the efficiency and time to recruit staff. Current numbers of staff are shown in the table below:

Group	Femal	Male	% Female	% Male	Grand Total
Directors	4	6	40%	60%	10
Non-Executive Directors/Chair	1	5	17%	83%	6
Senior Managers	44	27	62%	38%	71
Employees	1847	736	72%	28%	2583
Grand Total	1896	774	71%	29%	2670

To ensure a consistent approach to recruiting nursing and support staff the Trust has moved to cohort recruitment for Band 2 to 6 staff. Literacy and numeracy tests have been introduced, and potential employees must pass these tests as a prerequisite to moving forward to the

interview stage. By working through this process the Trust is able to ensure that staff fulfil the required basic skills, hold the Trust's values and behaviours and are properly vetted before working with service users.

The above changes have meant a reduction in the time to hire from 17 weeks in 2012 to 13 weeks in 2013.

The Trust has strong co-operative working with external organisations, including its links to the University of Hertfordshire, to ensure good practice is followed with regards to safeguarding and safer staffing.

Recruitment of staff with a disability

The Trust's Recruitment, Selection and Vetting Policy ensures that all applicants with a disability who meet the essential criteria are offered an interview, and are asked prior to the interview what adjustments they require for the interview. Successful candidates are asked what adaptations they may require to be able to fulfil their posts. In the past year, the Trust has sought advice from Access to Work to ensure that reasonable adjustments and adaptations are in place for successful candidates.

Employee Relations

The Trust continues to work with in partnership with full-time and local Staff side representatives. The Trust has monthly meetings with the Trade Unions both formally and informally. Staff side representatives are fully updated and take a pro-active role on all changes or TUPE transfers within the Trust. This includes attending open meetings and on- to-one meetings with staff to discuss organisational change and being updated on the outcomes, including redeployment, of any change management programme. Partnership working is key to ensuring that the Trust is able to meet its Cost Releasing Efficiency Scheme and Transformation agenda.

NHS Graduate Scheme

The Trust is an active supporter of the NHS National Graduate Scheme and gives graduates opportunities to learn about our Trust and our work. The aim of our involvement is to improve our succession planning for the future. Over the last year, the Trust has had NHS Graduates in Finance, Procurement, General management and Human Resources.

Staff Wellbeing

The Trust continues to produce a quarterly staff Health and Wellbeing magazine 'Working Together as One', which provides articles and expert advice on healthy lifestyles, emotional wellbeing, fitness, inspirational staff 'wellbeing' stories, and signposting support mechanisms for staff.

We also promote and encourage health and wellbeing initiatives including 'walk to work' and pedometer challenges, team and individual participation in national initiatives such

as 'Stoptober' and 'Sports Relief'. The Trust also supports the staff choir, and encourages teams to set up their own activities such as fitness sessions, alternative therapy sessions, and walking groups.

The Trust has been running quarterly staff Pulse surveys since August 2011. These provide an opportunity for all staff to feedback their views on working for the Trust and are run alongside the annual National Staff Survey to develop action plans to focus on areas of concern to staff.

The Trust is committed to reducing violence and aggression towards members of staff whilst undertaking their duties. It is acknowledged that many of our staff work in high risk services which are prone to higher rates of violence and aggression. Following an external review commissioned by the Trust, we have reviewed and strengthened our Violence and Aggression and Lone Worker policies, targeted additional training in high risk areas, strengthened relations with the police, reviewed the critical incident de-briefing service and continued to promote the RESPECT campaign.

Another key aim of the Trust's health and wellbeing strategy is to support the reduction of sickness. Many of these initiatives, along with a proactive occupational health service and employee assistance scheme, support our staff in their physical and emotional wellbeing.

Managing Stress and Pressure workshops have been provided to staff, and have proven very useful. Feedback from the sessions has been shared with Senior Leaders.

Workforce and Organisational Development

Developments in the last year include:

Values and Behaviours Framework

The Trust launched its new Values and Behaviours Framework in October 2013, this was an initiative from the Board as part of a commitment to becoming first and foremost a values-led organisation.

The framework came from a large staff, service user and carer consultation programme which took place over a number of months. It informs not only the way staff treat those who use our services, their families and carers, but also their colleagues, our partners and referrers.

Induction, learning and development initiatives and appraisal processes have all been amended to align to the Values and Behaviours, and the Trust has moved to a values-based approach to recruitment. Further work will be done to support staff to embed the Values and Behaviours in all aspects of their work.

Partnership working with the University of Hertfordshire

In June 2013 the Trust formally adopted the title Hertfordshire Partnership University NHS Foundation Trust.

Since that time this innovative partnership has further developed and already made significant progress including;

- The development of a joint three year strategic plan
- Hosting a joint celebratory sharing best practice event including Tom Cahill, CEO, HPFT and Professor Quintin Mckellar, Vice Chancellor UOH providing a public affirmation of the strength of the partnership by giving a joint presentation on the benefits of University Status
- Using the partnership as a vehicle for development, notably attaining a £450,000 award for patient safety from the Health Foundation

Leadership and Organisational Culture

Fifty Senior Leaders within the organisation completed a Kings Fund Development programme in 2013-14, and further leadership skills programmes were made available to all managers within the Trust. Over 100 team leaders and modern matrons attended a series of 'Leading myself and my team' sessions focused on managing themselves and their teams through change.

Staff Reward and Recognition

The Trust Staff Awards event in November 2013 was the largest to date, attracting over 150 nominees and their guests. A number of awards were made including the Chief Executive Awards - in recognition of individuals who made outstanding contributions or achievements.

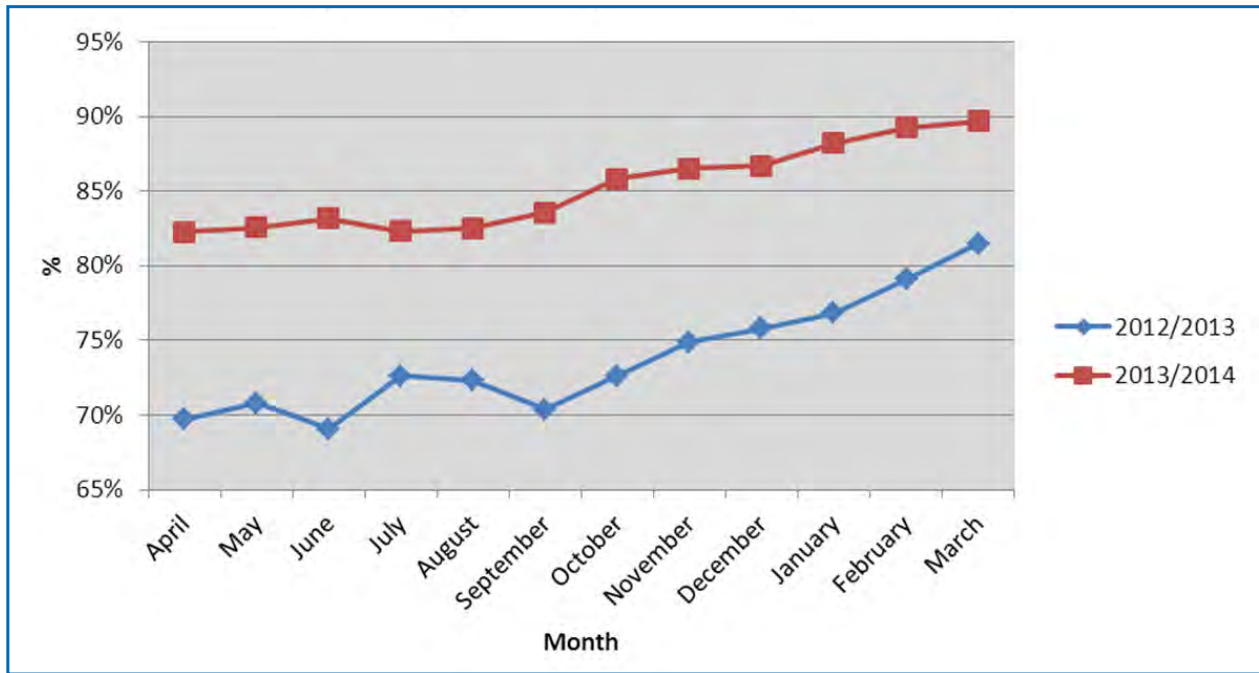
The Trust has continued to promote the monthly Inspire Awards, launched in January 2011, as a mechanism for recognising staff who demonstrate the Trust values. Over 100 staff have been recognised through this process in all parts of the organisation. Winners of the monthly award are entered into the Chair's Awards at the Annual Staff Awards.

Learning and Development

Mandatory training rates have shown a significant and steady increase over the last year, which has been helped significantly with regular reporting, accessible by all staff and managers. A targeted approach was adopted with bespoke emails sent to staff and managers - along with course capacity reminders ensuring staff and managers were informed of approaching refresher requirements before they were due to expire.

The Trust compliance rate in March 2014 reached 90% for the first time; this also is the 8th month the rate has consecutively increased. The graph below shows how the compliance rate has improved since its lowest point in June 2012.

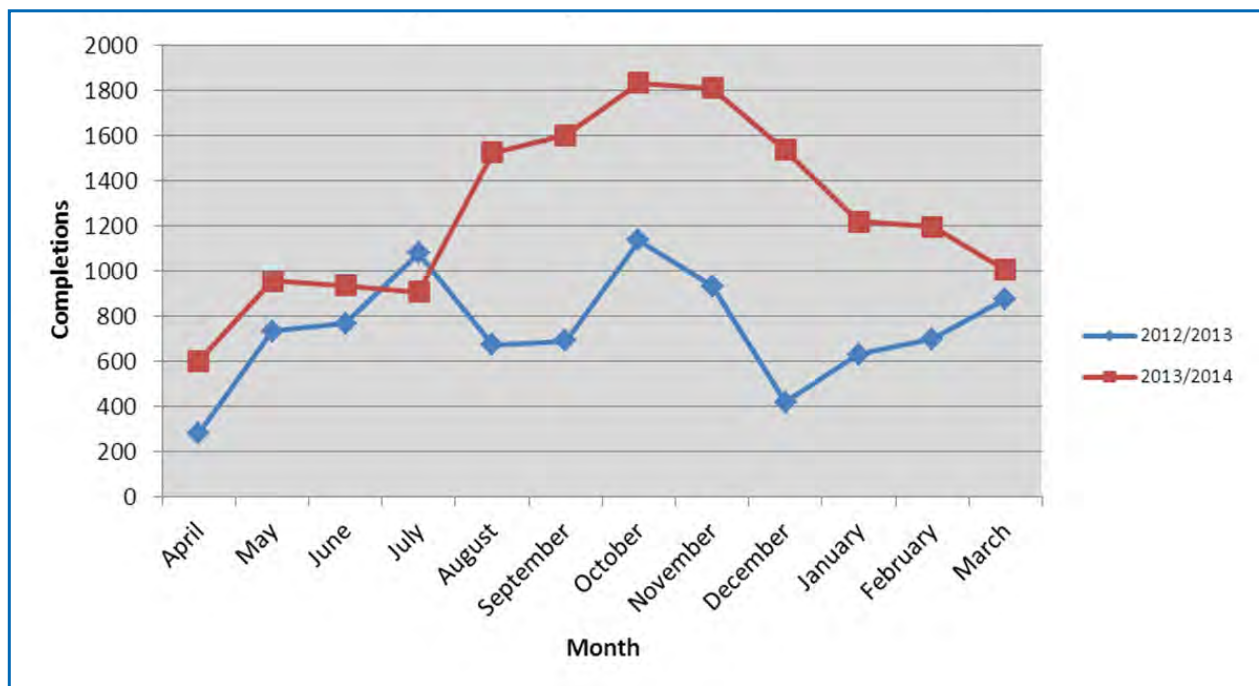
Mandatory Training and compliance 2012/2013 and 2013/2014



The Trust’s use of e-learning has also increased significantly. The number of e-learning packages created continues to grow - as has the number of e-learning completions with the vast majority of staff having accessed training in this way during 2013/14.

The current number of e-learning completions for March 2014 was 1005. The graph below shows completions rate since its lowest point April 2012.

OLM E-learning MT Completions 2012/2013 and 2013/2014



The Strategic Business Units have been fully engaged with levels of learning activity, with regular discussions at meetings up to Board level.

Course non-attendance was flagged as an issue due to the high number of staff who 'Did Not Attend' (DNA) courses. A monthly and weekly review of staff who DNA was introduced, these reports are sent to each HR SBU Business Partner for further investigation; where possible line managers are also sent emails when staff DNA for a course.

Since the introduction of targeted DNAs analysis the numbers have dramatically reduced along with the associated costs. The table below shows the number of DNAs since September 2013.

	2013				2014		
SBU	September	October	November	December	January	February	March
West	87	67	55	49	38	55	47
East & North	101	69	55	35	51	49	58
LD& F	41	59	60	49	39	21	30
Corporate	6	2	5	3	3	3	2
Total	235	197	175	136	131	128	137

HPFT has built on a long standing relationship with the University of Hertfordshire by achieving University Status which reflected the commitment to research development and learning across all staff groups.

During 2012/3 a range of Continuing Professional Development (CPD) courses were developed in partnership with the University and other training providers. Through the University an extensive range of courses is available for HPFT including:

- Autistic Spectrum Conditions
- Clinical Supervision
- Developing Healthcare Business Skills for Clinicians
- Enabling Health Inclusion for Service Users
- Exercise in Practice
- Falls Prevention
- Healthy Living- Nutrition & Dysphagia Screening
- Managing and Supporting Offenders with Learning Disability
- Physical Health Monitoring for Learning Disability Professionals

This provision has been aligned to service and professional needs and has been delivered in a range of locations, including the working environment.

Sickness Absence Data

The HR Department continues to work closely with and support managers on the management of sickness absence. During 2013 the Trust continued to run sickness absence sessions for managers to ensure that they understand the legal background and are equipped with the skills to tackle both long and short-term sickness absence. These sessions are well received and will continue to be a feature in 2014/15 priorities.

The Trust has begun the process of tendering for a single occupational health provider. The specification produced for the tender seeks to support and enhance the services currently provided. It is envisaged that any new provider will be able to provide a range of core services, as well as Physiotherapy and Cognitive Behavioural Therapy services.

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

There is a strong focus on reducing the trust levels of sickness absence. The table below shows the number of full time equivalent days available in 2013/14 against the full time equivalent days lost to sickness.

Staff Group	FTE Days Available	FTE Days Sickness	% FTE Days Sickness
Add Prof Scientific and Technic	91,850.33	2,163.46	2.36
Additional Clinical Services	222,985.53	13,361.67	5.99
Administrative and Clerical	189,041.12	6,026.51	3.19
Allied Health Professionals	35,090.47	947.55	2.70
Estates and Ancillary	11,953.13	631.47	5.28
Healthcare Scientists	616.10	0.00	0.00
Medical and Dental	62,823.81	1,218.15	1.94
Nursing and Midwifery Registered	285,325.36	11,853.64	4.15
	900,050.85	36,203.44	4.02

Regulatory Ratings

Monitor is the independent regulator of NHS Foundation Trusts. It was established in January 2004 to authorise and regulate NHS Foundation Trusts. Monitor is independent of central Government and directly accountable to Parliament. Once a Trust is authorised, they regulate Foundation Trusts to ensure they comply with their terms of authorisation and comply with the conditions they signed up to, that they are well led and financially robust. The role and responsibilities of Monitor were extended by recent legislation and there are also a number of changes currently being implemented in relation to the regulations that are applied to Foundation Trusts.

As part of this change Monitor introduced a Risk Assessment Framework which applied from October 1st 2013 under which it seeks to ensure NHS foundation trusts are well run and can continue to deliver good quality services for patients in the future. This replaces the previous Compliance Framework and incorporates a number of changes including how the previous regulatory ratings are calculated.

Monitor continues to assign each NHS Foundation Trust risk ratings related to their financial stability and governance. These remain based upon the Trust's annual plan for the year ahead and are then revised to incorporate the actual results for each quarter. However in relation to the Trust's finances this is now measured by the Continuity of Service Risk Rating. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. A low rating does not necessarily represent a breach of the provider's licence. Rather, it reflects the degree of financial concern Monitor have about a provider and consequently the frequency of monitoring. This new continuity of services risk rating will not be calculated and used in the same way as the previous financial risk rating (FRR). Whereas the FRR was intended to identify breaches of trusts' terms of authorisation on financial grounds, the continuity of services risk rating will identify the level of risk to the ongoing availability of key services.

There are three categories to the new governance rating applicable to all NHS foundation trusts. Where there are no grounds for concern at a trust, Monitor will assign it a green rating. Where Monitor have identified a concern at a trust but not yet taken action, Monitor will provide a written description stating the issue at hand and the action being considered. Where Monitor has already begun enforcement action, a red rating will be assigned.

The regulatory performance for Hertfordshire Partnership University NHS Foundation Trust for 2013/14 is summarised in the table below which also includes the previous year's ratings for comparison. The highlights are;

- The ratings at the end of the financial year (Q4) are the highest ratings available representing the least level of financial risk (rating of 4) and no grounds for concern in relation to its governance (rating of green)
- The ratings for the first two quarters (which were under the previous Compliance Framework) are in line with Plan

	Annual Plan 2013/14	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
Under the Compliance Framework					
Financial risk rating	3	3	3		
Governance risk rating	Green	Green	Green		
Under the Risk Assessment Framework					
Continuity of Service Rating				4	4
Governance Rating				Green	Green

	Annual Plan 2012/13	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
Under the Compliance Framework					
Financial risk rating	3	3	3	3	4
Governance risk rating	Green	Green	Green	Green	Green

Explanation of Ratings under previous Compliance Framework

Financial risk ratings were allocated using a scorecard which compared key financial metrics consistently across all NHS Foundation Trusts and incorporated four key criteria:

- achievement of plan;*
- underlying performance;*
- financial efficiency; and*
- liquidity.*

The rating reflects the likelihood of a financial breach of their terms of authorisation. A rating of 5 reflects the lowest level of financial risk and a rating of 1 the greatest.

A green rating for governance risk indicated that an NHS Foundation Trust's governance arrangements comply with their terms of authorisation; an amber risk rating reflected that concerns exist about one or more aspects of governance; a red risk rating indicated that there are concerns that an NHS Foundation Trust is in significant breach of its terms of authorisation.

Section Two

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

1 April 2013 – 31 March 2014

FOREWORD TO THE FINANCIAL STATEMENTS

HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

Hertfordshire Partnership University NHS Foundation Trust ('the NHS FT') is required to prepare Annual Financial Statements in such form as Monitor, the independent regulator of Foundation Trusts, may, with the approval of HM Treasury, direct. These requirements are set out in paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

In preparing the Financial Statements the NHS FT has complied with any directions given by Monitor, with the approval of HM Treasury, as to the methods and principles according to which the statements are to be prepared and the information to be given in the statements. The statements are designed to present a true and fair view of the NHS FT's activities (paragraph 25(3), Schedule 7 of the 2006 Act).

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

James Thackray
Head of Financial Control & Governance
Hertfordshire Partnership University NHS Foundation Trust
99 Waverley Road
St Albans
Hertfordshire
AL3 5TL
Telephone number: 01727 804731

Signed



Mr Tom Cahill, Chief Executive

Date 28th May 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2014

		2013/14	2012/13
	note	£000	£000
Operating income from continuing operations	4	198,408	203,615
Operating expenses of continuing operations	5	(194,736)	(196,017)
OPERATING SURPLUS		3,672	7,598
FINANCE COSTS			
Finance income	9.1	110	318
Finance expense - financial liabilities	9.2	(68)	(70)
Finance expense - unwinding of discount on provisions	9.2	(102)	(118)
PDC Dividends payable		(4,275)	(3,831)
NET FINANCE COSTS		(4,335)	(3,701)
(DEFICIT) / SURPLUS FOR THE YEAR		(663)	3,897
Other comprehensive income (Will not be reclassified to income and expenditure:)			
Gain from transfer by modified absorption from demising bodies*	11	6,868	0
Impairments	13	(6,834)	(2,067)
Revaluations	11	12,851	2,952
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		12,222	4,782

* This relates to the transfer of Lexden Hospital from North East Essex Primary Care Trust on 1 April 2013. Further details are provided in note 11

The deficit for the financial year was £663k (£3,897k surplus in 2012/13) as reported above.

This includes a small number of material items which are unusual in nature and not considered by the NHS FT to be part of its normal activities. In order to assist the reader's understanding of the accounts the following clarifying information is provided:

		2013/14	2012/13
		£000	£000
Financial performance for the year:			
(DEFICIT) / SURPLUS FOR THE YEAR (as above)		(663)	3,897
Impairments charged to the SOCI following an independent revaluation	13	2,953	2,443
Reversal of prior year's impairment charges no longer required	13	0	(413)
Net surplus income arising from the settlement of pension provision liabilities held on behalf of other NHS bodies.	4	0	(3,529)
Surplus after adjusting for the above items		2,290	2,398

STATEMENT OF FINANCIAL POSITION
31 March 2014

		31 March 2014	31 March 2013
	note	£000	£000
Non-current assets			
Intangible assets	10	94	172
Property, plant and equipment	11	180,641	140,225
Trade and other receivables	16	2	13
Total non-current assets		180,737	140,410
Current assets			
Inventories	14	11	12
Trade and other receivables	16	12,493	6,433
Assets held for sale	15	183	1,622
Cash and cash equivalents	17	25,449	43,009
Total current assets		38,136	51,076
Current liabilities			
Trade and other payables	21	(23,857)	(17,818)
Borrowings	19	(152)	(96)
Provisions	20	(5,055)	(3,809)
Other liabilities	22	(5,330)	(8,171)
Total current liabilities		(34,394)	(29,894)
Total assets less current liabilities		184,479	161,592
Non-current liabilities			
Borrowings	19	(9,476)	(628)
Provisions	20	(8,518)	(6,701)
Total non-current liabilities		(17,994)	(7,329)
Total assets employed		166,485	154,263
Financed by (taxpayers' equity)			
Public Dividend Capital	18	83,331	83,331
Revaluation reserve		54,153	48,092
Income and expenditure reserve		29,001	22,840
Total taxpayers' and others' equity		166,485	154,263

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

Signed



Mr Tom Cahill, Chief Executive

Date 28th May 2014

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 March 2014**

	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' and Others' Equity at 01 April 2013	154,263	83,331	48,092	22,840
(Deficit) for the year	(663)	0	0	(663)
Transfers by modified absorption:				
(i) Gains/(losses) on 1 April transfers from demising bodies	6,868	0	0	6,868
(ii) Transfers between reserves	0	0	526	(526)
Transfers between reserves	0	0	(19)	19
Impairments	(6,834)	0	(6,834)	0
Revaluations - property, plant and equipment	12,851	0	12,851	0
Transfer to retained earnings on disposal of assets	0	0	(463)	463
Public Dividend Capital received	0	0	0	0
Taxpayers' Equity at 31 March 2014	166,485	83,331	54,153	29,001

The £19k transfer between the Revaluation Reserve and the Income and Expenditure Reserve relates to an adjustment for excess depreciation on those properties where the amount held in the Revaluation Reserve for the asset is greater than its current value.

The £6,868k transfer by modified absorption relates to the transfer to the NHS FT of the Lexden Hospital site in Colchester (see note 11).

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 March 2013**

	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' and Others' Equity at 01 April 2012	149,410	83,260	47,366	18,784
Surplus for the year	3,897	0	0	3,897
Transfers between reserves	0	0	(159)	159
Impairments	(2,067)	0	(2,067)	0
Revaluations - property, plant and equipment	2,952	0	2,952	0
Public Dividend Capital received	71	71	0	0
Taxpayers' Equity at 31 March 2013	154,263	83,331	48,092	22,840

The £159k transfer between Revaluation Reserve and Income and Expenditure Reserve relates to an adjustment for excess depreciation on those properties where the amount held in the revaluation reserve for the asset is greater than its current value.

The £71k Public Dividend Capital received relates to funding from the Department of Health for computer equipment.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 March 2014

	note	2013/14 £000	2012/13 £000
Net cash inflow from operating activities	24	8,210	13,788
Cash flows from investing activities			
Interest received	9.1	106	318
Purchase of intangible assets		0	(125)
Purchase of Property, Plant and Equipment and Investment Property		(31,648)	(8,546)
Sales of Property, Plant and Equipment and Investment Property		1,111	0
Net cash generated from/(used in) investing activities		(30,431)	(8,353)
Cash flows from financing activities			
Public dividend capital received		0	71
Loans received from the Independent Trust Financing Facility	2.4	9,000	0
Capital element of finance lease rental payments		(96)	(86)
Interest paid		(8)	0
Interest element of finance lease		(60)	(70)
PDC Dividend paid		(4,175)	(3,648)
Net cash generated from/(used in) financing activities		4,661	(3,733)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17	(17,560)	1,702
Cash and Cash equivalents at 1 April	17	43,009	41,307
Cash and Cash equivalents at 31 March		25,449	43,009

NOTES TO THE ACCOUNTS

1. Accounting Policies

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following Financial Statements have been prepared in accordance with the FT ARM for 2013/14 issued by Monitor. The accounting policies contained in the FT ARM follow International Financial Reporting Standards (IFRS) as adopted by the European Union and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The HM Treasury's FReM reflects the advice of the Financial Reporting Advisory Board (FRAB). The accounting policies have been applied consistently in dealing with items considered material in relation to the Financial Statements.

1.1 Accounting convention

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

1.2 Critical accounting judgements and key sources of estimation uncertainty

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

1.2.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below note 1.2.2), that management has made in the process of applying the NHS FT's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

True and Fair View

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

Going Concern

The Financial Statements have been prepared on the basis that the NHS FT is a going concern and will be in the foreseeable future. This is based upon the Directors assessment of the NHS FT's current financial projections, its current levels of cash and borrowing capacity and the contractual agreements it has with its commissioners.

Compliant with the NHS Foundation Trust Annual Reporting Manual

The Financial Statements have been prepared in accordance with the 2013/14 Foundation Trust Annual Reporting Manual (FT ARM). The accounting policies contained in the FT ARM apply International Financial Reporting Standards as adapted or interpreted for an NHS foundation trust.

1.2.2 Key sources of estimation uncertainty

In the application of the NHS FT's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Estimates of the amount to provide for in Pensions and Injury Benefit provisions are based on the latest estimates of life expectancy tables provided by the Government Actuary's

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

1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the NHS FT is from commissioners for health and social care services and the majority is provided under a Block Contract arrangement jointly commissioned by NHS East & North Hertfordshire Clinical Commissioning Group, NHS Herts Valleys Clinical Commissioning Group and Hertfordshire County Council.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

Interest revenue is derived from balances held with the Government Banking Services. All investments have been undertaken in accordance with the NHS FT's Treasury Management Policy.

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

1.4 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the Financial Statements to the extent that employees are permitted to carry forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS FT to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers' pension cost contributions are charged to operating expenses within the Statement of Comprehensive Income as and when they become due.

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

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

Contribution rates are set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Local Government Superannuation Scheme

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

The NHS FT was admitted into the scheme on a fully funded basis, whereby it was allocated assets equal to the value of the liabilities transferred.

As Hertfordshire County Council is responsible for any funding shortfall on this pension scheme, the NHS FT accounts for the pension scheme on a defined contribution basis.

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

1.5 Expenditure on other goods and services

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable for the goods and services received. Expenditure is recognised as an operating expense except where it results in the creation of a non current asset such as property, plant and equipment and is therefore capitalised (see 1.6 below).

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Measurement

Valuation

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

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use; or
- Specialised buildings – depreciated replacement cost.

A revaluation was conducted by the District Valuer, Giles Awford, as at 31st March 2014 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS).

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is either: probable that additional future economic benefits, or; service potential deriving from the cost incurred to replace a component of such item will flow to the NHS FT and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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

Depreciation

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

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

	Years
Medical equipment and engineering plant & machinery	5 - 15
Set up costs in new buildings	10
Furniture	10
Soft furnishings	7
Office equipment	5
IT equipment	3

IT equipment had previously been depreciated over a five year period. In 2013/14 the NHS FT has adopted using a three year life when calculating the depreciation charge, which more accurately reflects the useful life of such assets.

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

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged.

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

1.7 Intangible Assets

Recognition

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

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

Expenditure on research is not capitalised.

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

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the NHS FT intends to complete the asset and sell or use it;
- the NHS FT has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

 - adequate financial, technical and other resources are available to the NHS FT to complete the development and sell or use the asset; and
 - the NHS FT can measure reliably the expenses attributable to the asset throughout its remaining development.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset and amortised over the useful life of the asset which is generally 5 years.

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

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost.

1.8 Leases

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

The NHS FT as lessee

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

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

The NHS FT as lessor

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

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

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out approach to identify stock movements. This is considered to be a reasonable approximation to fair value.

1.10 Cash and cash equivalents

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

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

1.11 Provisions

Provisions are recognised when the NHS FT has a present legal or constructive obligation as a result of a past event, it is probable that the NHS FT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and accrued for. An onerous contract is considered to exist where the NHS FT has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

1.12 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS FT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS FT.

The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS FT is disclosed at note 20 but is not recognised in the NHS FT's Financial Statements.

1.13 Non-clinical risk pooling

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

1.14 Contingencies

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in note 29, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

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

1.15 Financial assets

Financial assets are recognised when the NHS FT becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets held at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

The NHS FT does not hold any of this class of assets or liabilities.

Available for sale financial assets

The NHS FT does not hold any of this class of assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

Fair value is determined by reference to quoted market prices where possible, otherwise at amortised cost, using the effective interest method.

At the end of the reporting period, the NHS FT assesses whether any financial assets, other than those held at 'fair value through profit and loss', are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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

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

1.16 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the NHS FT becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the NHS FT's Statement of Comprehensive Income. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.17 Corporation Tax

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

1.18 Value Added Tax

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

As a partnership trust providing services in conjunction with the County Council the NHS FT has operated under a VAT arrangement which reflects the joint provision of services. This arrangement, which was agreed with HM Customs & Excise, is currently under review by HMRC.

1.19 Foreign currencies

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

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS FT has no beneficial interest in them. Details of third party assets are given in Note 27 to the accounts.

1.21 Public Dividend Capital (PDC) and PDC dividend

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

A charge, reflecting the cost of capital utilised by the NHS FT, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS FT during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS), and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Following the abolition of Primary Care Trusts (PCTs) from 31st March 2013, a large number of NHS foundations trusts have taken on assets that previously belonged to PCTs on 31st March 2013. This would serve to increase the net assets on which PDC dividends are calculated. Under transitional arrangements for 2013/14 only, the transfer of the Lexden site from North East Essex PCT has been excluded from the calculation of the PDC dividend in 2013/14.

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

1.22 Losses and Special Payments

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

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses. The detail can be found in note 26.

1.23 Subsidiaries

The Hertfordshire Partnership University NHS FT Charitable Funds fall within the definition of a subsidiary. The NHS FT has chosen not to consolidate the Charitable Funds into these Financial Statements as the amounts of the Charitable Funds are not material and would not provide additional value to the reader of the NHS FT's Financial Statements.

1.24 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.25 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM (Financial Reporting Manual) does not require the following Standards and Interpretations to be applied in 2013-14. The application of the Standards as revised would not have a material impact on the accounts for 2013-14, were they applied in that year:

IAS 27 Separate Financial Statements
IAS 28 Associates and Joint Ventures
IAS 32 Financial Instruments: Presentation
IFRS 9 Financial Instruments
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement

1.26 Operating Segments

The accounting standard IFRS8 sets out how entities should report information about their operating segments:

- A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.
- A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

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

Notes to the Accounts - 2. Financial Risk Factors

2 Financial Risk Factors

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

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

2.1 Credit risk

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

Note 16.3 shows the analysis of impaired debts and non-impaired debts which are past their due date.

2.2 Liquidity risk

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

2.3 Cash flow and fair value interest-rate risk

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

2.4 Prudential Borrowing Limit (PBL)

Previously, under its terms of Authorisation, the NHS FT had to comply and remain within a prudential borrowing limit. This requirement was removed under Monitor's revised compliance 'Risk Assessment Framework' issued on 1 October 2013.

As an NHS foundation trust the NHS FT has the authority to finance capital expenditure through borrowing. Up until 2012/13 the NHS FT had financed its capital programme from existing cash balances.

Two loan applications were approved by both Monitor and the Independent Trust Financing Facility to part fund the future capital investment programme up to a value of £38.8m. Of these loans a total of £9.0m was drawn down in 2013/14.

The NHS FT operated a working capital facility with Lloyds Bank plc which expired on 31 October 2013 and has not been renewed.

3 Segmental Information

The directors consider that the NHS FT's activities constitute a single segment since they are provided wholly in the UK, are subject to similar risks and rewards and all assets are managed as one central pool. The directors therefore do not consider there to be a requirement to report the NHS FT's activities as more than one segment in 2013/14.

Notes to the Accounts - 4 Operating Income**4 Operating Income****4.1 Operating Income (by classification)**

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

	2013/14 Total	2012/13 Total
	£000	£000
Income from Activities		
Cost and Volume Contract income	5,404	10,178
Block Contract income	177,425	174,554
Clinical Partnerships providing mandatory services (including S75 agreements)	923	2,943
Other clinical income from mandatory services	945	2,968
Total Income from Activities	184,697	190,643
Other operating income		
Research and development	396	226
Education and training	2,503	2,268
Received from other bodies: Other charitable and other contributions to expenditure	0	2
Non-patient care services to other bodies	934	1,179
Other **	9,825	8,861
Profit on disposal of assets held for sale	39	0
Reversal of impairments of property, plant and equipment	0	413
Rental revenue from operating leases - minimum lease receipts	14	13
Rental revenue from operating leases - other	0	10
Total Other operating income	13,711	12,972
Total Operating Income	198,408	203,615

** Analysis of Other Income (above)	2013/14 Total	2012/13 Total
	£000	£000
Staff accommodation rentals	12	22
Catering	0	0
Transformation Funding provided by commissioners*	8,405	3,381
Net surplus income arising from the settlement of pension provision liabilities held on behalf of other NHS bodies.	0	3,529
Grossing up consortium arrangements	0	203
Other	1,408	1,726
Total	9,825	8,861

* Transformation Funding provided by commissioners in 2013/14 includes £4.8m funding for Provisions for Continuing Health Care (see note 20).

Notes to the Accounts - 4 Operating Income

4.2 Income from Activities (by source)

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

	2013/14 Total	2012/13 Total
	£000	£000
Income from Activities		
NHS Foundation Trusts	173	107
NHS Trusts	51	235
Strategic Health Authorities	0	175
CCGs and NHS England	33,093	0
Primary Care Trusts	0	24,782
Local Authorities	151,331	165,259
Non NHS: Other	49	85
Total Income from Activities	184,697	190,643

Income from Local Authorities includes income received from the joint commissioning arrangement between NHS Hertfordshire Clinical Commissioning Groups and Hertfordshire County Council.

From 1st April 2013 Primary Care Trusts (PCTs) and Strategic Health Authorities (SHAs) have been abolished. The commissioning function of the PCTs has transferred to NHS Clinical Commissioning Groups (CCGs) and the duties of the SHAs have transferred to NHS England.

Income from Local Authorities in 2012/13 included £11.0m paid for by Hertfordshire County Council for specialist services which has been paid for by the NHS Commissioning Board in 2013/14. A further £2.0m was paid for by Norfolk County Council for Assessment & Treatment services in 2012/13 and was paid for by four CCGs in 2013/14.

4.3 Analysis between Mandatory and Non-Mandatory Operating Income

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

	2013/14	2012/13
	£000	£000
Income from Commissioner Requested Services	184,697	190,643
Income from non-Commissioner Requested Services	13,711	12,972
	198,408	203,615

Notes to the Accounts - 4 Operating Income

4.4 Private Patients Income Cap

The Private Patients Income Cap was set in accordance with section 44 of the NHS Act 2006 revised by the Health Act 2009. This prohibited Mental Health NHS foundation trusts exceeding a pre-determined Private Patient Income cap (PPI), which was the greater of:

- 1.5% of patient related income (mandatory income from activities); or
- the proportion of the total income derived from private patient charges in 2012/13 which was zero.

However, an addendum supplemental to the Monitor Terms of Authorisation was issued effective from 1 October 2012 which removed the above requirement (formally Condition 10)

The Private Patients Income Cap no longer applies

4.5 Operating Lease Income

The NHS FT leases one of its properties (31/33 Hill End Lane) under a non-cancellable operating lease agreement.

The total income from this operating lease in 2013/14 is £13k.

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

	2013/14 £000	2012/13 £000
on leases of Buildings expiring		
- not later than one year;	13	13
- later than one year and not later than five years;	52	52
- later than five years.	31	44
	<u>96</u>	<u>109</u>

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

	2013/14	2012/13
	£000	£000
Services from NHS Foundation Trusts	495	914
Services from NHS Trusts	2,633	2,829
Services from PCTs	0	2,239
Services from CCGs and NHS England	1,552	0
Purchase of healthcare from non NHS bodies	13,553	10,664
Employee Expenses - Executive directors	1,258	1,075
Employee Expenses - Non-executive directors	110	113
Employee Expenses - Staff	120,304	122,174
Supplies and services - clinical (excluding drug costs)	422	378
Supplies and services - general	4,935	5,042
Establishment	1,753	2,026
Research and development - (Included in employee expenses)	255	186
Transport (Business travel only)	1,952	2,493
Transport (other)	1,378	1,408
Premises	5,101	4,456
Increase/(Decrease) in provision for impairment of receivables	(252)	109
Inventories written down (net, including inventory drugs)	1	1
Drug costs (non inventory drugs only)	2,669	2,690
Drugs Inventories consumed	203	170
Rentals under operating leases - minimum lease payments	1,308	1,953
Depreciation on property, plant and equipment	4,003	3,505
Amortisation on intangible assets	78	111
Impairments of property, plant and equipment	2,953	2,443
Audit services- statutory audit	58	58
Audit services -regulatory reporting (external auditor only)	10	13
Clinical negligence	246	273
Loss on disposal of other property, plant and equipment	16	0
Legal fees	370	690
Consultancy costs	1,095	721
Training, courses and conferences	882	749
Patient travel	26	37
Car parking & Security	409	414
Redundancy	1,197	3,848
Early retirements - (Not included in employee expenses)	61	0
Insurance	435	280
Other services, eg external payroll	5,975	5,484
Losses, ex gratia & special payments- (Not included in employee expenses)	24	164
Packages of Social Care	13,481	14,671
Other	3,787	1,636
Total Operating Expenses	194,736	196,017

Notes to the Accounts - 5 Operating Expenses

5.2 Limitation on Auditor's Liability

The NHS FT's external auditor, Deloitte LLP, does not have a liability cap in relation to the annual statutory audit.

5.3 Exit Packages

There were 16 exit packages paid to individuals in 2013/14 totalling £1,191k.

Reporting of other compensation schemes - exit packages 2013/14	Number of redundancies	Cost of redundancies	Total number of exit packages	Total cost of exit packages
Exit package cost band (including any special payment element)		£000s		£000s
<£10,000	0	0	0	0
£10,001 - £25,000	3	62	3	62
£25,001 - 50,000	2	78	2	78
£50,001 - £100,000	6	400	6	400
£100,001 - £150,000	4	484	4	484
£150,001 - £200,000	1	167	1	167
>£200,001	0	0	0	0
Total	16	1,191	16	1,191

There were 140 exit packages paid to individuals in 2012/13 totalling £4,501k.

Reporting of other compensation schemes - exit packages 2012/13	Number of redundancies	Cost of redundancies	Total number of exit packages	Total cost of exit packages
Exit package cost band (including any special payment element)		£000s		£000s
<£10,000	34	192	34	192
£10,001 - £25,000	46	839	46	839
£25,001 - 50,000	33	1,123	33	1,123
£50,001 - £100,000	19	1,329	19	1,329
£100,001 - £150,000	7	843	7	843
£150,001 - £200,000	1	175	1	175
>£200,001	0	0	0	0
Total	140	4,501	140	4,501

Notes to the Accounts - 5 Operating Expenses

5.4 Salary and Pension Entitlements of Senior Managers

5.4.1 Remuneration

Name and Title	2013/14						2012/13							
	Salary and fees (bands of £5,000) £000	Other remuneration (bands of £5,000)* £000	Taxable benefits ** (nearest £00)	Performance related bonuses *** (bands of £5,000) £000	Long term Performance related bonuses (bands of £5,000) £000	Pension related benefits (bands of £2,500) £000	Total (bands of £5,000) £000	Salary and fees (bands of £5,000) £000	Other remuneration (bands of £5,000)* £000	Taxable benefits ** (nearest £00)	Performance related bonuses *** (bands of £5,000) £000	Long term Performance related bonuses (bands of £5,000) £000	Pension related benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Hattie Llewellyn-Davies (Chair) Retired March 2014	45 - 50						45 - 50							50 - 55
Bill Brown (Non Executive Director) Retired July 2013	5 - 10					5 - 10	5 - 10							15 - 20
Manjeet Gill (Non Executive Director)	15 - 20					15 - 20	15 - 20							15 - 20
Carol Kennedy Filer (Non Executive Director) Retired July 2013	5 - 10					5 - 10	5 - 10							15 - 20
Colin Sheppard (Non Executive Director)	15 - 20					15 - 20	15 - 20							15 - 20
Stephen Mansden (Non Executive Director)	15 - 20					15 - 20	15 - 20							15 - 20
Ruth Sawtell (Non Executive Director) Retired July 2012	15 - 20					15 - 20	15 - 20							5 - 10
Christopher Lawrence (Non Executive Director) Appointed August 2012	15 - 20					15 - 20	15 - 20							10 - 15
Peter Baynham (Non Executive Director) Appointed August 2012	10 - 15					10 - 15	10 - 15							10 - 15
Simon Barber (Non Executive Director) Appointed August 2013	155 - 160		51	10 - 15		255 - 260	160 - 165		50	15 - 20				70 - 75
Tom Cahill (Chief Executive)	130 - 135		37	5 - 10		140 - 145	125 - 130		38	10 - 15				25 - 30
Iain Eaves (Executive Director of Strategy & Organisational Development)	120 - 125			10 - 15		185 - 190	115 - 120			10 - 15				20 - 25
Kerth Loveman (Executive Director of Finance & Performance)	145 - 150	50 - 55		5 - 10		275 - 280	145 - 150	55 - 60		10 - 15				125 - 130
Geraldine O'Sullivan (Executive Director Quality & Medical Leadership)	80 - 85			5 - 10		140 - 145	115 - 120			10 - 15				15 - 20
Karen Taylor (Chief Operating Officer)	90 - 95					90 - 95	10 - 15							10 - 15
Lisa Hunt (Chief Operating Officer) March to October 2013 covering Karen Taylor's maternity leave	125 - 130		59	5 - 10		230 - 235	120 - 125		59	10 - 15				75 - 80
Oliver Shanley (Executive Director of Quality & Safety)	85 - 90			5 - 10		115 - 120	85 - 90			5 - 10				15 - 20
Barbara Suggitt (Company Secretary)	110 - 115			5 - 10		110 - 115	110 - 115			10 - 15				130 - 135
Harriner Kandola (Director of Human Resources and Workforce Development)							90 - 95							255 - 260
Maurice Burris (Director of Transformation) Appointed June 2012. Left February 2013							20 - 25							90 - 95
Anni Hartley-Walder (Director of Transformation) Appointed October 2011. Left June 2012														45 - 50
Band of highest paid director's total remuneration	155 - 160						160 - 165							
Median total remuneration	£30,685						£30,748							
Ratio	5.1						5.3							

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

* Other remuneration for Dr. Geraldine O'Sullivan relates to payments for her clinical duties

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

*** The Performance Related bonus for 2013/14 notes the maximum amount payable. No payment has been made and the award remains subject to consideration by the Remunerations and Nominations Committee in accordance with the terms of the deferred performance pay scheme. The detail of the scheme is contained within the Remuneration section of the Annual Report.

**** Of the Performance Related bonus for 2012/13, 50% was paid in 2013/14 and 50% is payable in 2014/15 subject to the terms of the deferred performance pay scheme. The detail of the scheme is contained within the Remuneration section of the Annual Report.



Mr. Tom Cahill, Chief Executive 28th May 2014

Notes to the Accounts - 5 Operating Expenses

5.4.2 Pension Benefits

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2014 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5,000)	Cash Equivalent Transfer value at 31 March 2014	Cash Equivalent Transfer value at 31 March 2013	Real increase in Cash Equivalent Transfer value
	£000	£000	£000	£000	£000	£000	£000
Tom Cahill	2.5 - 5	7.5 - 10	75 - 80	235 - 240	1,377	1,250	66
Iain Eaves	0 - 2.5	15 - 17.5	5 - 10	15 - 20	69	41	19
Keith Loveman	2.5 - 5	7.5 - 10	30 - 35	90 - 95	534	462	42
Geraldine O'Sullivan	2.5 - 5	7.5 - 10	65 - 70	195 - 200	1,355	1,230	65
Karen Taylor	2.5 - 5	7.5 - 10	20 - 25	70 - 75	326	268	36
Oliver Shanley	2.5 - 5	10 - 12.5	50 - 55	155 - 160	923	810	66
Barbara Suggitt	0 - 2.5	2.5 - 5	20 - 25	65 - 70	509	459	27
Harjinder Kandola	0	0	30 - 35	100 - 105	568	540	10
Maurice Burns							
Annie Hartley-Walder							

Non-Executive Directors do not receive pensionable remuneration.

Cash Equivalent Transfer Values

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed



Mr. Tom Cahill, Chief Executive 28th May 2014

Notes to the Accounts - 6 Commitments under Operating Leases

6 Commitments under Operating Leases

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

Analysis of operating lease expenditure 2013/14

	Total £000	Buildings £000	Other £000
Minimum lease payments	1,308	1,068	240
Total	1,308	1,068	240

Analysis of operating lease expenditure 2012/13

	Total £000	Buildings £000	Other £000
Minimum lease payments	1,953	1,761	192
Total	1,953	1,761	192

During 2013/14 the NHS FT entered into three significant new operating lease agreements for buildings. This has led to a significant increase in future minimum lease payments below. These buildings are: The Colonnades, Hatfield which will be used as a Learning and Development Centre and; Colne House, Watford and Rosanne House, Welwyn Garden City which will be used as Hubs for the provision of Community Services.

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

Arrangements containing an operating lease 2013/14

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	1,456	1,225	231
- later than one year and not later than five years;	4,094	3,763	331
- later than five years.	7,193	7,193	0
Total	12,743	12,181	562

Arrangements containing an operating lease 2012/13

	Total £000	Buildings £000	Other £000
Future minimum lease payments due:			
- not later than one year;	1,079	867	212
- later than one year and not later than five years;	998	650	348
- later than five years.	67	67	0
Total	2,144	1,584	560

Notes to the Accounts - 7 Employee expenses**7 Employee expenses****7.1 The employee expenses incurred during the year were as follows**

	2013/14	2012/13
	£000	£000
Salaries and wages	94,211	98,571
Social security costs	9,025	8,573
Pension cost - defined contribution plans	12,502	11,683
Employers contributions to NHS Pensions		
Pension cost - other	127	191
Termination benefits	1,191	3,848
Agency/contract staff	5,517	4,417
NHS Charitable funds staff	0	0
Total Gross Staff Costs	122,573	127,283
Recoveries from DH Group bodies in respect of staff cost netted off expenditure	132	0
Recoveries from Other bodies in respect of staff cost netted off expenditure	303	0
Total Staff Costs	123,008	127,283
Analysed into Operating Expenditure in note 5.1		
Employee Expenses - Staff	120,304	122,174
Employee Expenses - Executive directors	1,258	1,075
Research & development	255	186
Redundancy	1,191	3,848
Early retirements	0	0
Total Employee benefits excl. capitalised costs	123,008	127,283

'Pension cost - other contributions' relate to Hertfordshire County Council's Local Government Pension Scheme. See Note 1.4.

As the Hertfordshire County Council's scheme is accounted for on a defined contributions basis, the following Local Government Pension Scheme figures are not included in these accounts but are disclosed separately as follows:

Based on IAS19, the Actuary has estimated for the Trust that, for the year ended 31 March 2014, the net pension asset is £1,081k (£1,709k net pension liability as at 31 March 2013). The amount chargeable to operating profit is £261k (£365k chargeable to operating profit as at 31 March 2013) and a gain of £2,935k (£895k loss as at 31 March 2013) is recognisable in the Hertfordshire County Council Statement of Total Income and Expense.

Total employer pension contributions totalled £12,629k (£11,874k in 2012/13)

7.2 Number of employees

The average number of employees during the year was as follows (expressed in full time equivalents)

	2013/14	2012/13
	FTE's	FTE's
Medical and dental	167	181
Administration and estates	564	545
Healthcare assistants and other support staff	559	610
Nursing, midwifery and health visiting staff	744	835
Scientific, therapeutic and technical staff	266	256
Social care staff	111	144
Agency and contract staff	96	237
Bank staff	385	236
Other	7	8
Total	2,899	3,052

Notes to the Accounts - 7 Employee expenses

7.3 Retirements due to ill-health

During 2013/14 there were 3 early retirements from the NHS FT on the grounds of ill-health with an estimated additional pension liability of £327k.

In 2012/13 there were 7 early retirements on the grounds of ill-health with a liability of £234k. The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8 Better Payment Practice Code

8.1 Better Payment Practice Code

The measure of compliance for 2013/14 has been analysed and can be found in the NHS FT's Annual Report .

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

There are no amounts included within Finance Expenses (note 9.2) arising from claims made under this legislation.

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

9 Finance Costs

9.1 Finance Income

	2013/14 £000	2012/13 £000
Interest receivable on bank deposits	110	318

Interest receivable as stated in the Statement of Cash Flows is the actual cash received by the NHS FT in year whereas the figure above also includes £4k accrued interest receivable.

9.2 Finance Expenses

	2013/14 £000	2012/13 £000
Finance leases	68	70
Unwinding of discount on provisions	102	118
Total	170	188

Notes to the Accounts - 10 Intangible Assets

10 Intangible Assets

	2013/14 Software licences £000	2012/13 Software licences £000
Opening cost at 1 April	658	533
Additions - purchased	0	125
Disposals	(231)	0
Gross cost at 31 March	427	658
Opening amortisation at 1 April	486	375
Provided during the year	78	111
Disposals	(231)	0
Amortisation at 31 March	333	486
<u>Net book value</u>		
At 1 April (opening cost less opening amortisation)	172	158
At 31 March (gross cost less amortisation)	94	172

The economic life of these assets varies between 1 and 3 years, depending on the asset.
The disposal values above are for assets that are fully depreciated and have no further material value to the NHS FT.

Notes to the Accounts - 11 Property, Plant and Equipment

11

Property, Plant and Equipment as at 31 March 2014

	Total	Land	Buildings excluding dwellings	Dwellings	Assets Under Construction Payments on	Plant & machinery	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
11.1 Balances as at 31 March 2014								
Valuation/Gross cost at 1 April 2013 - as previously stated	175,079	59,194	98,691	387	12,116	1,305	2,012	1,374
Correction of historic presentational difference between cost and depreciation	(4,760)	(4,353)	0	0	(407)	0	0	0
Prior period adjustments	(27,527)	0	(27,471)	(56)	0	0	0	0
Valuation/Gross cost at 1 April 2013 - restated	142,792	54,841	71,220	331	11,709	1,305	2,012	1,374
Transfers by modified absorption	7,015	2,000	5,015	0	0	0	0	0
Additions - purchased	34,136	0	4,629	0	28,460	6	385	656
Impairments charged to operating expenses	(70)	(30)	0	0	(40)	0	0	0
Impairments charged to the revaluation reserve	(6,834)	(375)	(6,449)	(10)	0	0	0	0
Reclassifications	0	0	4,158	0	(4,304)	0	146	0
Revaluations	7,157	1,648	5,499	10	0	0	0	0
Transfers from Assets Held For Sale	517	230	287	0	0	0	0	0
Disposals	(376)	0	0	(166)	0	(210)	0	0
Valuation/Gross cost at 31 March 2014	184,337	58,314	84,359	165	35,825	1,101	2,543	2,030
Accumulated depreciation at 1 April 2013 - as previously stated	34,854	4,353	27,471	56	407	767	1,171	629
Correction of historic presentational difference between cost and depreciation	(4,760)	(4,353)	0	0	(407)	0	0	0
Prior period adjustments	(27,527)	0	(27,471)	(56)	0	0	0	0
Accumulated depreciation at 1 April 2013 - restated	2,567	0	0	0	0	767	1,171	629
Transfers by modified absorption	147	0	147	0	0	0	0	0
Provided during the year	4,003	0	2,999	10	0	81	774	139
Impairments charged to operating expenses	2,883	0	2,781	0	0	72	0	30
Revaluations	(5,694)	0	(5,684)	(10)	0	0	0	0
Disposals	(210)	0	0	0	0	(210)	0	0
Accumulated depreciation at 31 March 2014	3,696	0	243	0	0	710	1,945	798
Net book value at 31 March 2014	180,260	58,314	83,735	165	35,825	391	598	1,232
Owned	381	0	381	0	0	0	0	0
Finance Leased								
NBV total at 31 March 2014	180,641	58,314	84,116	165	35,825	391	598	1,232

Included within the 'additions - purchased' are the following items categorised as Assets Under Construction:

- Kingfisher Court development, Radlett £26,695k which will be brought into use in 2014/15

The asset transferred by modified absorption is the Lexden Hospital site, Colchester which had a net book value of £6,868k as at 1st April 2013. This asset was formerly owned by North East Essex Primary Care Trust (PCT). Following the implementation of the Transforming Community Services programme and the passage of the Health and Social Care Act through Parliament, NHS providers including foundation trusts were given the opportunity to acquire parts of the PCT estate deemed 'service critical infrastructure'. The NHS FT and PCT subsequently agreed to the transfer of the Lexden site to the NHS FT. The NHS FT provides a number of services from the Lexden site.

The disposal values for plant and machinery above are for assets that are fully depreciated and have no further material value to the NHS FT.

Valuations/Gross cost and Accumulated depreciation at 1 April 2013 have been restated to allow for:

- prior year impairments to the SOCI to be netted off against Gross cost rather than forming part of the balance in accumulated depreciation. **This has had no impact on the net book value of Property, Plant and Equipment.**

- prior period adjustments following the guidance contained in IAS16 para 35(b). "When assets are re-valued, the carrying amount of the asset [Valuation/Gross cost] should be re-stated at its re-valued amount. NHS foundation trusts should follow the approach set out in paragraph 35(b) of IAS 16 and eliminate any accumulated depreciation against the carrying value of the asset." **This has had no impact on the net book value of Property, Plant and Equipment.**

Notes to the Accounts - 11 Property, Plant and Equipment

Property, Plant and Equipment as at 31 March 2013

11.2 Balances as at 31 March 2013	Total	Land	Buildings excluding dwellings	Dwellings	Assets Under Construction	Plant & machinery	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2012	170,334	60,079	98,297	1,167	2,742	1,308	4,778	1,963
Additions - purchased	10,343	0	286	0	9,382	178	209	288
Impairments (through Revaluation Reserve)	(2,067)	(510)	(1,550)	(7)	0	0	0	0
Reclassifications	0	0	8	0	(8)	0	0	0
Revaluations	2,952	20	2,864	68	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	(1,871)	(395)	(635)	(841)	0	0	0	0
Disposals	(4,612)	0	(579)	0	0	(181)	(2,975)	(877)
Valuation/Gross cost at 31 March 2013	175,079	59,194	98,691	387	12,116	1,305	2,012	1,374
Accumulated depreciation at 1 April 2012	34,180	2,848	25,033	148	197	824	3,751	1,379
Provided during the year	3,505	0	2,831	28	0	124	395	127
Impairments (through the SOC1)	2,443	1,505	728	0	210	0	0	0
Reversal of impairments (through the SOC1)	(413)	0	(413)	0	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	(249)	0	(129)	(120)	0	0	0	0
Disposals	(4,612)	0	(579)	0	0	(181)	(2,975)	(877)
Accumulated depreciation at 31 March 2013	34,854	4,353	27,471	56	407	767	1,171	629
Net book value - 31 March 2013 (restated)	139,783	54,841	70,778	331	11,709	538	841	745
Owned	442	0	442	0	0	0	0	0
Finance Leased								
NBV total at 31 March 2013 (restated)	140,225	54,841	71,220	331	11,709	538	841	745

Included within the 'additions - purchased' are the following items categorised as Assets Under Construction:

- Kingfisher Court development £5,426k which will be brought into use in 2014/15

- Astley Court, Norfolk development £3,590k

The disposal values above are for assets that are fully depreciated and have no further material value to the NHS FT.

Notes to the Accounts - 11 Property, Plant and Equipment

11.3 Disposal Of Property, Plant and Equipment

The assets disposed of were four properties used by staff and one property previously used to provide community services. The net book value of the latter property was £383k and net sales proceeds were £388k. The Trust will continue to meet its obligation to provide Commissioner Related Services, in this case community services, by developing Community Hubs referred to in note 6.

	2013/14 £000	2012/13 £000
Profit on disposal of assets held for sale	39	0
Total profit/gain on disposal recorded in the Statement of Comprehensive Income	39	0

	2013/14 £000	2012/13 £000
Loss on disposal of other property, plant and equipment	16	0
Total loss on disposal charged to the Statement of Comprehensive Income	16	0

12 Assets held under Finance Leases

	2013/14 £000	2012/13 £000
Opening cost at 1 April	2,125	2,125
Accumulated depreciation at 1 April	1,683	1,620
Provided during the year	61	63
Accumulated depreciation at 31 March	1,744	1,683
<u>Net book value</u>		
NBV total at 1 April	442	505
NBV total at 31 March	381	442

The NHS FT leases two premises under finance lease agreements. The leases have varying terms, escalation clauses and renewal rights. These premises are: Edinburgh House and 32 St. Peter's Street, both situated in St. Albans.

Notes to the Accounts - 13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

	2013/14 £000	2012/13 £000
Impairments of Property, Plant and Equipment	2,953	2,443
Reversal of prior year impairments of Property, Plant and Equipment	0	(413)
Total impairments and reversal of impairments charged to the Statement of Comprehensive Income	2,953	2,030

Impairments of Property, Plant and Equipment	6,834	2,067
Total impairment charged to the Revaluation Reserve	6,834	2,067

The impairment adjustments for 2013/14 follow a desk top revaluation and impairment review conducted by the District Valuer. The total net impairment was £9,787k of which £1,140k was offset against previous upward revaluations on those assets and £5,694 was offset against Accumulated Depreciation. The net impairment charged to the Statement of Comprehensive Income is £2,953k.

14 Inventories

	2013/14 £000	2012/13 £000
Carrying Value at 1 April	12	15
Additions	203	168
Inventories recognised in expenses	(203)	(170)
Write-down of inventories recognised as an expense	(1)	(1)
Carrying Value at 31 March	11	12

The expense included in the Statement of Comprehensive Income for stock write off in 2013/14 is negligible.

15 Assets Held For Sale

	31 March 2014 £000	31 March 2013 £000
Net Book Value of assets held for sale at 1 April	1,622	0
Plus assets classified as available for sale in the year	0	1,622
Less assets sold in year	(922)	0
Less assets no longer classified as held for sale	(517)	0
Net Book Value of assets held for sale at 31 March	183	1,622

Assets held for sale comprises one property used by staff

Notes to the Accounts - 16 Receivables**16 Receivables****16.1 Trade and other Receivables**

	31 March 2014	31 March 2013
	£000	£000
Current		
NHS Receivables - Revenue	7,094	1,577
Other receivables with related parties - Revenue	643	1,318
Provision for impaired receivables	(89)	(490)
Prepayments (Non-PFI)	922	622
Accrued income	2,479	3,049
Interest receivable	4	0
VAT receivable	1,215	149
Other receivables - Revenue	225	208
Total current trade and other receivables	12,493	6,433
Non-Current		
Other receivables - Revenue	2	13
Total non-current trade and other receivables	2	13

The primary increase in NHS Receivables - Revenue relates to one invoice for £6,025k which has been paid in April 2014.

The increase in VAT receivable relates to amounts reclaimable in relation to the Capital Programme.

16.2 Provision for irrecoverable debts

	2013/14	2012/13
	£000	£000
At 1 April	490	450
Increase in provision	27	117
Amounts utilised	(149)	(69)
Unused amounts reversed	(279)	(8)
Balance at 31 March	89	490

16.3 Analysis of impaired debts and non-impaired debts past their due date

	31 March 2014	31 March 2013
	£000	£000
<u>Ageing of impaired receivables</u>		
Up to 30 days	0	62
Between 30 and 60 days	0	3
Between 60 and 90 days	0	27
Between 90 and 180 days	0	13
Over 180 days	89	385
Total	89	490
<u>Ageing of non-impaired receivables past their due date</u>		
Overdue by up to 30 days	7,351	2,057
Overdue between 30 and 60 days	136	396
Overdue between 60 and 90 days	162	(255)
Overdue between 90 and 180 days	52	200
Overdue over 180 days	146	150
Total	7,847	2,548

The 'Overdue by up to 30 days' balance includes one invoice for £6,025k raised in March 2014 which has been paid in April 2014.

Notes to the Accounts - 17 Cash and cash equivalents**17 Cash and cash equivalents**

	2013/14 £000	2012/13 £000
Cash and Cash equivalents at 1 April	43,009	41,307
Net change in cash and cash equivalents	<u>(17,560)</u>	<u>1,702</u>
Cash and Cash equivalents at 31 March	<u>25,449</u>	<u>43,009</u>
Comprising:		
Cash at commercial banks and in hand	18	34
Cash with the Government Banking Service*	<u>25,431</u>	<u>42,975</u>
	<u>25,449</u>	<u>43,009</u>

*The Royal Bank of Scotland Group and Citibank are collectively known as the Government Banking Service.

18 Public Dividend Capital

	2013/14 £000	2012/13 £000
Taxpayers' Equity at 1 April	83,331	83,260
Public Dividend Capital received	<u>0</u>	<u>71</u>
Taxpayers' Equity at 31 March	<u>83,331</u>	<u>83,331</u>

The Public Dividend Capital received in 2012/13 was from the Department of Health for the purchase of computer equipment.

19 Borrowings**19.1 Borrowings: Loans and Finance Leases**

	31 March 2014 £000	31 March 2013 £000
<u>Current</u>		
Loans from Independent Trust Financing Facility	47	0
Obligations under finance leases	<u>105</u>	<u>96</u>
Total current borrowings	<u>152</u>	<u>96</u>
<u>Non-current</u>		
Loans from Independent Trust Financing Facility	8,953	0
Obligations under finance leases	<u>523</u>	<u>628</u>
Total non-current borrowings	<u>9,476</u>	<u>628</u>
Total borrowings	<u>9,628</u>	<u>724</u>

The NHS FT has entered into a loan arrangement with the Independent Trust Financing Facility (see note 2.4)

Notes to the Accounts - 19 Borrowings

19.2 Finance Lease borrowings

	31 March 2014 £000	31 March 2013 £000
Payable:		
- not later than one year;	156	156
- later than one year and not later than five years;	623	623
- later than five years.	44	200
Gross lease liabilities	823	979
Less: Finance charges allocated to future periods	(195)	(255)
Net lease liabilities	628	724
Split into current and non-current borrowings on the Statement Of Financial Position:		
- current	105	96
- non current	523	628
	628	724
Expected timing of cashflows:		
- not later than one year;	105	96
- later than one year and not later than five years;	523	482
- later than five years.	0	146
	628	724

Details of Finance Leases are included in note 12.

Notes to the Accounts - 20 Provisions for liabilities and charges

20 Provisions for liabilities and charges (held in current and non-current liabilities)

20.1 Provisions for liabilities and charges (held in current and non-current liabilities) 2013/14

2013/14	Total	Pensions relating to other staff	Other legal claims	Pay claims	Restructuring	Continuing Health Care	Redundancy	Injury Benefit Claims
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2013	10,510	2,819	228	2,006	0	1,000	2,123	2,334
Arising during the year	7,778	85	90	0	452	4,789	1,562	800
Utilised during the year - accruals	(99)	(54)	0	0	0	0	0	(45)
Utilised during the year - cash	(2,198)	(163)	(35)	(302)	0	(187)	(1,421)	(90)
Reversed unused	(2,520)	(24)	(90)	(1,704)	0	0	(702)	0
Unwinding of discount	102	48	0	0	0	0	0	54
Total at 31 March 2014	13,573	2,711	193	0	452	5,602	1,562	3,053
Expected timing of cashflows:								
- not later than one year (current)	5,055	223	193	0	151	2,801	1,562	125
- later than one year and not later than five years (non current)	4,494	892	0	0	301	2,801	0	500
- later than five years (non current)	4,024	1,596	0	0	0	0	0	2,428
Total	13,573	2,711	193	0	452	5,602	1,562	3,053

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

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £5,672k (£5,665k as at 31 March 2013) is included in the provisions of the NHS Litigation Authority at 31 March 2014 in respect of clinical negligence liabilities of the NHS FT.

The 'Pay claims' provision was the estimated liability for outstanding pay claims. This provision was reviewed during the year and considered to be no longer required.

The 'Restructuring' provision is the estimated liability for the protected salary costs of staff affected by the transformation programme.

The 'Continuing Health Care' provision comprises the potential liability for claims to the NHS FT for the reimbursement of the costs of Continuing Health Care incurred by the claimant where the claimant considers the costs should have been met by the NHS FT.

The 'Redundancy' provision is the estimated liability for the costs directly related to the formal restructuring plan presented and approved by the Board.

The 'Injury Benefit Claims' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. The increase in the Provision was due to new claims received in 2013/14.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities.

Notes to the Accounts - 20 Provisions for liabilities and charges

20.2 Provisions for liabilities and charges (held in current and non-current liabilities) 2012/13

2012/13	Total	Pensions relating to other staff	Legal and other claims	Pay claims	Continuing Health Care	Redundancy	Injury Benefit Claims
	£000	£000	£000	£000	£001	£000	£000
At 1 April 2012	21,769	13,909	212	2,528	1,635	3,092	393
Arising during the year	4,710	0	112	136	427	2,123	1,912
Utilised during the year - accruals	(87)	(54)	(9)	0	(19)	0	(5)
Utilised during the year - cash	(13,489)	(9,644)	0	(196)	(543)	(3,092)	(14)
Reversed unused	(2,511)	(1,457)	(87)	(462)	(500)	0	(5)
Unwinding of discount	118	65	0	0	0	0	53
Total at 31 March 2013	10,510	2,819	228	2,006	1,000	2,123	2,334
Expected timing of cashflows:							
- not later than one year (current)	3,809	219	228	136	1,000	2,123	103
- later than one year and not later than five years (non current)	3,158	874	0	1,870	0	0	414
- later than five years (non current)	3,543	1,726	0	0	0	0	1,817
Total	10,510	2,819	228	2,006	1,000	2,123	2,334

The 'Pensions relating to other staff' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of Hill End, Leavesden, Cell Barnes and Harperbury Hospitals. During 2012/13 a number of these liabilities were settled by payment of the full liability to the Pensions Agency in accordance with settlement values provided.

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £5,665k (£3,032k as at 31 March 2012) is included in the provisions of the NHS Litigation Authority at 31 March 2013 in respect of clinical negligence liabilities of the NHS FT.

The 'Pay claims' provision is the estimated liability for outstanding pay claims backdated to 1st October 2004 made under the current NHS pay conditions.

The 'Continuing Care' provision comprises the potential liability for claims for the reimbursement of the costs of Continuing Care where the claimant considers this should have been met by the NHS FT.

The 'Redundancy' provision is the estimated liability for the costs directly related to the formal restructuring plan presented and approved by the March 2013 Board.

The 'Injury Claims' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. The increase in the Provision was due to new claims received in 2012/13.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities.

Notes to the Accounts - 21 Trade and other payables

21 Trade and other payables

	31 March 2014 £000	31 March 2013 £000
Current		
NHS payables - revenue	1,359	1,131
Amounts due to other related parties - revenue	1,702	1,646
Other trade payables - capital	4,926	2,438
Other trade payables - revenue	1,129	759
Social Security costs	1,207	1,223
Other taxes payable	1,456	1,367
Other payables	8	230
Accruals	11,939	8,993
PDC dividend payable	131	31
Total Trade and other payables	23,857	17,818

22 Other liabilities

	31 March 2014 £000	31 March 2013 £000
Current		
Other deferred income	5,330	8,171
Total Other liabilities	5,330	8,171

Other Liabilities largely comprises income received from commissioners for a specific activity that will be delivered in a future period. As such this income has been deferred and therefore not included in the Statement of Comprehensive Income

Notes to the Accounts - 23 Financial assets and liabilities

23 Financial assets and liabilities

23.1 Financial assets by category

	31 March 2014 £000	31 March 2013 £000
Trade and other receivables excluding non financial assets	12,285	6,302
Other Financial Assets	0	0
Non Current Assets Held for Sale	0	1,621
Cash and cash equivalents (at bank and in hand) at 31 March	25,449	43,009
Total at 31 March	<u>37,734</u>	<u>50,932</u>

23.2 Financial liabilities by category

	31 March 2014 £000	31 March 2013 £000
Obligations under finance leases	628	724
Trade and other payables excluding non financial liabilities	23,651	17,819
Other financial liabilities	0	0
Provisions	7,971	9,510
Total at 31 March	<u>32,250</u>	<u>28,053</u>

23.3 Fair value of non-current financial assets

	Book value £000	Fair value £000
Non Current Trade and Other Receivables	2	2
Total at 31 March 2014	<u>2</u>	<u>2</u>

23.4 Fair value of non-current financial liabilities

	Book value £000	Fair value £000
Provisions	5,716	5,716
Other (Finance Leases)	523	523
Total at 31 March 2014	<u>6,239</u>	<u>6,239</u>

Notes to the Accounts - 24 Reconciliation of operating surplus to net cash flow from operating activities

24 Reconciliation of operating surplus to net cash flow from operating activities

	2013/14		2012/13	
	£000	£000	£000	£000
Operating Surplus		3,672		7,598
Non cash flow movements:				
Depreciation and amortisation	4,081		3,616	
Impairments	2,953		2,443	
Reversals of impairments	0		(413)	
		7,034		5,646
Movement in Working Capital:				
(Increase)/Decrease in Trade and Other Receivables	(6,045)		9,956	
(Increase)/Decrease in Other Assets	0		0	
(Increase)/Decrease in Inventories	1		3	
Increase/(Decrease) in Trade and Other Payables	3,451		(3,741)	
Increase/(Decrease) in Other Liabilities	(2,841)		5,703	
		(5,434)		11,921
Increase/(Decrease) in Provisions		2,961		(11,377)
(Gain)/Loss on disposal (see note 11.3)		(23)		0
Net cash inflow from operating activities		8,210		13,788

Notes to the Accounts - 25 Related Party Transactions**25 Related Party Transactions****25.1 Related Party Transactions 2013/14**

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

Remuneration of key management is disclosed in note 5.4.1

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

2013/14	Income from Related Party £000	Expenditure payments to Related Party £000	Receivables from Related Party £000	Payables to Related Party £000
Central Government				
National Health Service Pension Scheme	0	12,502	0	1,641
National Insurance Fund	0	9,025	0	1,207
HMRC - VAT	0	0	1,382	0
HMRC - other taxes & duties	0	5	0	1,268
Other Central Government	0	12	0	210
NHS				
Department Of Health	(2)	269	0	131
NHS England - Core (including Legacy Balances)	5,403	(280)	6,242	0
Foundation Trusts				
Central And North West London MH NHS Foundation Trust	0	409	0	176
Clinical Commissioning Groups				
NHS Herts Valleys CCG	2,619	0	2,604	0
NHS North Norfolk CCG	468	0	14	0
NHS Norwich CCG	449	0	5	0
NHS South Norfolk CCG	498	0	6	0
NHS West Essex CCG	9,781	0	0	206
NHS West Norfolk CCG	442	0	5	0
NHS Trusts				
East and North Hertfordshire NHS Trust	51	2,194	4	106
West Hertfordshire Hospitals NHS Trust	864	1,397	82	726
Commissioning Support Units				
NHS Central & Eastern CSU	0	1,994	0	147
NHS Other				
Health Education England	2,225	4	162	878
NHS Litigation Authority	0	411	0	0
Other NHS	21,435	1,304	534	1,449
Local Government				
Barnet London Borough Council	1,348	0	225	0
Hertfordshire County Council	149,203	864	283	3,940
Hammersmith and Fulham London Borough Council	458	0	14	0
St Albans City and District Council	0	431	0	64
Other Local Government	814	331	(56)	34
Totals	196,056	30,872	11,506	12,183

Income received from Hertfordshire County Council includes all income received from the Hertfordshire Joint Commissioning Team which includes the two Hertfordshire Clinical Commissioning Groups.

The NHS FT has also received revenue payments from charitable funds, of which the Corporate Trustees are also members of the Trust Board. These transactions are not included in the Financial Statements of the Trust (see Note 1.23).

Notes to the Accounts - 25 Related Party Transactions**25.2 Related Party Transactions 2012/13**

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

Remuneration of key management is disclosed in note 5.4.1

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

2012/13	Income from Related Party £000	Expenditure payments to Related Party £000	Receivables from Related Party £000	Payables to Related Party £000
Central Government				
National Health Service Pension Scheme	0	11,683	0	1,524
National Insurance Fund	0	8,573	0	1,223
HMRC - other taxes & duties	103	0	0	1,353
Other Central Government	0	344	208	14
NHS				
Department Of Health	118	294	79	232
Other NHS	0	484	0	0
Strategic Health Authorities				
East of England Strategic Health Authority	2,673	17	113	503
Other Strategic Health Authorities	277	4	0	6
Foundation Trusts				
Other Foundation Trusts	111	1,144	2	314
NHS Trusts				
East & North Hertfordshire NHS Trust	65	2,365	4	49
Hertfordshire Community NHS Trust	163	(27)	89	18
West Hertfordshire Hospitals NHS Trust	1,162	1,476	154	150
Other NHS Trusts	187	329	62	24
Primary Care Trusts				
NHS Barnet	499	52	26	0
NHS Brent	893	0	3	0
NHS Ealing	1,263	0	(2)	0
NHS Hampshire	786	0	7	0
NHS Harrow	537	0	(32)	0
NHS Hertfordshire	1,216	2,216	3,943	4,628
NHS Hillingdon	423	0	0	0
NHS Hounslow	840	0	4	0
NHS Norfolk	2,044	16	14	0
NHS North East Essex	13	821	0	121
NHS South East Essex	6,418	535	(65)	582
NHS West Essex	10,031	36	87	193
NHS Westminster	528	0	0	0
Other Primary Care Trusts	3,424	0	149	0
Local Government				
Hertfordshire County Council	162,812	1,401	639	3,449
Other Local Government	4,214	1,241	578	260
Totals	200,800	33,004	6,063	14,643

Notes to the Accounts - 26 Losses and Special Payments**26 Losses and Special Payments**

There were 76 cases (73 cases in 2012/13) of losses and special payments totalling £177k (£165k in 2012/13) paid during 1 April 2013 to 31 March 2014. These are the cash payments made in the year and are not calculated on an accruals basis.

	2013/14		2012/13	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
Losses				
Losses of cash due to:				
- theft, fraud etc	1	0	2	0
- other causes	2	0	2	0
Bad debts and claims abandoned	11	150	1	2
Damage to buildings, property etc. (including stores losses) due to:				
- theft, fraud etc	1	14	0	0
- stores losses	1	1	0	0
- other	22	6	38	8
Total losses	38	171	43	10
Special Payments				
Compensation under legal obligation	0	0	1	150
Ex gratia payments in respect of:				
- loss of personal effects	35	5	25	3
- other negligence and injury	0	0	1	1
- other	3	1	3	1
Total Special Payments	38	6	30	155
Total losses and special payments	76	177	73	165

Notes to the Accounts - 27 Third Party Assets

27 Third Party Assets

The NHS FT held £2,666k cash at bank and in hand at 31 March 2014 (£2,583k at 31 March 2013) which relates to monies held by the NHS FT on behalf of service users.

This has been excluded from the cash and cash equivalents figure reported in the accounts.

28 Post Balance Sheet Events

There are no such events to be reported.

29 Contingencies

There are no contingent assets (recoverable values from third parties).

Contingent liabilities are liabilities to third parties where there are uncertainties regarding the timing and the amount of the settlement.

The contingent liability is in respect of the potential to pay excesses to the NHS Litigation Authority in respect of current and ongoing LTPS scheme claims and is per the advice received from the NHS Litigation Authority.

	31 March 2014 £000	31 March 2013 £000
Value of contingent liabilities	<u>(68)</u>	<u>(90)</u>

30 Commitments under capital expenditure contracts

	31 March 2014 £000	31 March 2013 £000
Property, Plant and Equipment	1,418	1,500
Intangible Assets	0	951
Total	<u>1,418</u>	<u>2,451</u>

The capital commitments as at 31 March 2014 relate principally to capital works at the new Learning and Development Centre and the two Community Hubs.



Annual Governance Statement April 2013 - March 2014

1. Scope of responsibility

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

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Hertfordshire Partnership University NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

3.1 Leadership of the risk management process

As Accounting Officer, I am ultimately accountable for assuring the Board of the quality of the services provided by the Trust. This is achieved operationally through the delegation of the responsibility of executive lead for Risk Management (except for financial risk) to the Executive Director, Quality and Safety who also works with the officers responsible for ensuring, through the Risk Management Framework, that all Risk Management policies and procedures are in place and are competently used. The Trust's Risk Management Strategy approved by the Trust Board clearly defines levels of responsibility for Risk Management across the organisation and, together with the Risk Management Policy, summarises the extensive tools and training available. The policy describes the procedure for assessing, prioritising and managing all types of risk within the organisation. The Trust Risk Register forms an integral part of this and defines the process for grading and managing (or minimising) the organisations key operational and business risks. The highest level risks are reviewed regularly by the Trust Board and the Board Assurance Framework (the BAF) specifically identifies risks to the achievement of the Trust's strategic goals and the controls in place to protect against them.

3.2 Training in the management of risk

Staff are equipped to assess and manage risk through training in the use of the Risk Management Policy and Procedure which is cascaded to all staff via the Senior Managers, Professional Leads and Team Leaders and progress is monitored through the usual supervision /performance management process. Mandatory Training in Clinical Risk Management is also provided to all staff who work directly with service users, as they must be competent in recognising, assessing and managing the risks which our service users present to themselves and to others.

3.3 Learning from good practice

Analysis of 'adverse events', and sharing this intelligence through our extensive Practice Governance Framework to improve services across the Trust, is a key aspect of our approach to managing risk through service improvement. Our learning and development teams provide regular opportunities for all our staff to attend training updates and refresher programmes where these are deemed appropriate, or necessary, by line managers.

4. The risk and control framework

4.1 The Risk Management Strategy

This document sets the scene with our Vision and Goals, then details the way risks are identified, assessed and controlled in the Trust, through the Risk Management Policy, and contains the following key elements:

- Definition of the Risks and Risk Management
- The Strategic Objectives and Plans for Risk Management
- Responsibilities for Risk Management
- The Assurance and Risk Management Structure throughout the Trust
- The Risk Management Tools and Policies available
- The Risk Management Training and other resources available

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

- **The Executive Director Quality and Safety** is the executive lead for Risk Management.
- **The Executive Director Quality and Medical Leadership** has lead responsibility for Practice Governance.
- **The Executive Director Finance and Performance Improvement** is responsible for the management of financial and performance risks.
- **The Chief Operating Office** is responsible for the day-to-day 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 and consistent basis.

4.4 The Board Assurance Framework and the Risk Register are the key tools to facilitate and monitor the effects of systematic action plans to control and minimise identified risks. They are central planks in the System of Internal Control.

The Board Assurance Framework (the BAF) specifically identifies potential risks to the achievement of each of the Trust's Strategic Goals and monitors the systematic controls in place to protect against them. The BAF acts as a major assurance tool by detailing the independent sources and methods of assurance used to objectively measure the effectiveness of the controls being used to minimise the risk of not achieving the Trust's strategic objectives. The Board Assurance Framework is regularly reviewed in year. Two of these are full reviews reported to the Integrated Governance Committee, and to the Audit Committee which challenges the controls and assurance processes in order to assure the Board that they are working effectively as part of the Internal Systems of Control. The other routine reviews, are reported solely to the Integrated Governance Committee.

The Risk Register operates at several levels within the organisation and enables local Service Managers, Senior Managers and the Executive Team on behalf of the Board, to plan and monitor mitigating actions taken to reduce risks of all types and to escalate within the framework (see 4.8). The moderate and high risks, and the overall process, are monitored and reviewed by the Integrated Governance Committee with key categories of risk being a focus of relevant Sub Groups.

Key organisational risks are reported to the Board four times a year, via the Integrated Governance Committee. For two of these reviews, the Integrated Governance Committee also reports the Risk Register to the Audit Committee to provide the challenge to the Assurance Processes.

4.5 Quality Governance Arrangements

The Trust's Quality Governance arrangements are described in section six as part of the description of the processes forming the Annual Quality Report.

4.6 Risks to Data Security

The Trust continues to take the management of risks to data security seriously. Following the 'Health & Social Care Information Centre's Checklist Guidance for Reporting, Managing and Investigating Information Governance Serious Incidents Requiring Investigation' (1 June 2013 V2), there has been one serious incident scored at Level 2 relating to a potential or an actual breach of confidentiality involving person identifiable data, this has been investigated and reported to the Information Commissioner's Office. The Information Commissioner is satisfied that the Trust investigated this incident appropriately. Progress is measured against Information Governance Standards with continued improvement being targeted through a robust plan to achieve compliance with Level 2 (March 2014 submission) as assessed against the Information Governance Toolkit Version 11.

4.7 The organisation's current major risks

The major risks on the Trust Risk Register at this time are managed and controlled via the Risk Register mechanisms described in section 4.4. They are current 'in-year' risks but in all three cases will continue into the future (i.e. 2014-15). The risks are:

Risk 1 – Risk to the Trust’s ability to provide safe high quality care

The large scale Transformation Programme being implemented in all areas of service delivery has resulted in a high number of changes for staff, both in the way they work through the introduction of new care pathways, and the reconfiguration of team structures and environments. We have also implemented a new electronic patient record system. The cumulative effect of the changes has a major impact on staff which could impact on their ability to deliver high quality care.

Key mitigating actions: The Trust has developed a process of Quality Impact Assessments for the effect of all service changes to ensure that mitigating action can be planned.

A major programme of communication and organisational development plans has been put in place to support the change management process. Additional management support and organisational development has been introduced to enhance quality monitoring and pre-implementation planning, and engagement events are held locally with clinicians and managers to provide strong leadership in all areas.

Risk 2 - Risk that the transition to the new model of community services will have an impact on quality

The major changes in the transition period to the new model of care in community teams will necessitate the transfer of caseloads and care co-ordination between staff, as well as the building and training of new teams. This has the potential to impact on the quality of service delivered to our service users.

Key mitigating actions: There is a comprehensive implementation plan to support the embedding of the new service model. This is supported by a full organisational Development Plan which has been put in place to support the major change management, which covers support for creation of new teams, skills development, and support for leaders in charge of implementation. There is a number of steering groups which have oversight and scrutiny of a number of key aspects of the change process. . Implementation is being undertaken through a phased approach with full evaluation of the impact of the implementation n informing the timing and scale of future implementation plans. An enhanced management structure has been implemented to provide additional management and leadership support throughout the process. Regular reports are received by the Board and Executive Team. A Transformation Assurance Committee, with Board leadership and representatives from key stakeholders, is overseeing the process.

Risk 3 - Quality and Safety in Older People’s Inpatient Units

A routine inspection of an inpatient unit raised some concerns about its safeguarding arrangements. Following checks on quality monitoring concerns were identified in the standard and delivery of care in a number of units due to numbers of staff. In addition a lack of Continuing Healthcare placements has led to bed capacity being compromised and service users being placed out of county.

Key mitigating actions: The Trust has reviewed policies, procedures and training for staff around safeguarding including non-substantive staff and a safeguarding scrutiny group has been put in place for older people. Additional management support has been put in place in the units with staff vacancies and expertise has been brought in from other units to ensure learning from good practice elsewhere within the Trust. Negotiations with commissioners are ongoing concerning the increasing demand for continuing healthcare placements, and a system-wide group will be looking at how best to meet the future demand.

4.8 Embedding Risk Management

Other mechanisms to help embed Risk Management activities into the business of the Trust include:

- Communication links between the Strategic Business Units Risk Registers (SBURRs) and the Trust Risk Register (TRR): i.e. SBU Risk Registers can refer risks to the Trust RR at any time in a quarterly cycle. Risks can also be referred back from the TRR to the SBU RR during any quarterly review, and there are scheduled meetings to facilitate this.
- The Learning Lessons and Clinical Risk Group: sharing intelligence from all sources.
- Promotion of the CQC Framework and the continued use of NHSLA Standards as a benchmark across all services.
- The Policy Management System, including Policy Website.

The successful attainment of Level 2 of the NHSLA Risk Management Standards, when formally assessed in September 2011, demonstrated that the organisation has well-developed and implemented policies which can now be evidenced as forming part of the Trust's Risk Management systems of internal control. We continue to use these as a benchmark as they match well with the requirements for CQC and enhance our staffs understanding of the quality requirements for delivery of services.

4.9 Internal and External Stakeholders are informed and involved in the activities of the Trust in a variety of ways. The Trust has a framework of forums for consultation with public stakeholders, e.g. service users and carers, which advise on key areas of risk as appropriate, an example of which is their involvement in the project groups developing the new 86 bed inpatient unit. Service User Representatives also hold membership on various committees and groups.

Responsibility for ensuring relevant stakeholders' involvement in Risk Management issues is indicated in the relevant policies and procedures. The key regulators and local commissioners are informed if any risks are identified which seriously threaten the achievement of the Trust's objectives or which cannot be adequately managed. The Governors who represent public membership also look at key risks through their Quality and Performance Groups. From next year representatives of the Council of Governors will attend at Board committee meetings to enable them to become more involved in ensuring management of risk.

4.10 CQC Essential Standards for Quality

The Foundation Trust is fully compliant with the requirements of registration with the Care Quality Commission.

4.11 Pension Schemes

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

4.12 Equality, Diversity and Human Rights

Control measures are in place to ensure that the organisation complies with all relevant equality, diversity and human rights legislation.

4.13 Carbon Reduction

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that, together with Hertfordshire County Council, this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

5.1 The key financial policies and processes

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

The effective and efficient use of resources are governed by the following key policies

Standing Orders

Standing Orders are contained with the Trust Constitution and set out the regulation and proceedings for the Board of Directors and the Council of Governors and their sub-committees including the Audit Committee, whose role is laid out below, thus ensuring the efficient use of resources.

Standing Financial Instructions

The SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They do this by laying out very clearly who has responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to a competitive procurement process, effective and equitable recruitment and payroll processes and there is set out a clear budget process to ensure costs are maintained within budget or highlighted for action.

They are to be used in conjunction with the Trust's Standing Orders and the Scheme of Delegated Authority and the individual detailed procedures set by directorates.

Scheme of Delegated Authority

This sets out those matters that are reserved to the Board and the areas of delegated responsibility. The document sets out who is responsible and the nature and purpose of that responsibility. They assist in the achievement of the efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and priorities of the decision making processes are aligned with the strategic priorities of the trust and they allow the trust to put in place best practice in relation to its decision making.

Anti-fraud and Corruption including the Bribery Act 2010

The Bribery Act which came into force in April 2011 made it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. Failure

to take appropriate measures to avoid (or at least minimise) the risk of bribery taking place could lead to the imposition of fines, or imprisonment of the individuals involved and those who failed to act. This will help ensure that the taking or receiving of bribes is less likely and improve the equity and transparency of transactions and decisions.

The Trust Board places reliance on the Audit Committee to ensure appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources.

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

6. Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2011 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust continues to follow these steps to assure the Board that the Quality Report presents a balanced view:

- A stakeholder consultation process to agree quality priorities for the coming year, involving staff, service users, carers, Governors and partner agencies.
- Review of all Trust services before priorities are agreed.
- Quarterly Quality reports to Board leading to scrutiny of whether the focus is right.
- Sharing of the draft quality account/report with partner agencies for comment, with the primary commissioners having the legal right to point out inaccuracies.

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

- Provision of appropriate training to all staff, including all new starters, on data inputting via the electronic patient record.
- Elimination where possible of manual approaches to data gathering and analysis, including investment in new systems.
- Audit of supervision to gain assurance that the process is robust in relation to data quality.
- Data quality officers reporting to the Performance Improvement Team who work alongside teams to assist in full and accurate use of the electronic patient record system.

The accuracy of information for quality reports is assessed via:

- Systematic checks within the Informatics and Performance Improvement Teams themselves.
- Scrutiny of quarterly reports at Board, with any errors and/or corrections being duly noted
- Annual External Audit Assurance as mandated by Monitor.

Systems and processes have been further improved with the introduction of a Performance Group, chaired by the Chief Operating Officer, which monitors data quality controls and their robustness in respect of all performance data.

The quality metrics contained in quarterly Board reports are agreed before the start of the financial year by the Board after a period of internal and external consultation. The quality metrics – their accuracy and relevance and progress on each – are reviewed quarterly at these Board meetings. Further description of these processes is given in the quality report itself.

Occasionally data errors in-year are found. If this happens, the errors are corrected in the next quarterly Board quality report and the occurrence is noted.

The Quality & Risk Manager has set up processes through the Trust for teams to collect evidence of compliance with Care Quality Commission Essential Standards of Quality & Safety. The monthly Quality and Risk Profiles are used to check performance against what teams report and to anticipate risks in the future. The Integrated Governance Committee (a Board sub-committee) is kept informed of the completeness of the data and any areas of concern.

The Integrated Governance Committee monitors the improvement of Quality and Safety through the Trust CQC Framework. Compliance with the Essential Standards of Quality and Safety is monitored through the following procedures:

- The CQC review and quality improvement plans by Team managers.
- The CQC Provider Compliance Assessments (PCAs) completed by service managers recording all evidence of quality improvement within their service area.
- The Quality and Risk Profile (QRP) provided by the CQC monthly is reviewed by the Registration Leads and risks are monitored and improvement plans advised to the Sub Groups of the IGC.
- A revised Trust wide programme of internal quality visits closely based on CQC standards
- Compliance with the above is advised in a biannual report to the IGC.

7. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Integrated Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal control involves review of all the mechanisms described particularly in section 4 of this statement (the risk and control framework).

The Trust response to any significant internal control issues or gaps in control is to assess and register the risk and develop and implement suitable mitigating actions, linking to the control mechanisms recorded in the BAF if necessary. Regular monitoring is built into the process.

The high level co-ordination and monitoring of the whole internal control system is mainly achieved through the following:

- **The Trust Board** places reliance upon the Audit Committee for assurance with respect to the soundness of the system of internal control, via regular reports concerning the Risk Register and Board Assurance Framework.
- **The Audit Committee's** primary role is to independently oversee the governance and assurance process on behalf of the organisation and to report to the Trust Board on the soundness and effectiveness of the systems in place for risk management and internal control. In order for the Audit Committee to provide this assurance to the Board, Internal Audit undertake objective reviews of the Trust systems.
- **The Integrated Governance Committee** is responsible for ensuring that the Trust fulfils its governance and associated risk management duties. Regular reports are made to the Board on the management of the most serious risks on the Trust Risk Register and all aspects of risk management and the Board Assurance Framework.
- **The Finance and Investment Committee** is responsible for providing independent and objective review of the financial and investment policy of the Trust, and performance against the associated targets and requirements. The Committee will commission and receive the results of in-depth reviews and reports in relation to key financial issues and business cases to support investment decisions.
- **Internal Audit** review the system of internal control during the course of the financial year and report accordingly to the Audit Committee.

The Head of Internal Audit has stated in the HOIA Opinion that "Based on the work undertaken in 2013/2014, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Whilst we have not issued any RED rated reports during the course of the year we did identify a number of areas where we could only provide some assurance (amber red). Management have agreed action plans to remedy the weaknesses identified in these areas."

- **The Practice Audit & Clinical Effectiveness Team** provides a variety of resources to support clinical teams to undertake practice audit in the context of the Trust's strategic goals. Overseen by the Integrated Governance Committee, an annual work programme is developed inclusive of clinical and regulatory requirements, and the outcomes are reported to the Board at year end.
- Other assurance mechanisms are accessed by commissioning external expertise and advice on specific areas of concern as appropriate.

8. Conclusion

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



Tom Cahill,
Chief Executive

Date: 28/5/14.



Statement of the chief executive's responsibilities as the accounting officer of Hertfordshire Partnership University NHS Foundation Trust

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

Under the NHS Act 2006, Monitor has directed Hertfordshire Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Hertfordshire Partnership University NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- **ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;** and
- prepare the financial statements on a going concern basis.

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

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

Signed 
Tom Cahill, Chief Executive

Date: 

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

We have audited the financial statements of Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

This report is made solely to the Board of Governors and Board of Directors (“the Boards”) of Hertfordshire Partnership University NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer’s Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the trust’s affairs as at 31 March 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Opinion on other matter prescribed by the National Health Service Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

Matthew Hall

Matthew Hall FCA

(Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

St Albans, United Kingdom

28 May 2014

**INDEPENDENT AUDITORS' REPORT TO HERTFORDSHIRE PARTNERSHIP
UNIVERSITY NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST
CONSOLIDATION SCHEDULES**

We have examined the NHS foundation trust consolidation schedules (FTCs) numbered 1 to 38 and 40 of Hertfordshire Partnership University Foundation Trust for the year ended 31 March 2014, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This report is made solely to the Board of Hertfordshire Partnership University NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act). Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not, in giving our opinion, accept or assume responsibility to anyone other than the Trust and the Board, as a body, for this report, or for the opinions we have formed.

In our opinion these consolidation schedules are consistent with the statutory financial statements on which we have issued an unqualified opinion.

As agreed with Monitor, in forming our opinion on whether the consolidation schedules are consistent with the statutory financial statements, we have not considered inconsistencies below the clearly trivial threshold of £250,000.

Signature: *Deloitte LLP*

Date: 28 May 2014

Name of auditor/firm: Deloitte LLP

Address: 3 Victoria Square, Victoria Street, St. Albans AL1 3TF

If you require this information in a different language or format please contact the Patient Advice and Liaison Service:
Tel: 01727 804629, Fax: 01727 804967

W razie potrzeby powyższy tekst można otrzymać w innym formacie lub innym języku. Informacji w tej sprawie udziela: Patient Advice & Liaison Service:
Tel: 01727 804629, Fax: 01727 804967
(Polish)

Se avete bisogno di queste informazioni in una lingua o in un formato differente, vi preghiamo di contattare: Patient Advice & Liaison Service (Servizio relazioni e consigli per i pazienti)
Tel: 01727 804629, Fax: 01727 804967.
(Italian)

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

ہیڈسٹاف ایڈوائس اینڈ لیاؤن سروس (Patient Advice & Liaison Service)

ٹیلیفون: 01727 804629

فیکس: 01727 804967

(Urdu)

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 804967

(Bengali)

Hertfordshire Partnership University NHS Foundation Trust
works toward eliminating all forms of discrimination
and promoting equality of opportunity for all