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NHS Foundation Trust

Annual Report and Accounts 2022 – 2023

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Our Values
Welcoming Kind Positive Respectful Professional

Hertfordshire Partnership University NHS Foundation Trust
Annual Report and Accounts 2022/23

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

Contents

Chair and Chief Executive's Foreword

Welcome to the Annual Report and Accounts 2022/23 for Hertfordshire Partnership University NHS Foundation Trust (HPFT). We are delighted to share the work we have been doing to improve care and outcomes over the course of the year, describing both the challenges we have faced and our key achievements and successes. In the report we also document our performance, our governance arrangements and how we have managed our finances over the past twelve months.

Just as the whole NHS has been returning to more familiar ways of working after the extraordinary impact of the Covid-19 pandemic, we too have been focussing on the recovery of our performance, driving forward the development of services and care, whilst also seeing the highest ever level of demand into our services. We can point to and demonstrate many areas of improved performance and as we move into 2023/4 this will be a continued focus for us.

We are really proud of the care and commitment shown by our workforce, and we were delighted that the results of the NHS National Staff Survey undertaken in late 2022 showed that we continue to be one of the best places to work in the NHS. The results told a story of highly engaged, motivated, passionate people working at HPFT, who overwhelmingly believe that their role makes a difference to service users. We are delighted that over the course of the year we have reduced the number of vacancies across our organisation, however like most Trusts across the country, we need to build upon these exceptional results to attract even more compassionate, values-focused staff to join our teams over the course of the next year.

We are proud of the work we are doing with partners to improve care and outcomes for the communities we serve, working with health and social care partners across the newly formed Integrated Care Systems in Hertfordshire, Essex, Norfolk and Buckinghamshire. We have a number of strong partnerships in place including with the University of Hertfordshire and Hertfordshire County Council; our Essex Learning Disability Partnership and our Hertfordshire Mental Health, Learning Disabilities and Autism Health and Care Partnership (MHLDA HCP), and our East of England Collaborative. These important partnerships enable us to provide better care and outcomes by bringing together health, social care, educational and voluntary partners to support local people.

We recognise that we do not always get things right and we are committed to continuous learning and improvement. During the year we have taken action to resolve issues which impact on our standards of care, including responding to inspections undertaken by the Care Quality Inspection (CQC). We are confident we have taken the necessary actions to address issues raised; and an example demonstrating our approach to driving improvement was when the CQC returned to reinspect Forest House (our specialist inpatient ward for adolescents experiencing significant mental ill-health) the rating for the service improved.

We know there is more to do, and in the coming year we expect the increased demand for services to continue. We will always focus on doing the right thing for our service users and carers, providing quality, safe services in a responsive and person-centred way. Our financial position is challenging, but we are well prepared, and we have a clear programme of work for 2023/4, informed by our staff, service users, carers, partners and communities and we are confident will continue to improve the services we provide.

We could not have achieved all this without the continued support of our Governors, Trust Board colleagues and wider system partners throughout the year, for which we are hugely grateful. Finally, the biggest thanks go to our incredible staff who go above and beyond every day in their commitment and care to our services users, carers and the communities we serve.

Sarah Betteley
Chair
Dated: 29 June 2023

Karen Taylor
Chief Executive
Dated: 29 June 2023

Performance Report

Overview of Performance

I am delighted to be able to present my second Performance Report as Chief Executive. Our Good to Great strategy places our service users and their families at the heart of everything we do and is strongly underpinned by our values: Welcoming, Kind Positive, Respectful and Professional. This has continued to guide our approach, our care and the development of our services throughout the year. Our Good to Great strategy domains – Great Care and Outcomes, Great People, Great Organisation and Great Partnerships – provide the basis for this report.

Great Care and Outcomes

This year has continued to be challenging for the NHS as a whole and demand for our services has reflected this. We are seeing more people than ever before, many presenting with more acute or complex needs. Throughout the year we have continued to provide person-centred care with positive feedback from our services users and families about the support they have been receiving.

At the same time, in common with all other areas of the health and care system, waiting times for appointments continue to be longer than we would like. We continue to experience a high demand for inpatient beds which has consistently meant that services users have been admitted into out of area placements. Also, due to the limited availability of alternative settings we have experienced delays in being able to discharge service users who are well enough to leave inpatient care. In order for us to meet the demand for inpatient beds we are working with the system to develop solutions, for example the crisis assessment service. Despite all of this we have made improvements in waiting times and are confident that we are able to provide high quality care.

There have been some significant highlights during the year which detail our commitment to delivering high quality services to service users. Through the year we continued our focus on supporting people to be cared for in their own homes or in the community. We expanded the Enhanced Rehabilitation Outreach Service (EROS), which supports service users with severe mental illness to receive rehabilitation in the community and to support their transition from being ward based to living in the community. The service has reduced the length of stay for service users and reduced the level of readmission.

The safety of our service users and staff continues to be a key focus for us. We invested in our estate to ensure our environments are supportive and safe, continuing the refurbishment of our inpatient services to ensure all inpatient services have safety suites in place to support service users who require seclusion and/ or long-term segregation. And also redesigned the communal areas within buildings to make them more comfortable for service users and to improve safety by providing staff with increased line of sight. We have commenced the roll out of CCTV across the Trusts to help provide a safe and comfortable environment for those under our care, staff, carers and visitors.

In our inpatient wards, we have launched our new electronic prescription and medicines administration (ePMA) system, helping staff to improve the safety of medication and eliminating the need for paper records, the roll out of which will continue into community services in 2023/24. To improve safety and maximise the time of inpatient teams during 2022/23 we began using an app on mobile devices to replace paper observation records. This system is linked directly to our electronic patient record and will form part of the clinical record.

There is clear evidence that people with mental health conditions and autism, are more likely to suffer from physical ill-health, so helping service users to maintain and improve their physical health remains a key priority. We have expanded the physical health team and are working to improve the health care of service users by treating people holistically: supporting the management of long-term conditions and recognising and preventing the onset of new medical conditions in an integrated way.

During the year, the Care Quality Commission (CQC) carried out four inspections of our services – at Forest House inpatient adolescent unit, Victoria Court, Older People inpatient ward, Warren Court, one of our medium secure forensic units and Oak Ward, our male Psychiatry Intensive Care Unit. The inspectors found many areas of good practice, in particular staff treating service users with respect and care, but they also identified areas of concern, further details of these are in our Annual Governance Statement (section 8). Following the inspections, Warren Court was rated as Good, with the safety domain rated Requires Improvement. Oak Ward was rated Good and the Safety domain rated as Requires Improvement. We have comprehensive actions plans in place to address the issues raised. I am pleased to report that following the inspection of Forest House the CQC removed the Warning Notice under Section 29a of the Health and Social Care Act 2008 and increased the rating of the service line to Requires Improvement.

We have continued to seek and receive positive feedback on our services. The amount of feedback we have received in the year has increased due to the use of digital technology and this approach will continue in 2023/24. We continue to have positive results from the Friends and Family Test, including those that ask if services users felt safe on our inpatient units.

The organisation is the first NHS Trust to collaborate with the Domestic Abuse Alliance and use the WEPROTECT app, which allows adults experiencing domestic abuse to be referred rapidly for free legal advice. A conference held at our head office to promote the app was attended in person and online by 200 guests, including the Lord Lieutenant of Hertfordshire. This is an important development as this year we saw an increase in referrals to services for young people under 18 who were witnessing domestic abuse. We also received a higher number of domestic abuse safeguarding adult referrals. The organisation is providing more training for staff regarding responding to this type of abuse, including presentations by domestic abuse specialists from partner agencies. This year our annual Joint Adult and Children safeguarding assurance visit which was overwhelmingly positive and identified many areas of good practice.

We are delighted that from April 2022 Connected Lives went live, with all Care Act activity being undertaken using this approach to promote independence and active citizenship for people in Hertfordshire who have care and support needs linked to mental illness. This has been very positively received and we will continue to roll it out for carers in 2023/24.

Great People

The results of the 2022 NHS National Staff Survey showed that HPFT continues to be one of the best places to work in the NHS. The results tell a story of highly engaged, motivated, passionate people working at HPFT, who believe that their role makes a difference to service users.

Our responses were compared to 50 other Mental Health and Learning Disability Trusts nationally and we scored above the national average in most areas. Staff reported feeling valued, respected, and supported, in a culture where they feel safe; they also felt able to report concerns and confident that the Trust will act on them. We achieved the highest score nationally for questions relating to our learning culture, with staff feeling they are supported to learn and to develop their career and to fulfil their potential through great quality appraisals.

We do recognise however, that we have more to do to ensure that everyone shares these positive experiences, regardless of who they are or where they work. Our results also show that, while we have a strong safety culture, reducing violence and aggression remains a priority for us and one which we are committed to addressing. And we know, from the survey results, that not every person has a great experience of working at HPFT. To address this, we have engaged widely with our staff and we are co-producing a new Belonging and Inclusion Strategy and action plan. Through this strategy, which will be launched in 2023/24 we aim to proactively eradicate discrimination, promote belonging and inclusion and ensure an equally positive experience for all our people.

Over the last year we have raised awareness, shared and learned from experiences and challenges individuals with a protected characteristic may face, within healthcare services and in our organisation. Service users and carers contributed to some of our events, including The Reality of being Neurodivergent and the Windrush Day Event. Following these events, we have seen

an increase in the awareness of challenges and staff engagement in these forums. We launched our Trust Reasonable Adjustments policy, where neurodiversity has been explicitly defined and mentioned. Our Neurodiversity Staff network continues to promote and advocate for others and raise awareness of Neurodivergent people.

Maintaining staff wellbeing is at the heart of our commitment to those who work for us, we offer a rolling programme of wellbeing activities for our teams, both online and face to face. This includes yoga, pilates, mindfulness, physical health checks, Schwartz rounds, relaxation sessions and seasonal wellbeing events. We also gained accreditation as a menopause friendly organisation this year; and we continue to implement our menopause friendly action plan. Our staff tell us that they really appreciate these interventions. With the cost of living continuing to rise, we have also introduced additional benefits and support for staff and will continue to monitor the situation regularly.

We have also introduced the new role of Professional Nurse Advocate. The programme is funded by NHS England and provides participants with the skills to provide restorative supervision to nurses who may be suffering from burnout. We now have 20 qualified nurse advocates within the Trust, with 15 more currently in training.

Recruitment remains an ongoing challenge for all health and care providers, with national shortages in some key professional areas, including for mental health nurses, learning disability nurses and some allied health professions. Locally, we have had some significant successes, increasing our workforce by over 300 FTE during the year. We have continued to focus on internal development and career paths for staff, for example supporting our healthcare support workers to study and qualify as nursing associates and then registered nurses.

During the year we received recognition for our staff and services through a variety of national award schemes. Dr Inder Sawhney was shortlisted as Psychiatrist of the Year in the Royal College of Psychiatry Awards; and as Clinical Leader of the Year in the HSJ Awards. The Learning Disabilities Service, which is led by Dr Sawhney, was also shortlisted for Learning Disabilities Initiative of the year in the HSJ Patient Safety Awards, for its work championing the rights of people with learning disabilities at Mental Health Tribunals.

Dr Sarah Hawkins won the Positive Behaviour Support Award at the National Learning Disabilities and Autism Awards; while Dr Hannah Wieringa was named core trainee of the year for the South Eastern Division of the Royal College of Psychiatrists. We were also highly commended in four categories of the Positive Practice in Mental Health Awards: for our equine therapy programme, adult eating disorders unit and our provision of physical health checks for people with learning disabilities. Catherine McArevey and Wendy Allam were awarded the Queen's Nurse title from the Queen's Nursing Institute. Finally, the People and Organisation Development, Staff Side and Equality and Inclusion teams were shortlisted for the Partnership Working Between Employers and Trade Unions Awards in the HPMA awards.

Great Organisation

An important part of providing great care and great outcomes for services users is ensuring we are maximising the benefit of digital systems and support. During the year we have continued to make a significant investment in delivering a wide range of digital improvements not widely seen across mental health and learning disability Trusts. In addition to the roll out of ePMA there have been improvements in how appointment reminders and clinic letters are shared digitally. This has built on work within the Trust to record appointments routinely within the electronic patient record, making that information more accessible and re-usable.

We also invested in technology to increase our engagement and the involvement of service users, by ensuring wellbeing and experience questionnaires, to support care planning and monitor the effectiveness of treatment are sent digitally across the majority of services. This supports the Trust's increasing focus on clinical outcomes. To help ensure we are engaging with services users as they would wish, individual preferences for communications have also been gathered, including options for involvement in research to support the new Research Strategy.

In our clinical services, we have implemented a Shared Care Record, with information visible within the main electronic patient record from health and care providers across Hertfordshire, Essex and London. We have also begun to share information

from our systems, securely allowing our partners to see currently open referrals, future booked appointments, previous inpatient admissions and diagnoses recorded by our staff. This is a major milestone for our partnership working, built on the foundations of a strong information sharing agreement in the region. We have continued to build upon the integration between our physical health monitoring equipment (the BlueBox) and our electronic patient record, rolling these out to more services to deliver efficient, modern support for people around their physical health.

For all our staff, clinical and corporate, we have continued to invest in improvements to make their experience of work better. Single Sign On has been rolled out across the Trust for the majority of systems, saving staff time and stress remembering numerous passwords and keying them in every time. We have digitised supervision records and other administrative tasks, such as data protection impact assessments, reducing the burden on staff and improving our ability to monitor and manage these key processes. Cybersecurity continued to be a significant theme throughout the year with a number of emerging high-level threats which we have successfully mitigated with our suppliers. We have also implemented additional systems to further strengthen our cybersecurity measures and to keep our service users and staff's information safe.

We opened a new High Dependency Unit at Forest House, our inpatient unit for adolescents and young people with from mental ill health. As well as providing a secure environment, the unit's design was co-produced with staff and service users to create a more pleasant living environment, with woodland, plant and water themes. We have redeveloped a sensory and wellbeing garden at Forest Lane part of our Children and Adolescent Mental Health Services following coproduction with young people, recognising the value of outdoor space to therapy, care and recovery.

In line with the NHS's commitment to reach net zero as soon as possible, we continue to focus improvement work on creating a sustainable environment. We installed solar panels at Kingfisher Court, which will result in appreciable energy savings. We also refurbished 28 bedrooms and their en-suites at the site, improving flooring and the general quality of the accommodation for adult inpatient service users. Our adult inpatient unit, Albany Lodge also had a major internal refurbishment, including upgrading all service user bedrooms and bathrooms. The internal courtyard garden was also transformed to provide a safe and therapeutic outside space.

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

Finally, we achieved all this as well as delivering a break-even financial position at the end of the year on 31 March 2023. We fully utilised the £13.3m capital funding available to the Trust in 2022/23 and released £7.5m in efficiency savings to be reinvested in our services.

Partnerships

I am delighted and proud of our partnerships and how they help us deliver services to people from ethnically and culturally diverse communities who are more likely to suffer inequalities which impact their mental health. We are working in partnership with One Vision and Stevenage Equalities Commission to improve access, experience and outcomes for ethnically diverse populations in Watford and Stevenage. We have developed pilots as part of our Primary and Community Mental Health transformation that will see increased preventative support accessible within communities and the development of more culturally accessible and inclusive services. We have also started working with the GATE, the Gypsy, Roma, Traveller Organisation in Hertfordshire to focus on improving mental health services and support for the GTR community who often experience both practical and cultural barriers to accessing and benefiting from services.

During the year we have continued to co-chair, with Hertfordshire County Council and invest in the development of Hertfordshire's Mental Health, Learning Disabilities and Autism Health and Care Partnership (MHLDA HCP). This partnership

includes all NHS providers, Hertfordshire County Council and members of the voluntary and third sector, including MIND, Viewpoint and Carers in Herts. Over the course of the year, I am particularly proud of the work we have done to focus on new pathways in neurodiversity, dementia and the system-wide approach to improving the physical health of people with serious mental illness, learning disabilities and autism.

During the year we worked with Watford Football Club's Community Sports and Education Trust to provide Shape Up courses for people with learning disabilities and those suffering mental illness. These courses were tailored to meet the needs of service users and provided education and training to improve fitness. More than 60 people with learning disabilities and a similar number of those with serious mental illness benefited from these courses. Participants felt the programme improved their wellbeing, helped them to reduce their weight, improve fitness, and to make new connections.

We recognise that people from LGBTQ+ communities experience poorer mental health than the general population, and mental illness is particularly prevalent in children and young people who identify as LGBTQ+ and the Trans community more generally. We have identified this as an inequalities priority and have recently undertaken research across Herts Adult and Children and Young People LQBTQ community to get a better understanding of local needs and experience of mental health services. This will inform our work with our LGBTQ+ communities to improve access to and support from services.

During 2022/23 HPFT was a lead partner in responding to both the Ukrainian refugee population and the mental health impact of the costs of living. We have been working collaboratively with other partners and people with lived experience to address the needs of people with mental illness and learning disabilities, through enhancing pathways of care and developing specialist support and communication. We have also improved access to advice and preventative support for high-risk groups.

HPFT has been a University Trust, through its partnership with the University of Hertfordshire (UH), for ten years. Research & Development is a cornerstone of HPFT's University Trust status and we work closely with UH, the National Institute of Health research (NIHR) and the Clinical Research Network East of England (CRNEoE) to deliver high quality health science. Over the past year, HPFT has recruited several hundred participants to numerous NIHR portfolio studies and staff have authored many journal publications and conference

Karen Taylor visiting the Pharmacy Team at Kingfisher Court in May 2022

posters. Research was focussed on Children and Adolescent Mental Health, Neurodevelopmental (Learning Disabilities), Adult Mental Health and Dementia and Frailty. This year we have made a significant investment to deliver on our ambitious research strategy. This is a growing area for us as we continue to increase participation in research and expand our research capacity, capabilities and impact.

The University of Hertfordshire is our main partner in our work to help train and recruit newly qualified nurses. In the year all UH nursing students are guaranteed employment with us on graduation, and support has been provided to teams to increase the number of preceptee nurses they can support. We also continue to offer development opportunities to staff through UH. The Trust's Leadership Academy is accredited by UH and continues to receive positive feedback.

The East of England Provider Collaborative is a partnership between HPFT and five other NHS Trusts which provide specialist mental health, learning disability and autism services across Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. We are the lead organisation for children and young people'' mental health services. During the year we were delighted at the improvement we have made in reducing waiting times for specialist inpatient care; and in reducing the numbers of children and young people who need to be cared for in an inpatient setting across the East of England by the establishment of a Single Point of Access. There has also been a reduction in the number of patients with a very long length of stay and numbers treated outside the region have been stable. The creation of a single point of access has supported the robust management and oversight of inpatient beds.

Another key element of the Provide Collaborative is Adult Eating Disorders where we piloted a virtual intensive treatment service to support service users with an eating disorder from across the region in multiple Trusts, using research to evaluate the outcomes and inform future provision. With funding from the Collaborative, we launched our new community learning disability forensic service in Norfolk and Waveney. This service provides better support for people with learning disabilities who are or could be in the criminal justice system. We have worked with partners to prevent admissions and facilitate earlier discharges from secure units. We have also provided training to health and social care professionals to increase their capacity and capability to support this vulnerable group throughout the year. Looking ahead we are excited to be taking on the role as lead for Perinatal services in the Collaborative and will work with service user and partners to ensure Perinatal services are responsive and of a high quality.

Our vibrant Essex Learning Disability Partnership with Essex Partnership University NHS Foundation Trust continues to thrive and we are delighted to be working closely with colleagues from Essex County Council, local primary care networks, acute hospitals and other partner organisations, to introduce new care pathways for people with learning disabilities. The Partnership has focused on dementia, physical health, neurodevelopmental disorders and end of life. By working collaboratively with our system partners and implementing these new pathways, we are improving clinical outcomes for people with learning disabilities and their families. An example of this is the introduction our new Way in Team, which serves as a single point of access for service users and their families who require specialist LD services.

We listened to feedback from service users and carers, and our Norfolk and Waveney Learning Disability Partnership has developed plans to transform the current Intensive Support Services and provide a seven-day-a-week service. This will play a key role in supporting people with a learning disability who are in crisis to remain in their own homes; and will continue to work closely with social services and other care providers to find alternatives to hospital admission.

This year Buckinghamshire community learning disability teams have worked closely with Buckinghamshire Council adult social care colleagues and have continued to strengthen our integrated working arrangements. We have set up a 'buddy' system to support joint working, shadowing and to strengthen the interface between health and social care. We have also introduced a joint monthly high risk caseload review meeting with adult social care colleagues to ensure a systemwide, coordinated approach to proactively supporting our most vulnerable service users and improving their outcomes.

Looking ahead

We are excited about the year ahead, whilst recognising there is much to do. In July we will be launching our new Trust strategy, which recognises the changes to the environment in which the NHS is working of increased collaboration and operational pressures. It resets the Trust's priorities for the next five years and reflects the feedback we have had from our staff, service users, carers, communities and partners.

We will be transforming and reshaping services and implementing new models of care that will support service users but also help those who experience inequalities to access the care they need. We have worked with staff at all levels, service users, carers and partners to co-produce a plan of activity that has genuinely captured the experience of service users and carers in its development which is central to our new strategy.

The strategy continues our commitment to collaboration and puts involvement of services users at its heart and is based on our desire to have the best staff. The development of services will be shaped collaboratively with service users and carers, and is an important part of how we will develop and reshape our clinical models to meet our three main challenges: increasing demand, increasing complexity of need and increasing our workforce. We have also set ourselves the challenge of making savings through more innovative and cost-effective working, in recognition of the current pressures on NHS budgets nationwide. We are committed to being as efficient as we can be and to reducing waste.

We are also committed to improving access to services in a way that helps address the inequalities experienced by some of those within our local communities, in terms of both access and outcomes. Our aim is to ensure that everyone who needs our services and support has equitable access to care, receives an equally positive experience and has the opportunity to benefit from the care and support we offer. We will also aim to improve the general experience of care by reducing the time people wait for appointments and treatment and providing a better experience and environment for autistic people who use our services. Our work to improve our safety culture will continue, with work focused on reducing harm and improving support and treatment for people with mental ill health who are drug and illicit substance users.

We will continue to collaborate actively with partners and commissioners, including providing leadership in services delivered through the Hertfordshire Mental Health, Learning Disability and Autism Health and Care Partnership; and working with other NHS Trusts in the East of England to improve mental health services for children and young people and expectant and new mothers. We will also continue our active role in the Hertfordshire and west Essex Integrated Care System. We are committed to continuing to deliver our innovative digital strategy, along with the expansion of our research capacity, capabilities and impact.

As I conclude my report, I am proud that, despite the challenges we have faced this year, we can demonstrate many improvements and we have lots to celebrate in how we are meeting the needs of our service users; and that our staff believe that this is a great place to work. I approach the coming year with hope and optimism as I know that our inspirational staff, working closely with our health and care partners will continue to provide high quality, safe care for our service users.

Karen Taylor
Chief Executive
Dated: 29 June 2023

About the Trust

Our Trust is a provider of mental health and learning disability services. We provide integrated health and social care services across community and inpatient settings for over 400,000 people, treating and caring for people across Hertfordshire and within Buckinghamshire, Norfolk and Essex. We have a longstanding partnership with Hertfordshire County Council and are one of the few integrated social care providers of mental health services in England. We also deliver a range of nationally commissioned specialist services including specialist tier 4 services for children and young people, perinatal services and medium and low secure learning disabilities services.

We employ around 4,000 people who deliver these services within the community and in inpatient settings.

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

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

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

Our Vision, Mission and Good to Great strategy

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

Our Vision: Delivering great care and great outcomes – together

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

In 2016, we launched our ***Good to Great strategy*** which articulates the ways we want to deliver the highest quality services. We continued to work towards this vision by focussing on four themes that underpin our working during 2022/23.

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

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

Great Care, Great Outcomes

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

Great People

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

Great Organisation

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

Great Networks and Partnerships

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

During the last six months of the reporting period, we've been engaging with our service users, local communities and our staff to update and refresh our strategy for the next five years and it will published in July 2023

We are active partners in the Hertfordshire and West Essex Integrated Care System (ICS), which brings together all parts of the NHS and local authorities, in partnership with third sector organisations to focus on improving the health of the local population. The ICS is designed to: improve the general health and wellbeing of Hertfordshire and west Essex residents, and improve health and care services in the area; tackle the inequalities which affect people's physical and mental health, such as their ability to get the health services they need; help the NHS to support social and economic development in Hertfordshire and West Essex ensuring the quality of those services: help tackle health and wider inequalities and get the most out of local health and care services and make sure that they are good value for money. The Trust is an active member of the Integrated Care Board (ICB) which is the NHS element of the ICS, which plans and oversees how NHS money is spent and makes sure health services work well and are of high quality. The ICB's role is to join up health and care services, improve health and wellbeing and reduce health inequalities.

Equality of Service Delivery

We are committed to equality of opportunity and equity of opportunity in the provision of services. In line with our strategic priorities and values, we aim to create the best possible quality of care by delivering the highest quality service to all sections of the community that we serve without discrimination. The Trust provides many important health services that have been developed over the years to meet a variety of needs. We seek to ensure that in delivering these services they are provided in a fair and equitable manner. We want our services to be accessible and useful to everyone, regardless of age, disability, gender, race, national origin, sexuality or any other factors which may cause disadvantage or inequity. We will not tolerate any practices that result in the provision of a lower standard of service to any group or individual because of unfair or unlawful discrimination.

Strategic for 2022/23

The Trust is committed to consistently delivering the highest quality of care and outcomes for our patients. Our ambition is to strengthen our position as a provider of mental health and learning disability services and as a learning organisation, to continuously improve our services.

During this year the Trust updated its strategic risks as part of the review of the Board Assurance Framework; the review was a recommendation from the last external Well-Led review. They are listed below:

Strategic Risk 1: Our People

Risk Descriptor: Failure to develop a sustainable workforce model that means we fail to recruit and retain the right numbers of people with the right skills which will impact on quality of care for our service users and our staff satisfaction levels

Mitigations

The Trust has a robust recruitment and retention plan. It also has a Belonging and Inclusion strategy that supports the development of staff. The People and Organisational Development Group has clear oversight of the delivery plan for each of the work streams related to this risk.

Strategic Risk 2: Our People.

Risk Descriptor: Failure to maintain positive health and wellbeing support for all our staff and Trust does not provide an inclusive work experience with equality of opportunity which could mean staff do not feel valued or enabled to reach their potential.

Mitigations

The wellbeing of our people is paramount. The Trust has a comprehensive wellbeing programme that has been developed jointly with staff using feedback and as a result of engagement with teams.

Strategic Risk 3: Quality – Safety

Risk Descriptor: There is a risk that we do not provide safe standards of care due to failure to maintain agreed safe staffing levels meaning service users do not feel safe and are not protected from avoidable harm or deaths through suicide.

Mitigations

To maintain standards the Trust has embedded quality monitoring and improvement processes that ensure timely escalation of issues and a timely response to areas of non-compliance with standards.

Strategic Risk 4: Quality – Experience

Risk Descriptor: There is a risk that the unavailability of services (community and inpatient) could lead to an increase in out of area placements, reduced access to specialist care and poor experience for services users, families and carers.

Mitigations

The Trust has clear ways to seek and review the feedback received and is committed to co-production and working with Experts by Experience to ensure all learning and areas for improvement are identified. The Trust has a clear plan to reduce the number of out of area placements.

Strategic Risk 5: Finance

Risk Descriptor: Failure to maintain a sustainable financial position over the longer term, will impact on the Trust's ability to deliver high quality services consistently, making progressive and sustained improvements.

Mitigations
A robust financial strategy is well embedded within the organisation to ensure identification, escalation and mitigation of risks or barriers to achievement of our financial plans.

Strategic Risk 6: Transformation

Risk Descriptor: Failure to deliver transformation and continuous improvement could compromise quality, safety and experience of service users and ability to recruit staff.

Mitigations
The Trust is ambitious with regard to quality improvement. The Trust is committed to Continuous Quality Improvement and has a dedicated team to support this. The Trust monitors and supports the organisation's transformation programme to ensure the Trust's ambitions are delivered.

Strategic Risk 7: System

Risk Descriptor: Failure to influence partners in the new system architecture which may lead to a shift of influence and resources away from the Mental Health and Learning Disability and Autism Health and Care Partnership (MHLDA HCP) service users and communities served by HPFT.

Mitigations
The Trust is an active member of the Integrated Care Board and co-chairs the Mental Health Learning Disability and Autism Health Care Partnership. It also takes a lead in the East of England Provider Collaborative for CAMHS.

Strategic Risk 8: Social Care

Risk Descriptor: Failure to engage with partners and organisations to deliver the right care and improved outcomes of service users. This includes failure to implement social care reform and meet Section 75 requirements which may result in social care outcomes not being met

Mitigations
The Trust is enhancing the reporting of social care metrics, including the development of a dashboard which reports on performance data. The Trust also has a clear transformation programme which includes social care.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Performance Analysis

How the Trust measures performance

Throughout the year, the Trust maintained a performance review system, including quarterly formal Performance Review Meetings (held between the Executive Team and the Strategic Business Units), and regular reports to the Executive Team, the Trust Board and the commissioners of our services in the following areas:

- The key performance measures agreed by the Board relating to the areas of operational significance. These focus on the service quality measures of access, safety and effectiveness, workforce and finance and reflect the domains of the NHS Oversight Framework. The reporting of these includes the trends in performance as well as deeper analysis into specific issues requested by the Board and its subcommittees.
- Regulatory requirements from NHS England and other bodies.
- The contractual measures reported regularly to commissioners and other partner organisations.
- Progress on the Trust Annual Plan and the achievement of the related objectives.
- Progress with the Transformation Programme, which helps to support recovery and areas of improvement.

We strengthened our capability as a data and information-led organisation in 2022/23 with the introduction of data science and epidemiology capabilities. This has in resulted better use and interpretation of our data and information assets including the rollout of Statistical Process Control techniques, regression analysis techniques, and improved visualisation and automation capabilities. Together these allow us to focus strategically on the issues that impact on our performance and provide deeper insights into issues that impact the lives of our service users and carers. Examples of these include equality, diversity and inclusion analysis and action, continued improvements inour information and analytics capabilities, and more timely and simple access to insights and analysis to support our Continuous Quality Improvement initiatives.

Detailed analysis of development and performance at the Trust NHS Oversight Framework

NHS Oversight Framework

During this period the NHS Oversight Framework was updated so it aligned with the priorities set out in the 2022/23 priorities and operational planning guidance. It was also amended to ensure it reflects the significant changes enabled by the Health and Care Act 2022, which included the establishment of Integrated Care Boards (ICBs) and the merging of NHS Improvement (including Monitor and the Trust Development Authority) into NHS England.

During the period NHS England regional teams led the oversight of ICBs on delivery against the domains in the NHS Oversight Framework and, through them, gain assurance of place-based systems and individual organisations. Where necessary, regional teams led and co-ordinated support requirements identified for the ICB.

Hertfordshire and West Essex ICB led the oversight of system NHS providers, assessing delivery against these domains, working through provider collaboratives where appropriate. If any areas of concern are identified the ICB would consult with their NHS England regional team and consider any specific support requirements and, where necessary, issues requiring formal intervention by NHS England.

Following assessment against the domains in the Oversight Framework Trusts are segmented into four categories according to the level of support each Trust needs. Where improvements in performance are required, a package of support is agreed with the provider to help them achieve this. During 20222/23 the Trust continued to be in segment 1, meaning that the Trust is: *Consistently high performing across the five national oversight themes and playing an active leadership role in supporting and driving key local place-based and overall ICS priorities.*

System working

The Trust works as an active member in the Hertfordshire and West Essex Integrated Care System (ICS). We fully contribute as a member of the Integrated Care Board and have been part of the development of its Joint Forward Plan. The Joint Forward Plan articulates the response to the Integrated Care Partnership's Strategy and the NHS expectation on the system.

Trust Performance

The NHS Single Oversight framework is built around five national themes and one local theme with many of the targets set at an ICB level and several at both system and trust level. There is one specific mental health trust level metric relating to Inappropriate adult acute mental health placement out of area placement beds. The Trust has not met the requirements of this Trust based metric. Our use of inappropriate beds has remained high, reflecting the national picture of increased demand for admissions and the increased acuity and complex needs of our service users resulting in longer lengths of stay. We made investments across the financial year to strengthen our partnerships with local bed providers to ensure that we place people as close to their homes and community as possible in the event that we do not have available beds in the Trust bed estate. We are also undertaking transformation work to establish alternatives to admission and facilitate early supported discharges with an agreed trajectory to reduce out of area placements in 2023/24

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

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

At the start of 2022/23 the Trust's performance was significantly challenged (55% of KPIs met or nearly met) as a result of the effect of the COVID 19 pandemic. In Adult Services, demand continued to rise, along with complexity. In Children and Young People's services, we saw an increase in presentations of Eating Disorders and ADHD. In Older Adult Services, a suppressed demand for services created waiting list pressures at the start of the year.

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

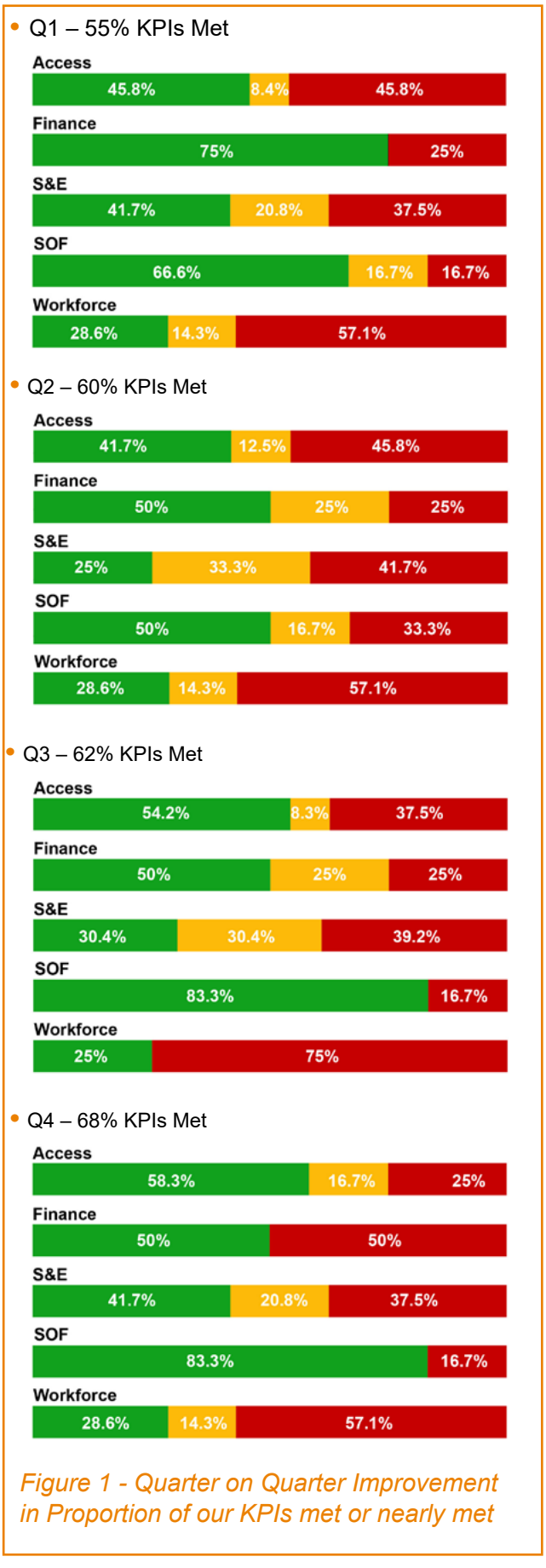
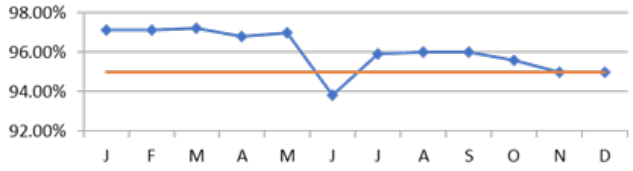


Figure 1 - Quarter on Quarter Improvement in Proportion of our KPIs met or nearly met

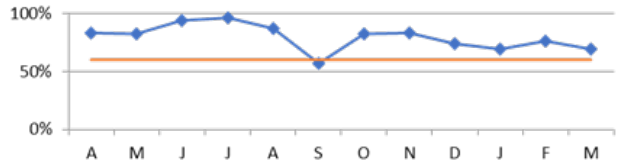
At the end of the year, 68% of KPIs were met or nearly met.

The charts below show how we performed over the year across the six indicators included in our Single Oversight Framework. During the year we consistently met the six indicators (please note the orange lines indicating the target)

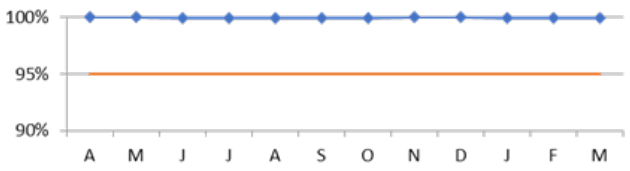
SOF 1 – The completeness of the central monthly data return into the National data set for Mental Health - called the Minimal Mental Health Data Set (MHSDS)



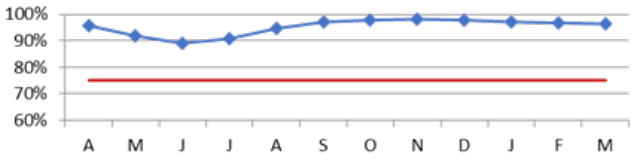
SOF 2 – Service users presenting with a First Episode of Psychosis are treated on the Early Intervention in Psychosis pathway within 14 days of referral



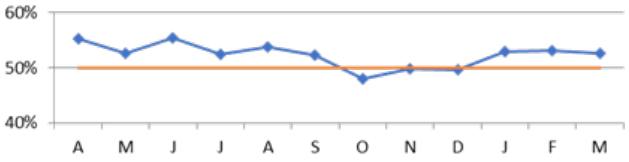
SOF 3 – Service users completing treatment within 18 weeks of referral onto the Improving Access to Psychological Therapies pathway



SOF 4 – Service users beginning treatment within 6 weeks of referral onto the Improving Access to Psychological Therapies pathway



SOF 5 – Service users who have met recovery goals having accessed psychological support through the Improving Access to Psychological Therapies across all geographies served by the Trust



SOF 6 – Service users who are in inpatient placements outside the Trust's normal network of treatments - typically theses are geographically outside the county.

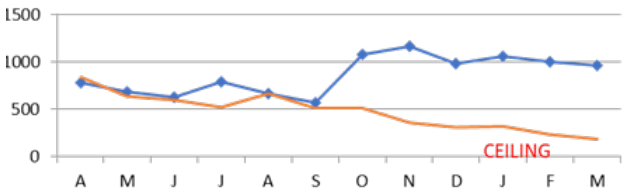


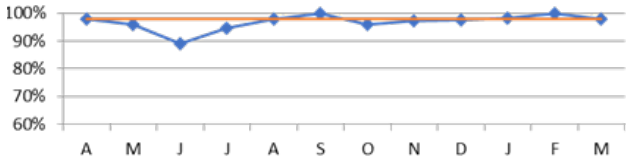
Figure 2 - Five out of six KPIs from the national Single Oversight Framework consistently met across 2022/23. Note for SOF 6 the ceiling target represents the maximum.

Access

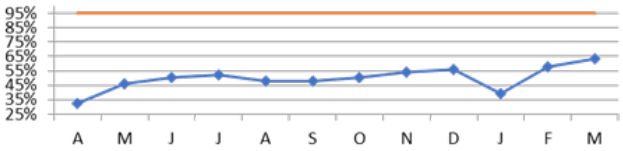
Challenges created from high caseload volumes and the increasingly complex needs of service users saw the Trust begin the year meeting fewer than 50% of access targets. Over the year our Recovery Programme returned this position to 75% of KPI targets being met or nearly met.

The four access indicators set out below have been identified as the key indicators for our core community services; learning disabilities, adult community, CAMHS, EMDASS. They are also the same services detailed in the Annual Report for 2021/22, thereby enabling comparison year to year.

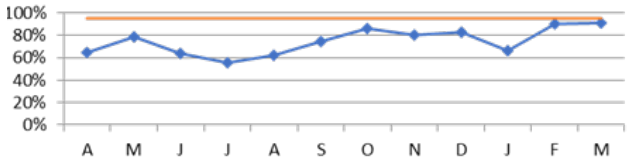
Service users referred with Learning Disabilities needs are assessed within 28 days of referral



Service users on the Adult Community Pathway who had a structured needs assessment within 28 days of referral



Service users on the Children and Young People Pathway who had a structured needs assessment within 28 days of referral



Service users referred to the Early Memory Diagnosis and Support Service Pathway receive a diagnosis within 12 weeks of referral

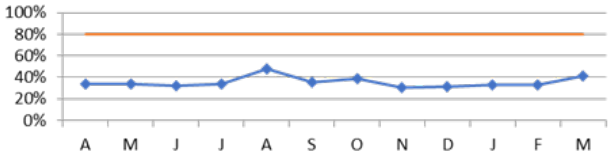


Figure 3 - Access Performance for Service Users completing a full initial assessment within access time standards

Access remained a challenge due to a number of factors as a result of ongoing demand and pressure on our workforce.

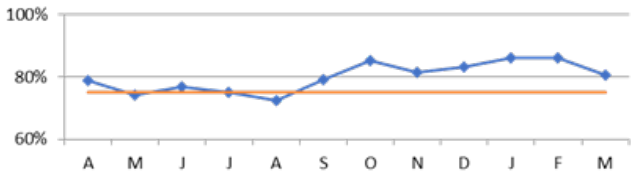
Plans for next year include recruiting into teams delivering services, implementing innovation and the transformation plans for new models of care, whilst also continuing to improve quality, experience and access to services.

Safe and Effective

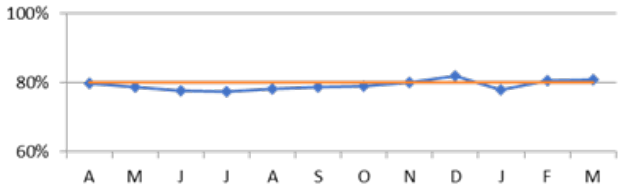
There are 24 Safety and Effectiveness Key Performance Indicators which describe our performance in terms of safety, experience, quality and data. We began the year with only 25% of KPIs met and ended the year with 42% fully met and a further 21% nearly met.

Areas in which we have performed particularly strongly are:

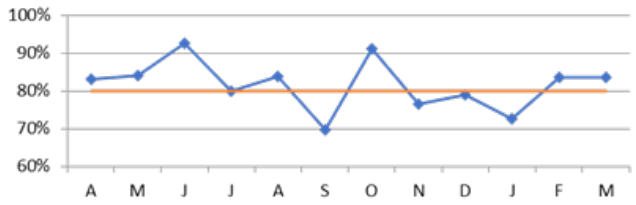
Carers who have responded to survey questions indicating that they feel valued by the Trust in their role providing care and support to service users.



Service users who have responded to Having Your Say survey questions indicating that they would recommend the Trust to members of their family or friends if they needed Mental Health, Learning Disabilities and Autism services.



Service users who are discharged from Inpatient Services have had a follow-up contact from Inpatient, Crisis, or Community staff between 24 and 48 hours (Best Practice)



Service users who have responded to Having Your Say survey questions indicating that they feel that their experience with the Trust is in line with our values - Kind, Welcoming, Respectful, Professional, Positive.

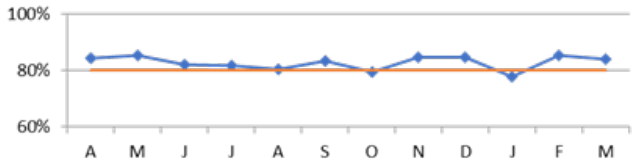


Figure 4 - Areas of strong performance or strong recovery across the year

As illustrated below, delays in transferring people from our care to other services increased due to a combination of factors. Insufficient availability of suitable accommodation had led to a shortage of supply. Many of the places that are available are not suitable for the needs of our service users. We continue to work with health and social care partners to explore different service options to support timely discharge.

Service users who are in an inpatient environment who meet the clinical criteria for discharge but cannot move on due to other factors (for example needing a social care placement) which are causing a delay.

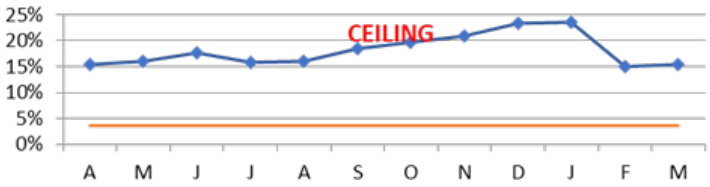
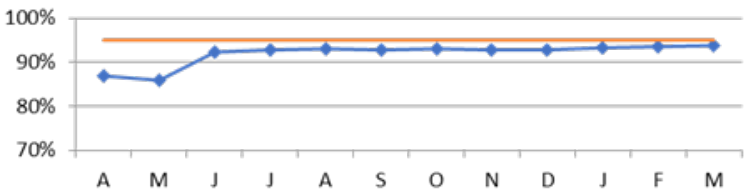


Figure 5 - Delays in service users being discharged from inpatient services means people are staying in hospital longer than they need to, and some service users are referred to out of area placement beds.

Maintaining 95% of people having a formal, annual risk assessment review also improved significantly over the year as a result of a continuous quality improvement project to update our approach to risk management. This initiative has improved both the quality and frequency of risk assessments and planning to improve care.

Service users who have had a comprehensive assessment to identify risk and a Care Plan to help address the risks identified.

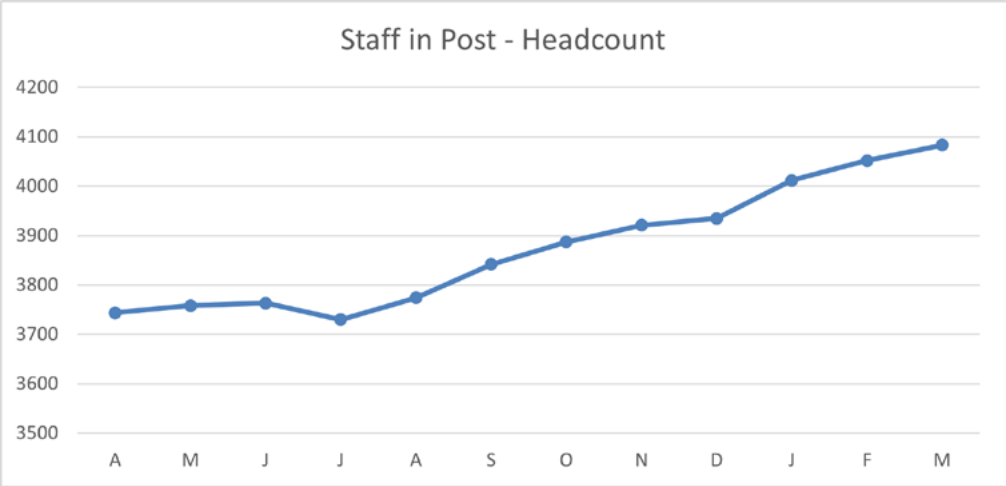


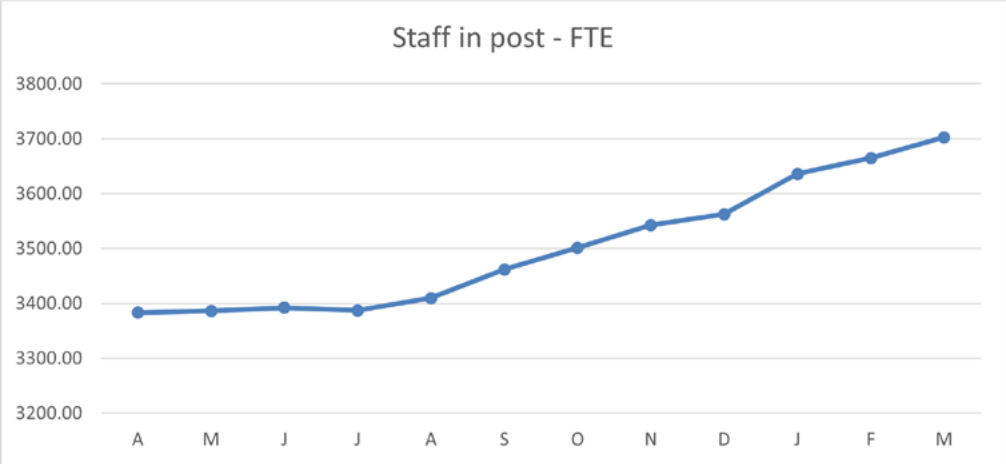
Workforce

We strive to make our organisation a great place to work for everyone and we have received very positive feedback from the national staff survey as detailed in the Staff Report. In addition, during this year we have seen positive improvements in our recruitment and retention, albeit that there remain some challenges as set out below:

Staff in Post

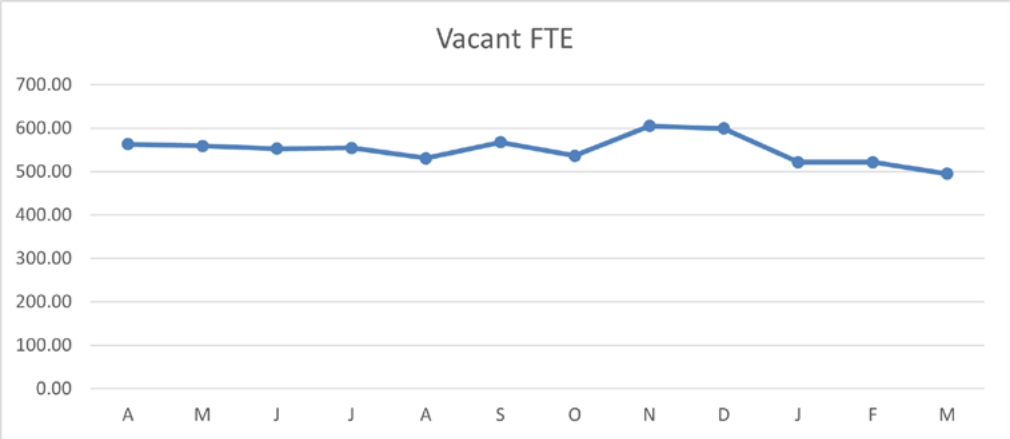
Our staff in post figures and vacancy rates have significantly improved as a result of increased and successful recruitment activity during this year. Our staff in post has increased by 319.6 FTE (9.4%) this year, reducing our vacancy rate from to 14.3% to 11.8%, the lowest rate since June 2021, despite an increase in our establishment of 252.12 FTE this year (a 6.4% increase).

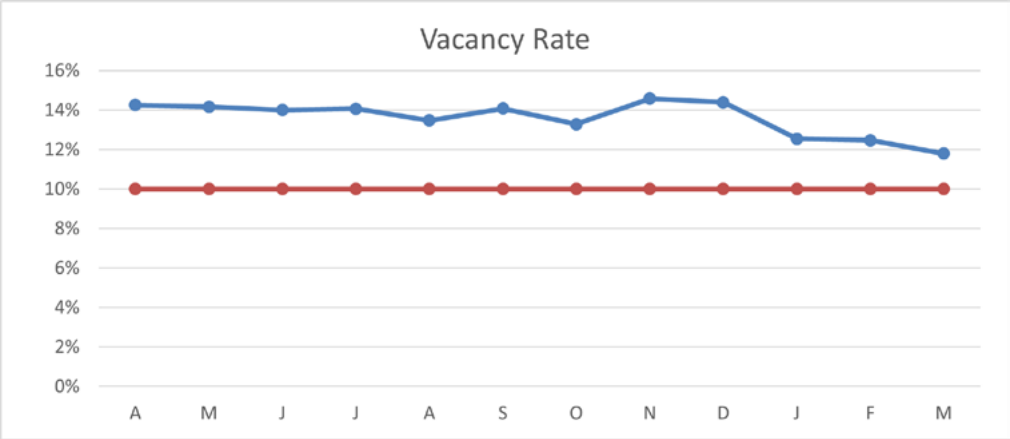




Vacancies

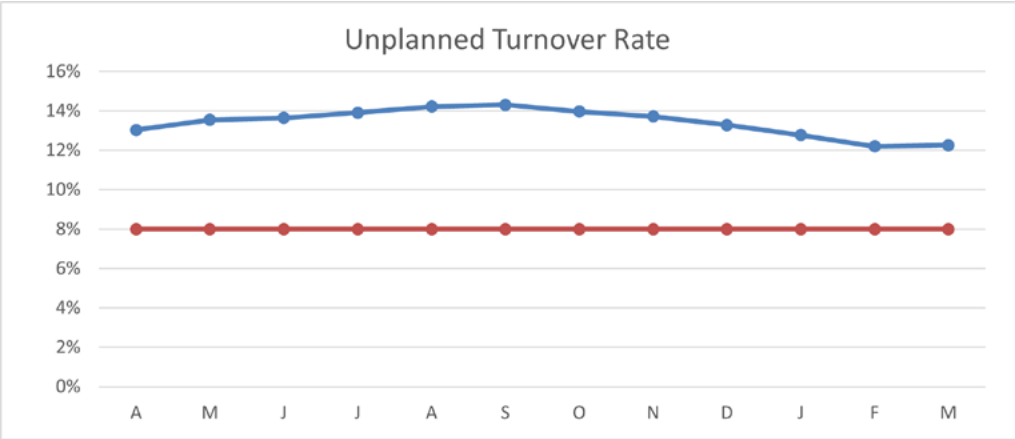
Over the year the number of vacancies reduced and at the end of March 2023 our overall vacancy rate was just below 12%. Our registered nurse vacancy rate reduced from 24.5% at the start of the year to 22.8%, whilst Health Care Support Worker vacancies reduced from 17.5% to 6.7% and Allied Health Professional (AHP) vacancies reduced from 23.3% to 14.6%. However, our consultant vacancies have increased to 19 and remain an area of focus, alongside nursing and AHP vacancies.





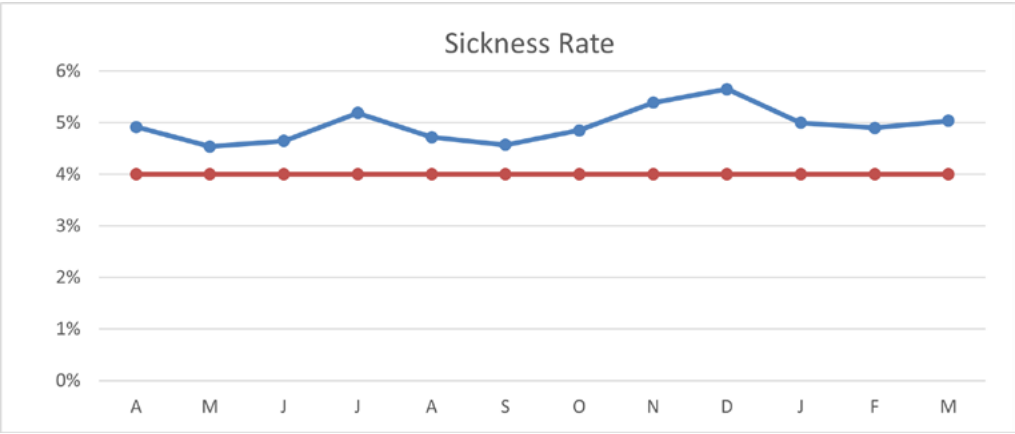
Turnover

Our unplanned turnover rate has improved from 13% at the start of the year to 12.3% at the end of March 2023.



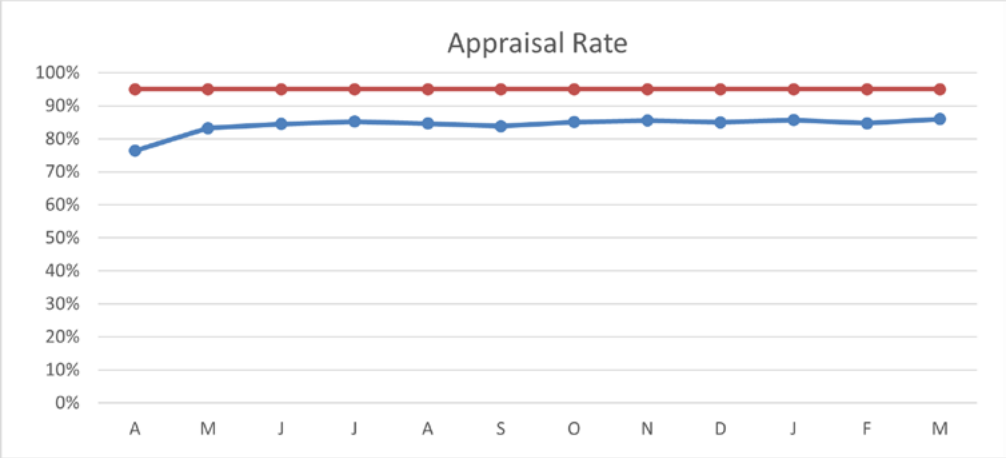
Sickness

Sickness absence rates have remained at around 5% at the end of March 2023. The fluctuations in sickness absence rates to date have been as a result of random variation, linked to seasonal/community infection rates. Whilst mental ill health related absence remains the main reason for absence, during 2022/23 this has remained lower than in 2021/22 as a result of our work to support health and wellbeing.



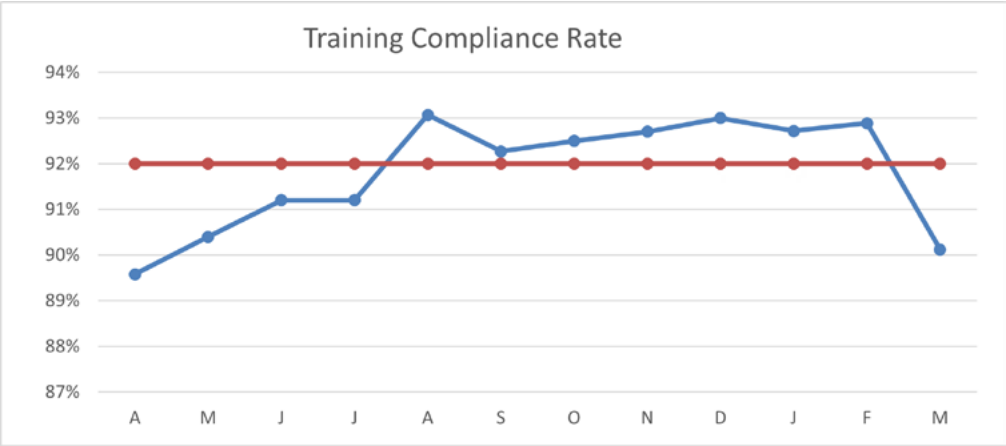
Appraisal

Our appraisal rates have remained around 85% during the year. However, we have now launched our new appraisal App and a new time window during which planned actions are in place to improve compliance by the end of July 2023.



Mandatory Training

Our mandatory training rates have dipped to 87% at the end of the year as a result of changes in national training requirements requiring all staff to undertake at least one additional eLearning course within a very short timeframe. During the year, however, we have exceeded our 92% target and are working to ensure that the new eLearning is fully compliant during the first quarter of 2023/24



Financial Performance

The Trust reported an adjusted surplus of £0k against the control total of £0k (break-even). The overall reported position is a deficit of £17,829k, which includes £17,856k net impairments charged to the Statement of Comprehensive Income (SOCI), 104k non-cash element of pensions, and £77k of peppercorn rental impact; the latter three items areadded back to get to the adjusted position which is measured against the control total.

The following table shows the 2022/23 financial outturn against the 2021/22 position under NHS England's reporting definitions.

	2022/23 outturn £000	2021/22 outturn £000
Operating revenue	-392,816	-344,040
Employee expenses	232,077	206,577
Other operating expenses	175,519	133,950
Non-operating income/expenses	3,049	3,298
Other gains/(losses) including disposal of assets	0	0
Net reversal of impairments and other non-current asset gains/(losses)	-18,037	-490
Removal of donated assets/PPE consumables	0	0
Adjusted surplus/(deficit)	0	-705
Net surplus /(deficit) %	0%	0%

Total operating revenue for EBITDA	-392,816	-344,040
Total operating expenses for EBITDA	380,547	332,472
EBITDA %	3.1%	3.4%

Year end cash	**52,271**	**71,642**

Reconciliation of surplus to adjusted financial performance

Whilst the deficit for the financial year was £17,829k (£215k surplus in 2021/22) as reported on the SOCI, this includes a small number of items which are unusual in nature and not considered by the NHS FT to be part of its normal activities, and are therefore adjusted to show the comparative financial performance against the NHSE control total of break-even for 2022/23 (break-even for 2021/22)

		2022/23	2021/22
Financial performance for the year:		£000	£000
Surplus/(Deficit) for the year		-17,829	215
add back Net Impairments charged to the SOCI	13	17,856	512
Remove Non-cash element of on-SOFP pension costs	26	-104	-22
Remove peppercorn lease I&E impact		77	0
Adjusted financial performance against the NHSE Control Total		**0**	**705**

Environmental and sustainability performance

As part of its overall strategy for sustainability the Trust with service partners, will continue to pursue its ambition to reduce the impact of our activities on the environment while providing leading sustainable healthcare. This means that the way we operate today must meet the needs of the present, while collaboratively building on a cleaner, healthier environment for future generations. The Trust will continue to embed this commitment to sustainable development with a clear strategic focus on our carbon footprint, ensuring that the national and local sustainability responsibilities are firmly embedded in the overall Trust strategy, encapsulated in our Green Plan.

The Trust understands the challenging and ambitious goal of being carbon neutral in the core footprint by 2040 and by 2045 in the footprint plus aligned to the NHS Towards Net Zero Strategy targets. The Trust will continue to work in a coordinated way to instil a culture which supports our environmental responsibility. We recognise the increasing and urgent need to take action to halt the negative impacts on our environment and improve efficiencies which will support, protect and enhance biodiversity throughout the organisation.

We will continue to monitor our impacts as they arise, adapting our approach and resources to manage and reduce our impact on the environment through the efficient use of resources and utilities. We recognise that delivering sustainable healthcare involves working at all levels of healthcare with staff, patients and partner organisations to implement our ambition to deliver a health system that supports social and environmental ambitions which are financially efficient, to put our organisation on a path to a cleaner, greener and healthier future.

Two highlights from this period are the replacement of all fluorescent lighting with new efficient LED lighting in all five wards and shared spaces. We have also installed Solar Photovoltaic panels to the flat roof areas.

Sally Judges presenting the Nutrition section of the Green Plan on Earth Day in April 2022

Patient-led assessments of care environment (PLACE)

Good environment matters. Every NHS patient should be cared for with compassion and dignity in a clean, safe environment. Patient Led Assessment of the Care Environment (PLACE) assessments provide detail on the current position and identify areas for improvement.

During the reporting period the Trust undertook the assessments involving local people (known as patient assessors) going to our sites as teams to assess how the environment supports the provision of clinical care, assessing such things as privacy and dignity, food, cleanliness and general building maintenance and, more recently, the extent to which the environment is able to support the care of those with dementia or with a disability. The Trust submitted its assessments which were validated and analysed by NHS Digital. The analysis provides a positive picture for the Trust and did result in some areas of improvement in relation to cleanliness and condition and appearance of some of the estate. The Estates team have developed detailed action plans to address identified areas and will be undertaking bi-monthly local PLACE meetings to monitor progress.

Social, community, anti-bribery and human rights

There have been no anti-bribery or human rights issues to escalate throughout the year.

Modern Slavery Act Reporting

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

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

Equality, Diversity and Inclusion

The Trust has a real commitment to embedding equality, diversity and inclusion throughout the organisation and during 2022/23 we have strengthened and broadened our approach as demonstrated by our results in the staff survey. We will continue to build upon these successes in 2023/24.

During the period the Trust has supported and strengthened the councils we have.

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

Service User and Carer Groups/Councils have been a significant presence in the Trust for over 17 years. They raise and discuss a variety of topics with Trust staff at all levels and are vital critical friends that the Trust can approach for honest feedback and comment from the perspective of lived experience.

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

At every public Board meeting, a service user, carer or professional from a specific service is invited to share their experiences and suggest actions for positive change. Having service users and carers sharing their stories at the start of every public Board meeting helps set the tone of the meeting and brings the focus back to the Trust's vision to deliver Great Care and Great Outcomes for people, together.

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

Some of the key highlights for 2022/23 of our continued work include:

Over the last year across our services, we have held events to raise awareness, share/ learn from experiences and challenges individuals with protected

characteristics may face within healthcare services and in our organisation. We have supported national events of celebration, which were targeted at our workforce for example the Reality of being Neurodivergent, Windrush Day Event and much more. Following these events, we have seen an increase in awareness of challenges and staff engagement in these forums. Some of our events have been held jointly with our service users and carers such as Medical Prescribing question and answer, Patient Safety: Medication Safety | Safe Withdrawal.

The launch of our Trust Reasonable Adjustments policy is the first policy at HPFT where neurodiversity has been explicitly defined and mentioned. Our newest staff network, supports neurodiversity and continues to promote and advocate for others and raise awareness of neurodivergent people.

Ensuring that all our sites are accessible, for our staff, service users and carers remains, a priority and in 2022/23 two new accessibility guides for Essex were produced with our partner AccessAble.

In 2022 the Trust submitted its Workforce Race Equality Standards (WRES) and Workforce Disability Equality Standards (WDES). The data from these reports have highlighted 33.5% of our workforce is BAME and 7.30% have a disability. During the year, we have:

- Co-produced action plans with our staff networks
- Produced career development support for BAME and disabled staff,
- Introduced a workplace adjustments panel,
- Targeted health and wellbeing sessions
- Produced our first Belonging and Inclusion co-production strategy and plan.
- Increased the number of BAME reverse mentors, who are sharing their BAME lived experience with senior leaders in the organisation.

We have trained 40 inclusion ambassadors, who act as a fundamental part of recruitment processes for band 8a and above.

Safeguarding

The Trust actively engages with local safeguarding adult and safeguarding children boards. There are named leads for both safeguarding children and adults who report regularly through the governance structure to the Trust's Integrated Governance Committee. This year saw an increase in prevalence of people experiencing domestic abuse, both for adults and children with mental health needs. In response the organisation is providing more training for staff around responding to this type of abuse, including presentations by domestic abuse specialists from partner agencies. The organisation has also become the first NHS Trust to use the WEPROTECT app which allows for adults experiencing domestic abuse to be referred for free legal advice (with the consent of the adult). We also work closely with co-located Independent Domestic Violence Advisors. The Trust offers a range of mandatory and additional training in all areas of safeguarding for both children and adults.

Anti-bribery and Counter Fraud

The Trust does not tolerate any form of fraud, bribery or corruption by employees, partners or third parties acting on behalf of the organisation. We investigate allegations fully and apply sanctions to those found to have committed fraud, bribery or a corruption offence.

The Trust has engaged a dedicated counter fraud specialist (LCFS) through RSM Risk Assurance Services LLP during this period and they provide services in accordance with Secretary of State directions. Our anti-fraud and Anti Bribery Policies and work plan is approved by the Audit Committee. The Audit Committee formally approves the counter-fraud annual work plan and progress reports are provided to the committee at each meeting.

Volunteers

The Trust volunteering programme continues to grow and as an organisation we recognise the amazing contributions that our volunteers bring to improving experiences for staff, service users and carers.

In recognition of volunteering week 2022/23, the Trust held a celebratory session for our volunteers – "hidden champions" to thank them for their contributions. The Trust has 42 volunteers, and we continue to recruit and work alongside frontline services to create new roles that will enhance the experience for service users, carers and staff.

Accountability Report

Directors' Report

The Trust Board

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

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

Names of Trust directors during 2022/23

Name	Title	Term of appointment
Sarah Betteley	Chair	1.1.21-31.12.23
David Atkinson	Non-Executive Director	1.8.22-31.7.25
Anne Barnard	Non-Executive Director	1.1.21-31.12.23
Tim Bryson	Non-Executive Director	1.1.21-31.12.23
Carolan Davidge	Non-Executive Director	1.11.22-31.10.25
Catherine Dugmore	Non-Executive Director	1.8.16- 31.7.22
Diane Herbert	Non-Executive Director	1.5.22-30.4.25
Kush Kanodia	Associate Non-Executive Director	1.3.21- 31.8.22
Andrew van Doorn	Non-Executive Director	1.9.22-31.8.25
Jon Walmsley	Non-Executive Director	1.5.21-30.4.24
Karen Taylor	Chief Executive Officer	1.12.21- ongoing
Hakan Akozek	Director of Innovation and Digital Transformation	1.2.22- ongoing
Sandra Brookes	Deputy Chief Executive /Chief Operating Officer	1.4.19- ongoing
David Evans	Executive Director Strategy and Partnerships	1.5.22- ongoing

Name	Title	Term of appointment
Janet Lynch	Interim Executive Director People and Organisational Development	1.6.21-5.4.23
Paul Ronald	Director of Performance Improvement Interim Director of Finance and Estates	1.2.12-30.4.22 and 1.10.22-28.4.23
Jacky Vincent	Executive Director of Quality and Safety (Chief Nurse)	1.8.21- ongoing
Maria Wheeler	Executive Director of Finance and Estates	1.7.21-23.9.22
Asif Zia	Executive Director of Quality and Medical Leadership	1.7.17- ongoing

Table 1

During this period the Trust did not have a Deputy Chair and Jon Walmsley was appointed as Senior Independent Director during 2022/23.

Registers of Interest

Board members are required to declare their interests annually and as they change, in addition to confirming they meet the fit and proper person condition as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014. This includes details of any Company Directorships. Members of the public can view the register of directors' interests on the Trust website at:
https://www.hpft.nhs.uk/media/6145/declarations-of-interest-august-2022.pdf
by emailing: corporate.office@nhs.net
or by writing to: Head of Corporate Affairs and Company Secretary, Hertfordshire Partnership University NHS Foundation Trust, The Colonnades, Beaconsfield Road, Hatfield, Hertfordshire AL10 8YE.

Compliance with cost allocation and charging

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

Political donations

The Trust did not make any political donations during 2022/23.

The Better Payment Practice Code

The Better Payment Practice Code requires the Trust to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later, unless other payment terms have been agreed with the supplier. The Trust's compliance with the code is set out in the following table. The Trust did not pay any interest as the result of failing to pay invoices within the 30-day credit periods. Performance for 2022/23 was impacted on a cyber incident that affected the e-financials system. The finance team have a robust action plan in place to improve performance in 2023/24.

Non NHS	£000's	Number
Total bills paid in the year	193,431	61,467
Total bills paid within target	177,709	49,390
% of bills paid within target 2021/22	92%	95%
% of bills paid within target 2022/23	92%	80%

Table 2

NHS	£000's	Number
Total bills paid in the year	41,764	913
Total bills paid within target	35,137	685
% of bills paid within target 2021/22	83%	84%
% of bills paid within target 2022/23	84%	75%

Table 3

Well-led framework

It is of paramount importance to ensure that the Trust is well-led so services are safe and patient-centred. In 2021 Deloitte completed their well-led development review. The review highlighted a small number of areas for improvement against a backdrop of a positive assessment. In May 2022 the Board received an update on the progress with the action plan noting that all bar one action had been completed, the last of which related to the review of the Board Assurance Framework, which was completed in 2022/23.

The Trust leadership team have regular meetings with our CQC relationship manager and are in frequent contact to respond to any queries. To the best of the directors' knowledge, there are no known material inconsistencies between:

- The Annual Governance Statement
- The Corporate Governance Statement and Annual Report
- CQC insight reports and any consequent action plan

Disclosure of information to Trust auditors

The Directors of the Trust are responsible for preparing the Annual Report and Financial Statements (annual accounts) in accordance with applicable law and regulations. So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Income disclosures

The Trust has met the requirement of Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), in that its 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 provisions of goods and services from other purposes

The impact of other income which the Trust has received has been invested in the provision of goods and services for the purposes of the health service in England.

Remuneration Report

Annual statement on remuneration

The Nominations and Remuneration Committee is a committee of the Trust Board which is appointed in accordance with the constitution of the Trust to determine the remuneration, allowances, pensions and gratuities or terms of service of the executive Board Directors and those who report directly to the Chief Executive and other costs and expenses incurred by directors.

In 2022/23, the committee met on six occasions to consider a number of matters within its terms of reference, including making decisions on the remuneration and terms of service of the executive directors' and very senior managers' pay, including new appointments. When making decisions on the salaries of executive directors, the committee considered benchmarking data for comparable positions, particularly to ensure that salaries remained appropriate where responsibilities of senior managers were amended in line with national guidance. During this period there were no substantial changes relating to senior managers' remuneration.

The committee does not determine the terms and conditions of office of the chair and non-executive directors. These are decided by the Appointments and Remuneration Committee and ratified by the Council of Governors.

Sarah Betteley

Chair

29 June 2023

Essex Learning Disability Team at an event in Colchester for Learning Disability Week June 2022

Senior managers' remuneration policy

The Nominations and Remuneration Committee sets pay and employment policy for the executive directors and other senior staff designated by the Trust Board. The Trust's policy is for all executive directors to be on permanent Trust contracts with six months' notice.

Remuneration consists mainly of salaries (which are subject to satisfactory performance) and pension benefits in the form of contributions to the NHS Pension Fund. There were 6 senior managers whose pay exceeded £150,000 during 2022/23. Where an individual Executive Director is paid more than £150,000, the Trust has taken steps to ensure that remuneration is set at a competitive rate in relation to other similar Foundation Trusts and that this rate enables the Trust to attract, motivate and retain executive directors with the necessary abilities to fully manage and develop the Trust's activities for the benefit of service users.

Remuneration is set with due regard to benchmarking information from other NHS organisations and public sector bodies as appropriate and survey data. Experience, performance and portfolio are also taken into account. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors whilst maintaining the quality required. Senior managers are those people who have the authority and responsibility for controlling the major activities of the Trust.

Salaries are awarded on an individual basis, taking into account the skills and experience of the postholder and comparable salaries for similar posts elsewhere. Pay is also compared with that of other staff on nationally agreed Agenda for Change terms and conditions, and medical and dental staff terms and conditions

A review of the senior managers' remuneration policy, if required is provided to the Nominations and Remuneration Committee by a pay specialist. During 2022/23, external advice was provided on comparable salaries for Executive Director and Chief Finance Officer posts. No Board Director is involved in setting their own remuneration.

There are no provisions within the directors' contracts of employment for recovery of sums, should performance fall below the required standard.

The Council of Governors determines the terms of appointment for non-executive directors based on benchmarking data for similar posts elsewhere in the NHS. Typically, non-executive directors are appointed for three-year terms of office and do not have access to the NHS pension scheme.

Information on the salaries and pensions of directors is included within the senior manager remuneration tables from page 40.

Diversity

The Trust recognises that it has a legal obligation to ensure that its practices through service provision and its employees do not discriminate. The Trust is committed to promoting equality of opportunity and equity of opportunity for all its employees. Individuals will be treated fairly in all aspects of their employment at the Trust.

The Trust has an equality and diversity policy which details the guiding principles to remove any barriers, bias or discrimination that prevent individuals or groups from realising their potential and contributing fully to the Trust's performance. This policy and associated documents, such as the gender pay gap plan, are implemented in accordance with statutory requirements. This policy supports the work of the Nominations and Remuneration Committee

Future Policy Table – *Directors: Table 4 describes the components of the remuneration package for Directors.*

	Salary	Taxable benefits	Performance related bonuses	Long term bonuses	Pension benefits
Support for long and short term Trust objectives	Ensuring recruitment and retention of Directors with sufficient quality / experience	N/A	N/A	N/A	Ensuring recruitment and retention of Directors of sufficient calibre to deliver the Trust's objectives
How the component works	Paid monthly	N/A	N/A	N/A	Contributions paid by both employee and employer, except for any employee who has opted out of the scheme
Maximum payment	As set out in the remuneration table, salaries are determined by the Trust's Nominations and Remuneration Committee	N/A	N/A	N/A	Contributions are made in accordance with the NHS pension scheme
Framework used to assess performance	Trust appraisal system	N/A	N/A	N/A	N/A
Performance measures	Based on individual objectives agreed by the Chief Executive	N/A	N/A	N/A	N/A
Performance Period	Concurrent with the financial year	N/A	N/A	N/A	Financial year
Amount paid for minimum level of performance	No performance related payment arrangements	N/A	N/A	N/A	N/A

Service contracts

Information relating to directors' service contracts is included within the Code of Governance Disclosures section from page 59. The Trust is obliged to give Directors six months' notice of termination of employment, which matches the notice period expected of Executive Directors at the Trust. The Trust does not make termination payments beyond its contractual obligations which are set out in the contract of employment and related terms and conditions. Executive Directors' terms and conditions, with the exception of salary, shadow the national arrangements inclusive of sick pay and redundancy arrangements and do not contain any obligations above the national level.

Policy on payments for loss of office

Payments for loss of office in a compulsory redundancy situation are made under the nationally negotiated compensation scheme and in line with guidance from NHS England. There were no payments for loss of office made in 2022/23.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is chaired by the Trust Chair, and membership comprises all other non-executive directors. The Trust's chief executive may be invited to attend all or part of the committee meetings provided that they are not present when their executive role is subject to committee discussion/decision-making. The committee is supported by the Chief People Officer and Head of Corporate Affairs and Company Secretary. Details of Committee attendance in 2022/23 may be found in the section NHS Foundation Trust Code of Governance Disclosures from page 69.

Disclosures required by Health and Social Care Act

The Trust is governed by a Board of Directors. At 31 March 2023, the Board comprised eight non-executive directors (including the chair) and seven executive directors (including the chief executive).

There are 30 governor positions (27 were in post as at year end), comprising:

- 17 public governors (elected)
- 5 staff governors (elected): One each from the five staff constituencies
- 6 appointed governors (appointed): Nominated from partnership organisations.

Expenses paid to governors and directors are outlined in the table below :

	Number received expenses	Total sum of expenses £000
2022/23		
Governors	2	£767.62
Directors	22	£4,561.44
2021/22		
Governors	1	£120.95
Directors	8	£646.31

Senior Managers remuneration details and pension benefits for 2022/23 are set out in the tables below. These are subject to audit.

Senior manager remuneration tables

Name and Title	2022/23 Salary and fees (bands of £5,000) £000	2022/23 Other remunera-tion* (bands of £5,000) £	2022/23 Taxable benefits** (nearest £00) £	2022/23 Perfor-mance related bonuses (bands of £5,000) £000	2022/23 Long term Performance related bonuses (bands of £5,000) £000	2022/23 Pension related benefits (bands of £2,500)*** £000	2022/23 Total (bands of £5,000) £000	2021/22 Salary and fees (bands of £5,000) £000	2021/22 Other remunera-tion* (bands of £5,000) £	2021/22 Taxable benefits** (nearest £00) £	2021/22 Perfor-mance related bonuses (bands of £5,000) £000	2021/22 Long term Performance related bonuses (bands of £5,000) £000	2021/22 Pension related benefits (bands of £2,500)*** £000	2021/22 Total (bands of £5,000) £000
Sarah Betteley (Non Executive Director and Chair) Appointed Chair January 2021	50 to 55						50 to 55	50 to 55						50 to 55
Karen Taylor (Chief Executive from December 2021; previously Director of Strategy & Integration)	195 to 200					92.5 to 95	290 to 295	170 to 175	5 to 10				92.5 to 95	270 to 275
Hakan Akozek (Director of Innovation & Digital Transformation) Appointed February 2022	145 to 150		200			45 to 47.5	190 to 195	20 to 25					27.5 to 30	50 to 55
Sandra Brookes (Director of Delivery and Service User Experience) Appointed April 2019	155 to 160					60 to 62.5	220 to 225	145 to 150	10 to 15				0	155 to 160
Tom Cahill (Chief Executive) (Resigned November 2021)	0					0	0	135 to 140					0	135 to 140
Ann Corbyn (Director of Workforce & Organisational Development) Appointed February 2020 (Resigned June 2021)	0					0	0	30 to 35					22.5 to 25	55 to 60
Rob Croot (Deputy Director of Finance) Attended at Board Meetings in place of DoF for the period of January and February 2023*****	20 to 25					0	20 to 25	0					0	0
David Evans (Director of Strategy and Partnerships) Appointed May 2022	130 to 135		4,100			35 to 37.5	175 to 180	0					0	0
Keith Loveman (Deputy CEO/Director of Finance) Appointed Deputy CEO December 2018 (Resigned July 2021)	0					0	0	45 to 50					0	45 to 50
Janet Lynch (Interim Director of People & OD) Appointed June 2021	120 to 125					0	120 to 125	90 to 95					0	90 to 95
Jane Padmore (Director of Quality & Safety) (Resigned August 2021)	0					0	0	55 to 60					122.5 to 125	180 to 185
Paul Ronald (Director of Finance) Appointed April 2020 Resigned May 2022 Returned September 2022******	70 to 75		1,600			0	70 to 75	120 to 125					17.5 to 20	140 to 145
Jacky Vincent (Director of Safety & Quality) Appointed August 2021	145 to 150					117.5 to 120	265 to 270	90 to 95					107.5 to 110	200 to 205
Maria Wheeler (Director of Finance & Improvement) Appointed July 2021 Resigned September 2022*******	65 to 70		200			10 to 12.5	75 to 80	105 to 110					72.5 to 75	180 to 185
Paul Wood (Interim Director of Strategy & Partnerships) Appointed November 2021, Resigned March 2022	0						0	50 to 55					0	50 to 55
Asif Zia (Director of Quality & Medical Leadership) ****	195 to 200					55 to 57.5	240 to 245	185 to 190	10 to 15				0	195 to 200
David Atkinson (Non Executive Director) Associate from May to July 2019, Appointed August 2019	15 to 20						15 to 20	15 to 20						15 to 20
Anne Barnard (Non Executive Director) Appointed January 2021	15 to 20						15 to 20	15 to 20						15 to 20

Senior manager remuneration tables (Continued)

Name and Title	2022/23 Salary and fees (bands of £5,000) £000	2022/23 Other remunera-tion* (bands of £5,000) £	2022/23 Taxable benefits** (nearest £00) £	2022/23 Perfor-mance related bonuses (bands of £5,000) £000	2022/23 Long term Performance related bonuses (bands of £5,000) £000	2022/23 Pension related benefits (bands of £2,500)*** £000	2022/23 Total (bands of £5,000) £000	2021/22 Salary and fees (bands of £5,000) £000	2021/22 Other remunera-tion* (bands of £5,000) £	2021/22 Taxable benefits** (nearest £00) £	2021/22 Perfor-mance related bonuses (bands of £5,000) £000	2021/22 Long term Performance related bonuses (bands of £5,000) £000	2021/22 Pension related benefits (bands of £2,500)*** £000	2021/22 Total (bands of £5,000) £000
Timothy Bryson (Non Executive Director) Appointed January 2021	15 to 20						15 to 20	15 to 20						15 to 20
Carolan Davidge (Non Executive Director) Appointed November 2022	5 to 10						5 to 10	0						0
Catherine Dugmore (Non Executive Director) Resigned 31st July 2022	5 to 10						5 to 10	15 to 20						15 to 20
Diane Herbert (Non Executive Director) Appointed May 2019	15 to 20						15 to 20	15 to 20						15 to 20
Kush Kanodla (Associate Non Executive Director) Appointed March 2021 Resigned August 2022	0 to 5						0 to 5	5 to 10						5 to 10
Andrew van Doorn (Non Executive Director) Appointed September 2022	5 to 10						5 to 10	0						0
Patrick Vernon (Non Executive Director) Appointed January 2021 Resigned February 2022	0						0	10 to 15						10 to 15
Jonathan Walmsley (Non Executive Director) Appointed May 2021	15 to 20						15 to 20	10 to 15						10 to 15

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

** During the period (21/22) the Remuneration Committee agreed a one off retention incentive be awarded to three Executive Directors who had been in post for over two years. The incentive was agreed to ensure continuity among the Executive team and support to new members of the Executive Team. This is included within Other remuneration. No such payments were paid during 22/23.*

*** Taxable benefits for HA, DE and MW represent 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. Taxable benefit for PR relates to use of a Trust property.*

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

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

****** Rob Croot Deputy Director of Finance covered for the DoF at Board Meetings during January and February 2023 whilst the Interim Director Finance worked part-time*

******* Paul Ronald was Director of Finance until May 2022 when he retired; he subsequently returned as Interim Director of Finance and Estates from September 2022 and was in this post at the yearend; he worked part-time hours during January and February 2023*

Salary and Pension Entitlements of Senior Managers – Remuneration

	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer value at 31 March 2023	Cash Equivalent Transfer value at 31 March 2022	Real increase in Cash Equivalent Transfer value
	£000	£000	£000	£000	£000	£000	£000
Karen Taylor	5 to 7.5	5 to 7.5	60 to 65	105 to 110	1,053	911	86
Hakan Akozek	2.5 to 5	0	10 to 15	0	168	120	24
Sandra Brookes	2.5 to 5	2.5 to 5	60 to 65	135 to 140	1,347	1,213	74
Rob Croot***	0	0	40 to 45	75 to 80	823	942	0
David Evans	2.5 to 5	0	15 to 20	0	208	166	17
Janet Lynch**	0	0	0	0	0	0	0
Paul Ronald*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jacky Vincent	5 to 7.5	10 to 12/5	50 to 55	110 to 115	987	831	110
Maria Wheeler	0 to 2.5	0	30 to 35	70 to 75	715	655	11
Asif Zia	2.5 to 5	0 to 2.5	65 to 70	120 to 125	1,338	1,214	60

Non-Executive Directors do not receive pensionable remuneration.

** Paul Ronald is retired and when he returned he was no longer part of the pension scheme*

*** Janet Lynch chose not to be covered by the pension arrangements during the reporting year*

****Rob Croot Deputy Director of Finance covered for the DoF at Board Meetings during January and February 2023, however his pension entitlement did not increase in value during this period*

Cash Equivalent Transfer Values
Cash Equivalent Transfer Value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.
A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Fair pay disclosures

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £195k-£200k (2021/22, £195k-£200k). This is a change between years of 0%.

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

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £6,096 to £237,851 (2021/22 £3,030 to £204,887). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 9.2%.

Three employees received remuneration in excess of the highest-paid director in 2022/23 (none in 2021/22), this related to arrears for clinical excellence awards paid in 2022/23.

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

	2022/23		
	25th Percentile	Median	75th Percentile
Salary component of pay	£26,669	£37,189	£49,736
Total pay and benefits excluding pension benefits	£26,669	£37,189	£49,736
Pay and benefits excluding pension: pay ratio for highest paid director	7.4	5.3	4.0

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

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

Karen Taylor
Chief Executive Officer
29 June 2023

Staff Report

Analysis of staff costs

This section of our Annual Report tells you about our staff and how they have been supported through the year, it provides detail to the information already provided in the performance analysis in section 1.

Staff Group	Permanently employed £000	Other £000	Total £000
Admin and estates	24,261	1,134	25,395
Healthcare assistants and other support staff	53,471	22,062	75,533
Medical and Dental	25,405	2,459	27,864
Nursing and midwifery	43,306	14,103	57,409
Scientific, therapeutic and technical staff	42,290	2,330	44,620
Grand Total	**188,733**	**42,088**	**230,821**

Analysis of average staff numbers

Staff Group	Permanently employed	Other	Total
Admin and Estates	904	182	1086
Healthcare assistants and other support	1154	578	1732
Medical and Dental	130	111	241
Nursing and Midwifery	797	145	942
Scientific, Therapeutic and Technical	887	69	956
Grand Total	**3872**	**1085**	**4957**

Breakdown of employees

Staff Group	Female	Male	% Female	% Male	Total
Directors	5	4	56%	44%	9
Other senior managers	3	4	43%	57%	7
Medical and Dental	126	114	53%	48%	240
Employees	3508	1193	75%	25%	4701
Grand Total	**3642**	**1315**	**73%**	**27%**	**4957**

Sickness absence

The People and Organisational Development (OD) Team work closely with operational managers to offer advice on the application of the sickness absence policy and procedure, providing training and one-to-one coaching to ensure the fair and consistent application of the policy. Performance analysis section of the performance report, page 27, provides detail on sickness absence data for the year.

Throughout 2022/23, we have continued to be supportive towards staff who have been absent from work due to ill health and have worked with our Occupational Health providers to offer advice and make reasonable adjustments in the workplace for staff returning to work after periods of absence. This link is to information published by NHS Digital which details our sickness absence data hhttps://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

The table below shows the number of full time equivalent days available in 2022/23 against full time equivalent days lost to sickness.

Staff Group	FTE days available	FTE days sickness	%FTE days sickness
Admin and Estates	296,014.55	12,090.55	4.08%
Healthcare assistants and other support	369,585.50	23,128.28	6.26%
Medical and Dental	73,907.26	2,917.83	3.95%
Nursing and Midwifery	260,782.77	15,166.50	5.82%
Scientific, Therapeutic and Technical	265,286.16	9,734.49	3.67%
Grand Total	**1,265,576.24**	**63,037.65**	**4.98%**

Cycle to Work Day August 2022

Staff policies and action applied during the financial year

We continue to regularly review our policies and to update these in accordance with changing guidance, practices and legislative requirements. We carry out this work in partnership with our staff side colleagues. Our policies are discussed and agreed at the Trust's Policy Group before final ratification at the Joint Consultative Negotiating Committee (JCNC), which brings together Trust senior management and both local and regional Trade Union representatives. Our policy group is chaired by an operational manager with input and representation from operational and professional leads. This allows us to explore a variety of professional opinions and expertise when we consider how a new or amended policy will work in practice.

A further partnership meeting is our Change Management Group, which considers proposed changes to clinical teams and the workforce as a whole in partnership with Staffside colleagues. It meets on a monthly basis and aims to ensure that employees' legal rights to consultation and representation are upheld when changes are made in the workplace. Local and regional staff representatives are fully updated and take an active role in change management and TUPE transfers within the Trust. Staffside representatives attend consultation meetings and one-to-one meetings to discuss organisational change and are updated on the outcomes, including those involving staff redeployment. Our change management processes are reported at the JCNC.

The Trust has both formal and informal monthly meetings with our Trade Unions. We discuss strategic issues at JCNC, further detail on the JCNC can be found in this section. In addition, we regularly hold an Operational Partnership Group comprising of our local Trade Union Representatives, People and Organisational Development colleagues and operational managers to discuss employee relations matters, progress against workforce key performance indicators and opportunities for partnership working to continuously improve staff experience and service delivery.

The Trust also works in partnership with staff representatives in applying the Agenda for Change job evaluation process and to implement joint working on the introduction and roll out of the Just Culture. We also work in partnership on key projects and plans in relation to the Gender Pay Gap, WRES and WDES.

Staff health and wellbeing

From our 2021 staff survey, we identified that self-care was a significant issue for our people. We therefore amended our health and wellbeing plans accordingly and engaged with people to co-produce our offer. As a result, we have seen positive results across a number of measures of wellbeing in our 2022 survey results.

We have engaged with our staff to ask what would support them and what we should focus on. As a result, we refreshed our health and wellbeing strategy and the delivery plan to focus on self-care. At the request of staff, we provided health MOTs across our key sites in Hertfordshire, Buckinghamshire, Norfolk and Essex. 400 staff took up the offer and 93% told us how valuable the sessions were, 62% said that it had motivated them to make lifestyle changes and 23% had discovered a health issue they had been unaware of.

In September, we also held a Self-Care Wellbeing Festival across 13 of our sites and online. This was an opportunity to support staff to take a break and practise self-care whilst meeting our wellbeing team. We provided food and refreshments, listened to staff, promoted staff support services, advertised the offer from our inclusion team, provided massages, mindfulness, a range of physical and stress therapies to support mental and physical wellbeing including, cycling club, a mini-spa and online practical exercise/ therapy, craft sessions and self-care educational sessions. Over 1600 portions of food were provided and almost 1000 self-care sessions were undertaken during the Festival. Feedback was incredibly positive and helped us shape a Winter Festival which provided a similar offer, the feedback from which has now shaped our plans for 2023/24.

In addition to our targeted work on self-care, we have provided our well established wellbeing programme comprising of a wide range of support, including our Here for You service, our Employee Assistance Programme, Schwartz rounds, online art and craft, mindfulness, exercise, hypnorelaxation, yoga and pilates classes. During the year, we have run specific sessions to mark particular events in the calendar, such as stress awareness week and national walking month. We have also run a programme of work which has led to our accreditation as a menopause friendly employer, with a continuing staff support offer. Our work is supported by a network of trained staff mental health first aiders and wellbeing champions across the Trust.

A review of the 2022/23 plan was taken to the People and Organisational Development Group in March 2023 to assess its impact and to use the evaluation to design our 2023/24 plans. As a result of our work, our 2022 staff survey showed:

- A 2.3% increase in staff saying that the Trust takes positive action to support health and wellbeing
- Our burnout score improved and is better than the national average
- Staff reporting musculoskeletal issues reduced by 3.2% and is no longer an outlier compared to the national average
- 2.5% fewer staff reported working additional unpaid hours
- 1.5% fewer staff reported feeling unwell as a result of work-related stress
- Our mental ill health and musculoskeletal absence rates have remained lower than in 2021/22, which means that the staff who know and care for our service users best can continue to do so.

Our staff told us:

"'Thank you so much for coming to Norfolk, means so much to be included."

"Really appreciate the time to come and speak to us and listen."

"Great to understand more about how staff support can really help."

"It was good that we were encouraged to take some time out and it was appreciated."

"It felt nice that HPFT care about their staff."

"I feel listened to also listened to the advice available."

"It makes us feel that someone cares and it's nice to know that we are appreciated."

When asked at our Winter Festival, 81.5% of people who attended said they felt a sense of being looked after by HPFT and 82% said that our wellbeing offer was considered a 'perk' of working for HPFT.

Staff engagement

We value the input of all members of staff at all levels and are committed to staff engagement. A programme of engagement events is run throughout the year sponsored and delivered by the Executive Team to ensure effective two-way communication to inform actions and improve employee satisfaction and wellbeing. Twice a year we hold our Big Conversation event at Trust Headquarters and Local Conversation events at other sites in Norfolk, Essex, Buckinghamshire and Hertfordshire. These events are open to staff in the organisation and provide the opportunity for the Executive Team to listen and act on staff views on key topics and priorities. The Executive Team also run regular 'Catch Up with the Execs' live online question and answer sessions which are an opportunity for staff to ask questions on any topic to members of the Executive Team.

The Senior Leaders Forum brings together leaders from across the organisation on a regular basis throughout the year for joint problem solving and development activities.

We also run quarterly 'pulse' surveys to review staff satisfaction levels throughout the year. The questionnaire has a number of questions similar to the national staff survey which we run annually, plus extra questions relating to local evaluation or commissioner reporting. We analyse the quantitative and qualitative data from our annual and pulse staff surveys and report them to Trust Board. The results inform local activity plans.

We have strong staff networks which provide a safe space to discuss experiences and to raise awareness of issues within the Trust. These forums contribute to the development of an inclusive environment and improve the experience of our staff. We also use these forums to co-produce our plans and strategies that affect staff across the Trust.

During the year we held a number of events to honour the contributions of our extraordinary staff. During 2022/23 we held our annual long service awards where we recognise the contribution of people who have given 25 or more years' service to the NHS. In addition, we hold an annual staff awards ceremony where staff and teams are nominated by colleagues, service users and carers to recognise the contribution of those people who have made an extraordinary contribution. On a monthly basis, we also recognise those people nominated by colleagues, service users and carers who have demonstrated our values to an exceptional level in our monthly Inspire Awards.

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

National NHS Staff Survey 2022

The NHS staff survey is conducted annually. The response rate to the 2022 survey among Trust staff was 50 % (2021: 50 %). Questions are grouped together in themes, the scores for each of which are presented below, together with national average scores from our benchmarking group of other mental health and learning disability Trusts.

The table below presents the scores for the seven people promise themes which can be compared to last year and the Staff Engagement and Morale themes which can be compared historically.

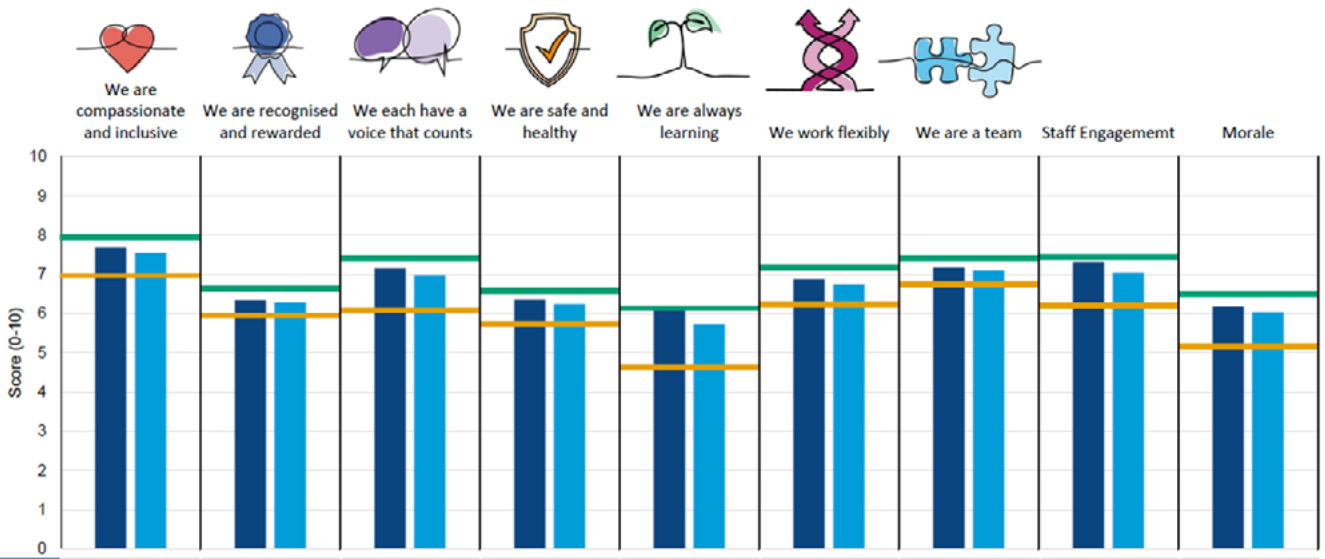
	2022		2021		2019/20	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Compassionate & Inclusive	7.7	7.5	7.9	7.5		
Recognised & Rewarded	6.3	6.3	6.8	6.3		
Voice that counts	7.1	7.0	7.4	7.0		
Safe & Healthy	6.3	5.7	6.6	6.2		
Always Learning	6.1	5.7	6.1	5.6		
Work Flexibly	6.9	6.7	7.1	6.7		
We are a Team	7.2	7.1	7.4	7.1		
Staff Engagement	7.3	7.0	7.3	7.0	7.4	7.2
Morale	6.2	6.0	6.2	6.0	6.6	6.4

*NB: In 2021 the national staff survey was amended with refreshed questions and themes. The only two themes to remain the same were ‘Staff Engagement’ and ‘Morale’, thus only the scores from these two themes can be compared over each of the last three years.

Staff Survey results 2021

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

Staff Survey results 2022



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagememt	Morale
Your org	7.7	6.3	7.1	6.3	6.1	6.9	7.2	7.3	6.2
Best	7.9	6.6	7.4	6.6	6.1	7.2	7.4	7.4	6.5
Average	7.5	6.3	7.0	6.2	5.7	6.7	7.1	7.0	6.0
Worst	7.0	5.9	6.1	5.7	4.6	6.2	6.7	6.2	5.2
Responses	1825	1827	1818	1818	1711	1825	1826	1827	1827

The key highlights from the 2022 staff survey are as follows:

- We scored higher than the national average in eight of the nine themes and same as the national average for the other theme
- Compared to other Mental Health Trusts in the East of England region we scored highest in Advocacy sub theme which includes three questions, (recommending HPFT as a place to work, satisfaction with standard of care if a friend or relative needed it and care of service users are the organisations top priority).
- We are in the top five mental health Trusts nationally for staff recommending us as a place to work, where we are placed joint third.
- We achieved a national best score for the theme 'Always Learning' and scored close to the national best score for the overall theme of staff engagement.
- The results show a highly engaged, motivated and compassionate people.
  - 90% of staff feel their role makes a difference to service users
  - 85.5% say care of service users is our organisations top priority
  - 81.5% say the organisation acts on concerns raised by service users
  - 72% recommend HPFT as a place to work
  - 69% recommend HPFT if a friend or relative needed treatment or care
  - 79% say the people they work with are understanding and kind to one another
  - 79% think people treat each other with respect.

Overall, our results create a strong narrative of a staff team who are:

- Proud to work for HPFT and would recommend us as place to work:
- Proud of the standard of care we provide
- Confident that service users are our top priority
- Highly engaged, motivated and emotionally invested in providing great care to our service users
- Reporting a strong compassionate culture
- Supported and looked after through:
  - Health and wellbeing support
  - Work-life balance and flexible working support
  - Opportunities for learning and development and to fulfil potential
  - Feeling confident to raise concerns and have these be heard and addressed.

Our results also indicate that our very passionate and highly engaged people tend to work long hours and can put their work above their own wellbeing, whilst also experiencing relatively high levels of violence and aggression. In addition, there is a difference in experience between people with different protected characteristics. The areas we are therefore focussing on in order to improve staff experience are: self-care; belonging and inclusion; reducing violence and aggression.

The People and Organisational Development Group will measure how we perform against our priorities. We will also monitor the feedback received in the National Quarterly Pulse Survey and from our staff through various engagement events running throughout 2023.

Workforce equality and inclusion

Our workforce race equality scheme (WRES) and workforce disability equality scheme (WDES) data is published on our website at:
www.hpft.nhs.uk/about-us/equality-and-diversity/nhs-workforce-race-equality-standard-wres
and NHS Workforce Disability Equality Standard (WDES):
www.hpft.nhs.uk/about-us/equality-and-diversity/nhs-workforce-disability-equality-standard-wdes
This data continues to show some positive trends compared to previous years and compared to the national data. However, there remain differences in experience between staff groups.

Together, some of our key achievements have been:

- Reverse mentoring – a scheme is in place for all Executive Team members to have a reverse mentor and the scheme was expanded to cover all our Senior Leadership Team in 2022/23.
- Just culture – together with trade union colleagues and the BAME staff network, we supported a decision-making panel to screen potential disciplinary matters. The panel consists of Trade Union, People and OD, Equality and Inclusion Team, BAME staff network and management representatives. The panel's objective is to bring a particular focus on equality and diversity in making an initial determination on whether, following an initial fact finding, a matter should progress to a formal investigation under the disciplinary process.
- Staff networks – our seven staff networks continue to flourish and are each sponsored and fully supported by an Executive Director. Together with the networks, we have run learning events, events to share experiences, provided targeted wellbeing support and celebrated the diversity of our people throughout the year.
- Inclusion Ambassadors – we have trained Inclusion Ambassadors from across the Trust for a scheme which was co-produced with our trade unions and BAME staff network. Inclusion Ambassadors will participate in recruitment panels for posts at Band 8a and above in order to provide greater confidence in equity of appointments and to contribute to greater diversity at senior levels.
- Reasonable adjustments – we have put in place a reasonable adjustments panel to ensure that managers and staff can benefit from the advice and guidance of a panel of experts in relation to making adjustments for disabled staff so that we are confident we can consistently provide the best support to staff. In addition, we have launched a reasonable adjustments policy and training for managers.
- Belonging and inclusion strategy – we have carried out significant engagement across the Trust to co-produce our new strategy and an action plan that will continue to improve the experience of all our people and ensure that everyone has a strong sense of belonging and feels included within the Trust.

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

Gender pay

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

As at 31 March 2022, our gender pay gap analysis identifies a mean gender pay gap of 8.91% and median of -0.30%. We are confident this pay gap does not stem from paying men and women differently for the same or equivalent work but is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. We will continue to monitor the gender pay gap and, during 2022/23 and will consider the next steps we should take to reduce it. Further details are on our Trust website. www.hpft.nhs.uk/about-us/gender-pay-gap-reporting

Staff Group	Female	Male	% Female	% Male	Total
Directors	5	4	56%	44%	9
Other senior managers	3	4	43%	57%	7
Medical and Dental	126	114	53%	48%	240
Employees	3508	1193	75%	25%	4701
Grand Total	3642	1315	73%	27%	4957
Grand Total	**3508**	**1193**	**75%**	**25%**	**4701**

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

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

Trade union facility time

The Trust acknowledges the importance of partnership working between management and recognised trade unions. Partnership working provides a clear framework for consultation, negotiation and decision-making where our trade unions can have a proactive role in matters of strategic importance that affect the workforce.

It also enables joint ownership of problems and solutions to get the best outcome for the Trust, service users and our people to ensure delivery of high-quality patient care and a positive working environment for staff

In line with the Trade Union (Facility Time Publication Requirements) regulations, which came into force on 1 Apr 2017, trade union representatives are required to record their paid time off to carry out trade union duties and the Trust is required to publish this information on an annual basis. Facilities time is defined as the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties as a trade union representative. This is a statutory entitlement to reasonable time off for undertaking union duties. To comply with the regulations the Trust is required to publish the data included in the following four tables. This data relates to facility time recorded between the period 1 April 2021 30 March 2022.

The publication requirements and our data as at 31 March 2023 was.

Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	13.93

Table 1

Percentage of time on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a)0%, b)1%-50%,)51%-99% or d)100% of their working hours on facilities time?

Percentage Time	Number of Employees
0%	5
1-50%	8
51-99%	1
100%	1

Table 2

Percentage of pay bill spent on facilities time

Provide the figures in the first column of the table below to determine the percentage of your pay bill spent on paying employees who were relevant union officials for facilities time during the relevant period.

First Column	Figures
Provide the total cost of facilities time	£37,622
Provide the total pay bill	£23,0821,000
Provide the percentage of the total pay bill spent on facilities time, calculated as; (total cost of facilities time divided by total pay bill x 100	0.02%

Table 3

Paid trade union activities

As a percentage of total paid facilities time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facilities time hours calculated as; (total hours spent on paid trade union activities by relevant union officials during the relevant period divided by the total paid facility time hours x100)	4.66%

Table 4

Workforce improvement activity

Our priorities going forward are to support the delivery of the Trust's emerging strategy and annual plan by:

- Building an open culture of belonging and inclusion
- Establishing talent, training and development pathways and approach
- Developing our collective leadership culture
- Resetting our fundamental standards of people management

The People and Organisational Development Group will measure how we perform against our priorities. We will also monitor the feedback received in the quarterly Pulse Survey and from staff during the various engagement events running throughout 2023/24.

Health and safety and occupational health

The Trust's core health and safety and occupational health policies continue to be updated to ensure that such documents support all the Trust sites.

Details and data relating to incidents, complaints, claims, risk registers and occupational health data are captured on Datix, a web-based, integrated safety learning system. The Datix system is subject to further enhancements to include other patient safety topics, such as patient experience and mortality reviews, and supports a robust reporting culture throughout the Trust to improve our safety practices.

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

The Trust reported a total of 29 incidents, 27 staff and 2 patient were reported to the Health and Safety Executive (HSE) under the Reporting Injuries and Dangerous Occurrences Regulations (RIDDOR) during 2022/23. This compares to 59 incidents in 2021/22.

Four incidents were specified injuries and all others resulted in staff being absent for seven or more days. 21 of the incidents were as a result of a physical assault against staff, four were a result of a slip, trip or fall and two occurred during Physical Intervention Training.

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

Big Listen staff engagement event October 2022

Expenditure on consultancy

The total expenditure on consultancy for the year is £84k, a decrease on 2021/22 spend of £665k. This includes the provision of specific expertise or short-term project capacity on areas where the Trust does not have the specialist expertise and/or the capacity to deliver projects and initiatives within the required timescales, or where external independence is deemed necessary. This expenditure was much reduced in 2022/23, with over half (£50k) being spent on carrying out a variety of Quality Reviews; £25k on a review of the prior year annual accounts process; and several smaller amounts were spent on assistance with Trust investigations.

Off-payroll engagements

Table 1: *Off-payroll engagements as of 31 March 2023, for more than £245 per day and last for longer than six months*

	Number
Total number of existing arrangements as of March 31st 2023	**1**
Of which the number that have existed for;	
less than one year at time of reporting.	0
between one and two years at time of reporting.	0
between two and three years at time of reporting.	0
between three and four years at time of reporting.	0
four or more years at time of reporting.	1

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

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

Table 2: *All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater*

	Number
Number of off-payroll workers engaged during the year ended 31 March 2023	0
Of which	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in scope of IR35	0
Subject to off-payroll legislation and determined as out of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	

Table 3: *For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023*

	Number
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	10

Exit packages

There were no exit packages agreed in either 2022/23 or 2021/22.

NHS Foundation Trust Code of Governance Disclosures

Code of Governance compliance statement

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

As a Trust, we are committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver required goods and services.

Governance arrangements

The Trust is led by a Board of Directors whose key responsibilities are to:

- Provide leadership to the Trust within a framework of processes, procedures and controls which enable risk to be assessed and managed.
- Ensure the Trust complies with its licence, its constitution, requirements set by NHS England, and relevant statutory and contractual obligations
- Set the Trust's vision, values and standards of conduct
- Set the Trust's strategic aims and ensure that the necessary human and financial resources are in place to deliver these
- Ensure the quality and safety of the services provided by the Trust
- Ensure the Trust exercises its functions effectively, efficiently and economically.

The Trust Board undertakes its responsibilities through a set business cycle which includes approving strategies and receiving monitoring reports on areas such as key risks and financial, operational and quality and safety performance. The Trust Board approves standing financial instructions, scheme of delegation and reservation of powers policies which outline the decisions that must be taken by the Board and the decisions that are delegated to the management of the Trust. These include contracts, tendering procedures, security of the Trust's property, monitoring and ensuring compliance with Department of Health and Social Care directions on fraud and corruption, delegated approval limits, budget submission, annual reports and accounts, banking arrangements, payroll, borrowing and investment, risk management and insurance arrangements.

The Trust Board of Directors, collectively and individually, have a legal duty to promote the success of the Trust to maximise the benefits for the populations that it serves. They also have a duty to avoid conflicts of interest, not to accept any benefits from third parties and to declare interests in any transactions that involve the Trust.

Throughout the reporting period, the Nominations and Remuneration and the Appointment and Remuneration Committees have kept under review the overall size of the Trust Board and the balance of skills, experience and expertise of its members.

The Council of Governors represents the interests of the local communities, service users, carers, public and staff, and shares information about key decisions with Foundation Trust members. The Council of Governors is not responsible for the day-to-day management of the organisation, which is the responsibility of members of the Trust Board.

Board of Directors

As at 31 March 2023, the Board had seven executive directors (including the chief executive) and eight non-executive directors (including the chair). The Board comprises 53% female and 47% male directors. The skills, expertise and experience of each Trust Board director as at the end of March 2023 are detailed below.

Non-Executive Directors

Sarah Betteley
Trust Chair

Sarah joined HPFT as a non-executive director in 2014. She became Deputy Chair in 2019 and was appointed as Chair in December 2020. Sarah is a lawyer with significant non-executive experience in the NHS. She held a number of senior executive commercial roles at BT and has also acted in a consultant capacity with small businesses supporting them on strategy and growth development.

David Atkinson

David joined HPFT as a Non-Executive director in 2019. He is a former banker with 26 years' experience, working in London, Tokyo and Hong Kong. He specialised in finance and risk management, with region-wide responsibilities in Europe and Asia Pacific. David is the Chair of the Audit Committee. David is a member of the Institute of Chartered Accountants in England and Wales (ACA). David is an independent Non-Executive Director at Mizuho International plc and a Non-Executive Director at the Pension Protection Fund.

Anne Barnard

Anne joined HPFT as a Non-Executive director in 2021. She has more than 30 years' experience in general and financial management in both the public and private sector. She was Managing Director of BBC World News, the BBC's commercial international news channel. Anne has held a variety of non-executive roles, including as Vice Chair of Central London Community Healthcare NHS Trust and Dimensions, one of the largest not-for-profit providers of support to people with learning disabilities. She is a Member of the Institute of Chartered Accountants in England and Wales (ACA).

Tim Bryson

Tim joined HPFT in 2021. He is a qualified mental health nurse with a broad range of clinical and managerial experience in commissioning and service delivery. Tim was Executive Director of Nursing at Cambridgeshire and Peterborough NHS Foundation Trust for ten years from 2002 to 2012. Tim now works as an independent healthcare consultant on a wide range of projects, most recently for the London Cavendish Square Group on safety improvement and Health Education England on learning disability nursing. In 2010, he co-founded the Blue Smile children's charity in Cambridgeshire and was Chair of Trustees for eight years. Tim is now an ambassador for the charity. Tim is a member of the National Mental Health Nurse Directors Network.

Carolan Davidge

Carolan joined HPFT in 2022. She has a background in marketing, communications and policy influencing in the charity and medical research sectors and has held senior roles at the British Heart Foundation and Cancer Research UK. Carolan now combines a portfolio of board roles with her own executive coaching practice, working with senior and aspiring leaders. Carolan also has non-executive roles with a housing association and a hospice and was previously a Non-Executive Director at East of England Ambulance Service NHS Trust.

Diane Herbert

Diane joined HPFT as a Non-Executive director in 2019 and chairs the Trusts' Integrated Governance Committee. Diane is a also non-executive member and deputy chair of Northeast London ICB, and chairs the Workforce and Remuneration Committee. She is an HR professional by background and specialises in complex change, culture and organisation development. Diane is an active psychology researcher and her areas of academic interest are the psychology of innovation at work and women's psychosocial development.

Andrew van Doorn OBE

Andrew joined HPFT as a Non-Executive Director in 2022. He has worked in housing, homelessness, supported housing, community development and wider social policy and practice for over 30 years, both in the UK and internationally. He is the Chief Executive of the Housing Associations' Charitable Trust (HACT), a UK-wide charity which partners with organisations across the housing sector to encourage innovation and foster collaboration. He is an expert on the integration of housing and health for people with mental health needs, learning disabilities and autism. Andrew was previously a Non-Executive Director at London North West University Healthcare NHS Trust.

Jon Walmsley

Jon became a Non-Executive Director of HPFT in 2021, having served as a Governor for two years and Lead Governor for four years. Jon had an extensive executive career in publishing as Managing Director and Non-Executive Chair of global and regional businesses at John Wiley and Sons, specialising in resources for professionals and students in healthcare and other disciplines. Jon was appointed as the Senior Independent Director in September 2022. Jon is an Independent Board Member of the University of Hertfordshire and a Trustee and Deputy-Chair of the homelessness charity Accumulate.

Executive Directors

Karen Taylor
Chief Executive

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

Karen began her career in 1998 on the NHS Management Training Scheme and has a breadth of experience across the NHS, holding a number of senior roles including Director of Operations of an acute hospital Trust and Chief Operating Officer/Deputy Chief Executive of a community services Trust. Karen is passionate about ensuring that people with mental health issues and learning disabilities can receive the care and support they need to help them live their best possible life.

Sandra Brookes
Executive Director of Service Delivery and Service User Involvement

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

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

David Evans
Executive Director, Strategy and Partnerships

David joined HPFT in May 2022. He is responsible for strategy development, business planning, partnerships and communications. He leads the development of integrated care across the Trust, working with partners in the wider health and social care system. David has worked in health and social care commissioning for more than 12 years, most recently as Managing Director of Herts Valleys Clinical Commissioning Group where he was responsible for planning, commissioning and delivering services to support the health needs of people in West Hertfordshire.

Janet Lynch
Interim Executive Director People and Organisational Development

Janet joined HPFT in 2021. She leads on developing of innovative People, Culture and Organisational Development strategies that support the Trust's aims of providing great care and great outcomes for our service users and which enable our people by developing a workplace where people grow, thrive and succeed. Janet has been a Board level director for over 20 years, working in community, mental health and learning disability and acute Trusts. Most recently, she was Director of Workforce and Education at Lewisham and Greenwich NHS Trust, where she was also the Deputy Chief Executive.

Paul Ronald
Interim Executive Director, Finance and Estates

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

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

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

Jacky is a Registered Nurse in Learning Disabilities. She has worked in mental health and learning disability services in Hertfordshire since starting her nurse training in 1990. She became HPFT's Executive Director of Quality and Safety (Chief Nurse) in 2021, having been Deputy Director of Nursing and Quality since 2017. Jacky is responsible for clinical and corporate risk, patient (service user) safety, compliance and governance, infection, prevention and control and safeguarding. She is the Caldicott Guardian for the Trust and the Board level lead for all clinical disciplines except for medical and pharmaceutical staff. Jacky has held several nursing leadership roles at HPFT and led on the clinical design and development of Kingfisher Court, a new mental health inpatient facility which opened in 2014. She is a Florence Nightingale Foundation Alumni and an Honorary Fellow at the University of Hertfordshire.

Dr Asif Zia
Director Quality and Medical Leadership

Asif joined HPFT in 2013 as Clinical Director for Learning Disability and Forensic services. He was appointed as Executive Director of Quality and Medical Leadership in 2017. Asif is responsible for the clinical elements of the Trust's quality management approach, as well as medicines management, research and development and medical appraisals and revalidation for doctors. He is also the professional head of HPFT's medical staff and is responsible for medical teaching and training. Asif began his career in the UK in 1994 and held several senior posts before joining HPFT. Asif is a regional advisor to the Royal College of Psychiatrists and a Council member of the NHS England East of England Clinical Senate, where he sits on independent clinical review panels.

Directors and others in regular attendance at Board meetings 2022/23

- Hakan Akozek, Director of Innovation and Digital Transformation
- Helen Edmondson, Head of Corporate Affairs and Company Secretary
- Kush Kanodia, Associate Non-Executive Director.
- Maria Wheeler, Executive Director of Finance and Estates

Key responsibilities of non-executive directors

For all non-executive directors, key responsibilities include:

- Challenging and supporting the directors in decision-making and on the Trust's strategy.
- Holding collective accountability with the directors for the exercise of their powers and for the performance of the Trust

Independence of non-executive directors

The Trust Board has evaluated the circumstances and relationships of individual non-executive directors which are relevant to the determination of the presumption of independence and determines all its non-executive directors to be independent in character and judgement. During the year there was the appointment of two new non-executive directors, Carolan Davidge and Andrew Van Doorn. Also, during this time Catherine Dugmore's second three-year term ended. The Chair meets regularly with the non-executive directors without the executive team present.

Performance evaluation of the Board

The annual appraisal of the chair involved collaboration between the senior independent director and the lead governor of the Council of Governors. The views of non-executive directors, executive directors, external partners and governors were sought and contributed to the process. The performance of non-executive directors is evaluated annually by the chair, who also seeks the views of executive colleagues and governors. Executive directors have an annual appraisal with the chief executive. All Trust Board committees reviewed their effectiveness during 2022/23 and provided assurance reports to the Trust Board on their reported effectiveness and associated improvement actions.

Board meeting

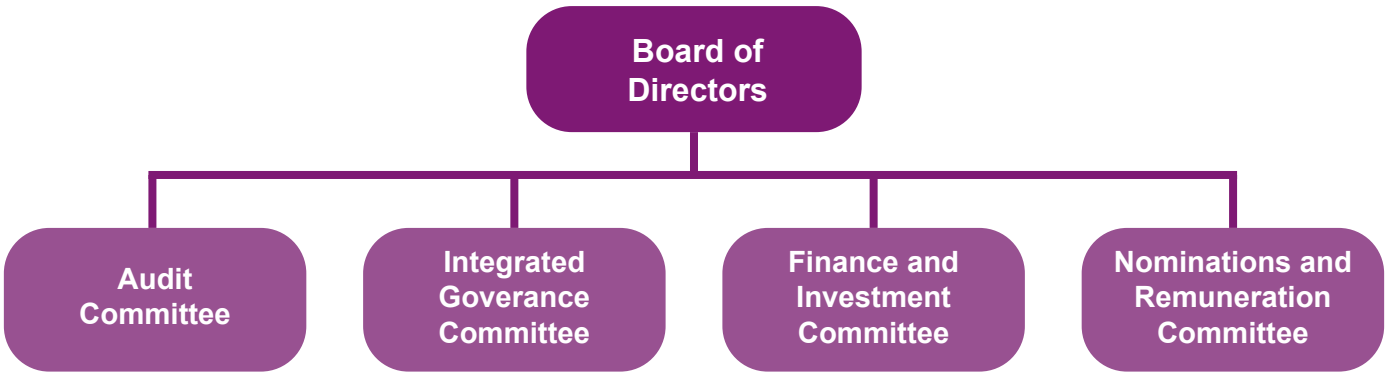
The Trust Board met twelve times in 2022/23 in line with the business cycle. Special meetings can be organised as and when required. There were eight Trust Board meetings held in public. Director attendance is detailed below.

Board meeting attendance	Number of meetings	Attended
Non-Executive Directors		
Sarah Betteley	12	12
David Atkinson	12	11
Anne Barnard	12	12
Tim Bryson	12	10
Carolan Davidge	5	5
Catherine Dugmore	4	4
Diane Herbert	12	11
Andrew van Doorn	7	7
Jon Walmsley	12	11
Executive Directors		
Karen Taylor	12	12

Board meeting attendance	Number of meetings	Attended
Executive Directors (continued)		
Sandra Brookes	12	11
Rob Croot	2	2
David Evans	11	10
Janet Lynch	12	11
Paul Ronald	8	6
Jacky Vincent	12	11
Maria Wheeler	5	5
Asif Zia	12	12

Committees of the Board of Directors

The Trust Board committee structure is set out below. Terms of reference detail the responsibilities of each committee and this structure monitors and provides assurance to the Board on the delivery of our objectives and other key priorities. Further detail on the role of the Committees can be found in the Annual Governance Statement.



Audit Committee

Assures the Board that probity and professional judgement is exercised by providing independent and objective review of financial and corporate governance, assurance processes, risk management across the Trust's clinical and non-clinical activities, and fraud and corruption.

Anyone who may be concerned about a matter of corporate governance or probity can contact any member of the Audit Committee in confidence. The Chief Executive is invited to attend the Audit Committee at least once a year to discuss, with the committee, the process for assurance that supports the Annual Governance Statement.

Audit committee attendance	Number of meetings	Attended
Members		
David Atkinson	6	5
Anne Barnard	6	5
Tim Bryson	6	5
Carolan Davidge	2	2
Catherine Dugmore	3	3
Andrew van Doorn	3	3
In attendance	5	5
Karen Taylor	1	1
Helen Edmondson	6	6
Paul Ronald	3	2
Jacky Vincent	6	4
Maria Wheeler	4	4
Asif Zia	6	5

Integrated Governance Committee

Assures the Board that quality and safety within the organisation is being delivered to the highest possible standards, and that there are appropriate policies, processes and governance in place to continuously learn and improve care. Assures the Board on matters related to staff, considering the following work areas—people and organisational development strategy and planning.

Integrated Governance Committee	Number of meetings	Attended
Members		
Diane Herbert	6	6
Sandra Brookes	6	5
Tim Bryson	6	5
Janet Lynch	6	5
Andrew van Doorn	4	4
Paul Ronald	5	0
Jacky Vincent	6	5
Jon Walmsley	6	6
Helen Edmondson	6	6
Maria Wheeler	3	3
Asif Zia	6	5

Finance and Investment Committee

Assures the Board on financial and investment policy, implementation of financial strategy, performance against key financial targets including delivering value schemes, delivery against the capital plan, implementation of the digital strategy, estate management and commercial development issues. Ensuring that the Trust operates in an economic and efficient manner against agreed income and expenditure positions.

Finance and Investment Committee	Number of meetings	Attended
Members		
Anne Barnard	8	8
Hakan Akozek	8	8
Sandra Brookes	8	6
David Atkinson	8	7
Carolan Davidge	5	5
Catherine Dugmore	2	1
David Evans	8	6
Janet Lynch	8	7
Paul Ronald	6	3
Jacky Vincent*	8	7
Jon Walmsley	8	8
Maria Wheeler	3	3
Asif Zia*	8	4

**Executive Directors of Quality are not both required to attend it is either / or.*

Staff wear green for Freedom to Speak Up Month in November 2022

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a committee of the Trust Board of Directors and details of its responsibilities are provided in the remuneration report. It oversees all aspects of the appointment process for Directors and those reporting to the Chief Executive, including the approval of arrangements for the termination of directorships, determining the remuneration, allowances, pensions, gratuities and other major contractual terms, and evaluating the performance of individual Directors.

Nominations and Remuneration Committee attendance	Number of meetings	Attended
Members		
Sarah Betteley	6	6
David Atkinson	6	5
Anne Barnard	6	6
Tim Bryson	6	4
Carolan Davidge	3	3
Catherine Dugmore	4	3
Diane Herbert	6	2
Kush Kanodia	2	1
Andrew van Doorn	4	4
Jon Walmsley	6	6
In attendance		
Karen Taylor	6	6
Janet Lynch	6	5
Helen Edmondson	4	3

Appointment and Remuneration Committee

A separate Committee exists for the nomination, appointment and remuneration of the chair and non-executive directors. This is a sub-committee of the Council of Governors and its membership comprises the chair, the lead governor and four public governors, one staff governor and one appointed governor.

Reappointments

During 2022/23, on recommendation by the committee and agreement of the Council of Governors, it was agreed to extend the term of office of the non-executive directors David Atkinson and Diane Herbert until 30 July 2025 and 30 April 2025 respectively.

Appointments

In July 2022, on recommendation of the Council of Governors Appointments and Remuneration Committee, the Council of Governors appointed Carolan Davidge and Andrew van Doorn as Non-Executive Directors for terms of three years. The recruitment process was subject to open competition and a reputable external search facility was utilised to source the best possible candidates.

Appointment and Remuneration Committee attendance	Number of meetings	Attended
Committee members		
Sarah Betteley - Chair	4	4
Maria Watkins – Lead Governor	2	2
Ray Gibbons	4	4
Eni Bankole Race	4	3
Manjit Rostom	4	3
MJ Cruz	4	3
In attendance		
Karen Taylor	4	3
Helen Edmondson	4	4

External Audit

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

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

The audit is conducted in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board (APB), the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by NHS Improvement. It remains important that the external auditor's independence from management is both maintained and transparent. Therefore, any additional non-audit work carried out by or contracted with KPMG LLP is reported within their annual plan and updated and reported again in their year end report. The external auditor has not provided any non-audit services in the year.

The total external audit fee for 2022/23 (excluding VAT) was £80k.

Council of Governors

The role, powers and composition of the Council of Governors was outlined earlier in this report and is also set out within the Trust's constitution. The Council of Governors meets at least quarterly and held four meetings in 2022/23. Executive and non-executive directors of the Trust Board are invited to attend the meeting held in public. Both elected and appointed governors normally hold office for a period of three years and are eligible for re-election or reappointment at the end of that period. The details of the governors holding office as at 31 March 2023 are provided within the table below.

The role of the Council of Governors includes:

- Appointment or removal of the chair and other non-executive directors/
- Approving the appointment (by non-executive directors) of the chief executive.
- Deciding the remuneration, allowances and other terms and conditions of office of non-executive directors.

A formal procedure is in place should there be a dispute between the Board and Council of Governors. During 2022/23 no issues of dispute arose, and the governors therefore did not exercise their power under paragraph 10(c) of schedule 7, NHS Act 2006.

Name	Constituency	Date elected or appointed	Term	Attendance at council meetings 2022/23
PUBLIC				
Colin Egan	Hertfordshire	01/08/2021	2	2/5
Catherine Adedoyin Akanbi	Hertfordshire	01/08/2021	2	1/5
Eni Bankole Race	Hertfordshire	01/08/2021	2	2/5
Bob Taylor	Hertfordshire	01/08/2021	3	3/5
Maria Watkins	Hertfordshire	01/08/2021	2	3/5
George Ashcroft	Hertfordshire	01/08/2022	2	4/5
Cynthia Price	Hertfordshire	01/08/2022	2	4/5
Brian Littlechild	Hertfordshire	01/08/2021	1	2/5
Stephen Booth	Hertfordshire	01/08/2021	1	4/5
Dan Buckingham	Hertfordshire	01/08/2021	1	1/5
Manjit Rostom	Hertfordshire	01/08/2021	1	4/5
Elizabeth McCaul	Hertfordshire	01/08/2021	1	3/5
Jane Spears	Hertfordshire	01/08/2021	1	3/5
Erroll Thomas	Rest of England & Wales	01/08/2022	1	1/5
Richard Carr	Hertfordshire	01/08/2022	1	3/3
Timothy Dobson	Hertfordshire	01/08/2022	1	3/3
Owen Thomson	Hertfordshire	01/08/2022	1	3/3

Name	Constituency	Date elected or appointed	Term	Attendance at council meetings 2022/23
PUBLIC (continued)				
Robina Merakech	Hertfordshire	01/08/2022	1	3/3
Resigned 20/4/23	Hertfordshire	01/08/2021	2	3/5
Barry Canterford	Hertfordshire	01/08/2019	3	1/2
Louis Sanford	Hertfordshire	01/08/2019	1	1/2 Resigned 4.7.22
Michael Shapiro	Hertfordshire	01/08/2019	1	1/2
STAFF				
Mark Richardson	Acute & Rehab	01/08/2022	1	3/3
Homayoun Sepehrara	LD & Forensic	01/08/2022	1	3/3
MJ Cruz	Specialist	01/08/2019	2	3/5
Peter Bampton Clare	Corporate	01/08/2022	1	3/3
Jan Graham	Community Services	01/08/2022	1	0/3 Resigned 21/3/23
Sue Nolan	Corporate Services	01/08/2019	1	0/2
Vanessa Cowle	Community Services	01/08/2019	1	0/2 Resigned 01/8/22
Herbie Nyathi	Acute Services	01/08/2016	2	0/2
I Bernard	Learning Dis. & Forensic Services	01/08/2019	1	0/2
APPOINTED				
Siobhan Nundram	Herts MIND Network	01/10/2021		3/5
Tom Plater	North Herts District Council	01/12/2022		0/2
Eve Atkins	Healthwatch Hertfordshire	01/01/2017		2/5
David Andrews	Hertfordshire County Council	01/08/2013		2/5
Ray Gibbins	Viewpoint	01/08/2018		3/5
Phil Shaughnessy	Hertfordshire University	01/04/2021		2/5

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

- Sarah Betteley: Director DEVA Medical Electronics Ltd.

The two Councils working groups, Engagement and Membership and Service User and Carer Experience, met in 2022/23. All governors were invited to participate in the groups. Group meetings have been attended by Board members and senior managers to support information sharing and engagement with governors.

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

Council of Governor elections held in 2022/23

Election for public constituencies and staff Governors were held in June 2022 to fill vacant seats. The results were as follows

PUBLIC		
Bob Taylor	1.8.22 – 31.7.25	Third term
Maria Watkins	1.8.22 – 31.7.25	Second term
George Ashcroft	1.8.22 – 31.7.25	Second term
Cynthia Price	1.8.22 – 31.7.25	Second term
Richard Carr	1.8.22 – 31.7.25	First term
Tim Dobson	1.8.22 – 31.7.25	First term
Owen Thomson	1.8.22 – 31.7.25	First term
STAFF		
Mark Richardson	1.8.22 – 31.7.25	First term
Homayoun Sepehrara	1.8.22 – 31.7.25	First term
MJ Cruz	1.8.22 – 31.7.25	Second term
Jan Graham	1.8.22- 21.3.23	First term
Peter Bampton Clare	1.8.22 – 31.7.25	First term

During this period Councillor Tom Plater was appointed as Local Authority appointed Governor.

Foundation Trust membership

As a Foundation Trust we are accountable to our local community, service users and staff, who all have the right to become members. Trust members play an active role in helping us to understand the views and needs of the population we serve. Membership is open to anyone 16 or older. The membership has two constituencies public and staff— as defined in the Trust constitution and summarised below.

Public membership Any member of the public over the age of 16 who lives in the area the Trust serves. All staff automatically become members unless they choose to opt out of membership— individuals employed by the Trust under a contract of employment with the Trust are divided into five constituencies:

- Acute and Rehabilitation Services
- Community services
- Specialist Services
- Learning Disability and Forensic
- Corporate and Support services
- Support, administrative and clerical staff

Membership

Currently our membership stands at 12,703. The Trust has a data management system to ensure it has accurate membership data. We are encouraging our members to receive membership correspondence by email in a further effort to reduce costs and over the year we have noticed a definite trend towards members choosing electronic forms of communication.

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

Our website remains our primary medium for engaging with members and the wider community and is a good source of information about the work of the Trust, including the Council of Governors. In particular, the relevant sections of the website set out how members of the community can contact governors and the Board of Directors and how they can attend meetings held in public. Any member of the community who wants to contact Governors or Board members can email the corporate office team on corporate.office@nhs.net or phone 01707 2523852.

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

The following tables shows our membership profile as at 31 March 2023.

	Public	Staff	Total
31 March 2023	8,620	4,083	12,703

Public constituency at 31 March 2023					
Age		**Ethnicity**		**Gender**	
0-16	3	White	7,226	Male	3,407
17-21	1	Mixed	405	Female	5,197
22+	8,014	Asian or Asian British	434	Not specified	16
Not specified	602	Black or Black British	119		
		Other	7		
		Not specified	429		

Directors' responsibilities for preparing the accounts

The directors have undertaken their responsibility for preparing the accounts under directions issued by NHS England, the independent regulator of Foundation Trusts under the National Health Service Act 2006, and as detailed in the Statement of Accounting Officer's Responsibilities from page 76.

The Trust has ensured that the annual accounts of the organisation have met the accounting requirements of the NHS England Annual Reporting Manual, Department of Health Group Accounting Manual and HM Treasury Financial Reporting Manual. The accounting policies contained in these manuals fall within the remit of the Financial Reporting Advisory Board (FRAB) to the extent that they are meaningful and appropriate to the NHS.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Black History Month Hertsmere Flag Raising October 2022

Statement of Accounting Officer's Responsibilities

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

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

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

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

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

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

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

Accounting Officer approval of the Statement of Accounting Officers responsibilities

Karen Taylor,
Chief Executive
29 June 2023

Annual Governance Statement 2022/23

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accounting Officer Memorandum.

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 2023 and up to the date of approval of the annual report and accounts.

As part of our system of internal control, it is of paramount importance that the Trust is well-led in accordance with NHS England and NHS Improvement's Well-Led Framework, so that the services are safe and focused on service users and carers. In 2021 Deloitte completed their well-led independent Governance Review. The review highlighted a small number of areas for improvement against a backdrop of a positive assessment. In May 2022 the Board received an update on the progress with the action plan noting that all bar one action had been completed, the last of which related to the review of the Board Assurance Framework, which was completed in 2022/23.

Within our system of internal control, we have a range of approaches and methodologies to continually assess our performance against the well-led framework. This includes the collation, monitoring and analysis of data covering access, safety, quality, effectiveness, staffing culture and financial performance. Our governance processes are embedded at all levels from local services to the Trust board and we use a number of different approaches including service visits to ensure Board to ward/service visibility.

The Trust remains fully compliant with the registration requirements of the Care Quality Commission.

Capacity to handle risk

The Trust is committed to a comprehensive, integrated Trust wide approach to the management of risk based upon the support and leadership offered by the Board of Directors and the Committees of the Board.

The Trust's risk management process is designed to provide a systematic method of identifying risks and determining the most effective means to minimise or remove them following risk analysis and evaluation. Practice is supported through the maintenance of a Trust-wide risk register—the register is a management tool that promotes visibility, escalation, and provides a repository from which assurance can be offered that risks are being identified and appropriately managed.

The Risk Management Strategy describes the roles and responsibilities of all staff in relation to the identification, management and control of risk, and encourages the use of risk management processes as a mechanism to highlight areas they believe require improvement.

The Executive Directors have responsibilities for the management and coordination of strategic and operational risk within their areas of control. These responsibilities include the maintenance of risk registers, the promotion of risk management activity, the development of strategic and business plans required to address risk, and the escalation of principal risks and associated assurance to the Trust Board.

Responsibility for the implementation of risk management activity has been delegated to the Directors as follows:

- Executive Director of Quality and Safety (Chief Nurse) has responsibility for clinical governance, patient safety, staff safety, regulatory compliance and associated risk.
- Executive Director of Quality and Medical Leadership has responsibility for research and development and clinical effectiveness.
- The Chief Financial Officer has responsibility for financial governance and associated risk and estates.
- The Director of People and Organisational Development has responsibility for learning and development, workforce management, staff wellbeing, and associated risk.
- Senior Information Risk Owner (SIRO) is responsible for information management, information technology, information security and associated risk.

The risk assurance framework is scrutinised by the following committees of the Board:

- Audit Committee
- Integrated Governance Committee
- Finance and Investment Committee.

The Committees and their subgroups ensure risks and the associated mitigation actions are recognised and good practice is supported across all areas.

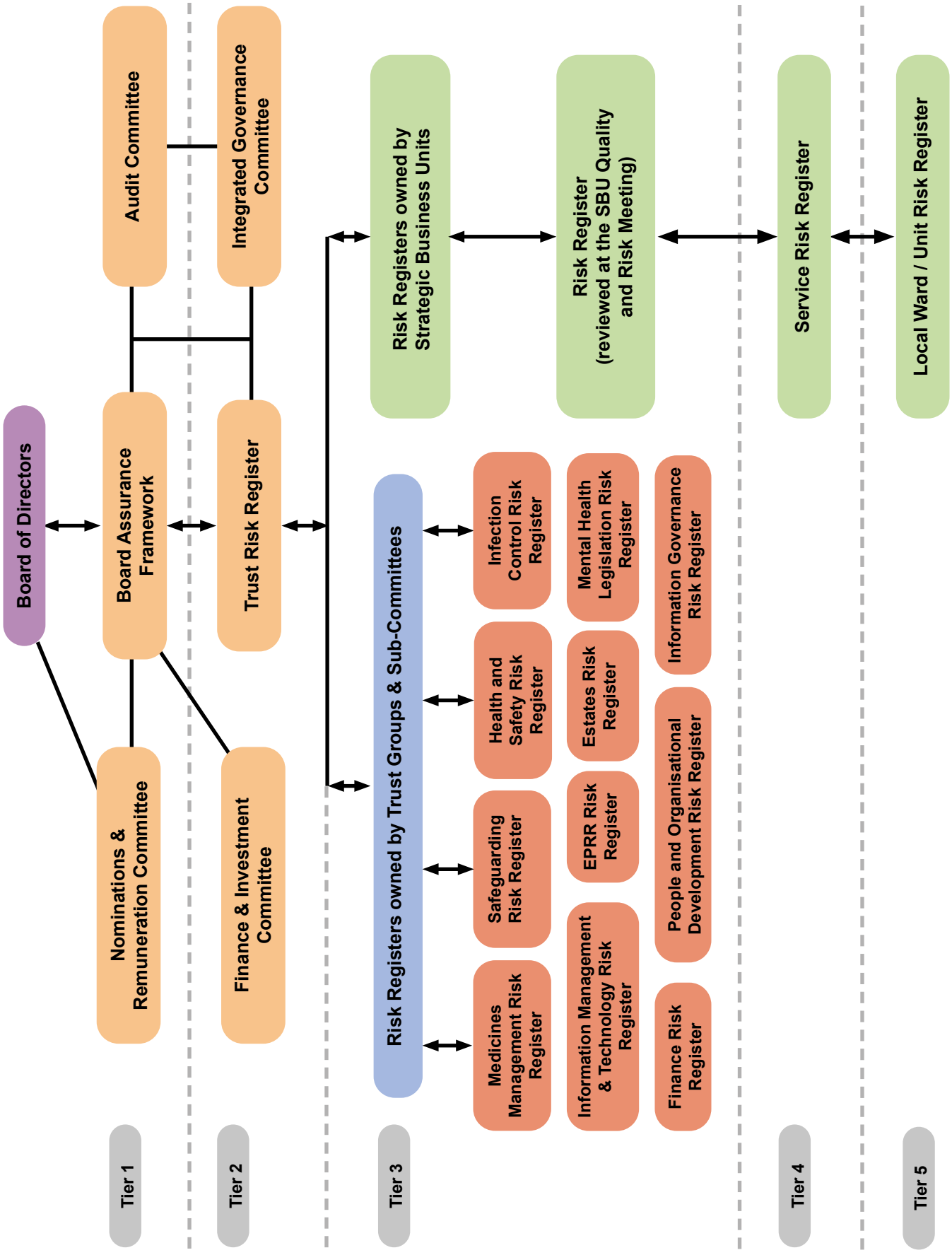
The Trust Risk Management Strategy and Policy are accessible to all staff via the intranet.

The risk and control framework

The Trust's risk management process is designed to provide a systematic method of identifying risks and determining the most effective means to minimise or remove. Practice is supported through the maintenance of a Trust wide risk register. Operational risk assurance is provided via the Strategic Business Units - these groups ensure the risk register process is embedded and mitigation actions are undertaken within appropriate timescales. Management and mitigation assurance is provided via the Committees of the Board and their subgroups. All items recorded within the risk register system are categorised according to the risk 'subject'—each categorisation is aligned to a committee or subgroup responsible for measuring risk assurance and supporting mitigation action where required. Basic risk training is accessible via the Patient Safety Syllabus Training Level 2 which is a requirement for all staff to complete.

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

Board to Ward Risk Management Structure –
Alignement of Board Assurance Framewordk and Trust Risk Register



While the Trust Board retains overall responsibility, detailed scrutiny of specific areas of the Trust's work, including relevant risks, is provided by Board subcommittees:

- **Integrated Governance Committee:** Assures the Board that quality and safety within the organisation is being delivered to the highest possible standards, and that there are appropriate policies, processes and governance in place to continuously learn and improve care. Assures the Board on matters related to staff, considering the following work areas—people and organisational development strategy and planning, leadership development and talent management, education, skills and capability (clinical and non-clinical, statutory and mandatory), performance, reward and recognition, culture, values and engagement, and health and wellbeing. The Committee ensures that there are robust processes in place to identify risks and issues and manage them accordingly. The Committee also covers risks linked with information security.
- **Audit Committee:** Assures the Board that probity and professional judgement is exercised by providing independent and objective review of financial and corporate governance, assurance processes, risk management across the Trust's clinical and non-clinical activities, and fraud and corruption. The Committee is also responsible for measuring assurance in the process for the identification and response to potential conflicts of interest relating to commercial partnership working. In addition, the committee scrutinises the output of all audits undertaken by the Trust's internal and external auditors, reporting any risks identified to the Board accordingly, and has an explicit role to assure the Board on the appropriateness and effectiveness of the Trust's Board Assurance Framework.
- **Finance and Investment Committee:** Assures the Board on financial and investment policy, implementation of financial strategy, performance against key financial targets including delivering value schemes, delivery against the capital plan, implementation of the digital strategy, estate management and commercial development issues. Ensuring that the Trust operates in an economic and efficient manner against agreed income and expenditure positions.
- **Nominations and Remuneration Committee:** Oversees all aspects of the appointment process for Directors and those reporting to the Chief Executive, including the approval of arrangements for the termination of directorships, determining the remuneration, allowances, pensions, gratuities and other major contractual terms, and evaluating the performance of individual Directors.

Each of these committees during 2022/23 has completed a self-assessment of its effectiveness, reporting the findings to the Committee and Board. These assessments are predominantly positive and describe them as working effectively in line with their terms of reference.

The Trust control framework ensures the transmission of risk information from ward to board—this process is supported by the:

- **Risk management strategy:** Describes the systems of internal controls in place to oversee, monitor and manage risks within the Trust.
- **Risk management policy:** Provides guidance on the conduct of risk identification, assessment and the escalation, as appropriate, in accordance with each staff member's level of authority.
- **Risk registers:** Documents risks at each level of the Trust, alongside actions to control, mitigate or resolve each risk.
- **Board Assurance Framework (BAF):** Records the principal risks that could substantially impact on the achievement of the Trust's strategic objectives, the controls in place to mitigate these risks and the level of assurance the Trust has that they are sufficient and are working effectively.

This risk management framework informs objective setting, business planning, service delivery, and the routine functioning of the organisation and ensures risk management is an integral part of routine operations.

The last internal audit of the organisation's risk management framework, which provided a formal opinion, took place in January 2022 and provided substantial assurance. Internal Audit provided an advisory audit in January 2023, the Trust's risk maturity for governance, risk assessment and monitoring and reporting was assessed as enabling for risk mitigation and assurance was assessed as developing, a strong platform on which to build. In 2023/24, the Trust will take forward the development areas identified, and internal audit will undertake a formal opinion audit in the last quarter of the year.

Identification of risk

There are four principal methods of risk identification used by the Trust:

- Known ongoing inherent risks of which the Trust is aware, which are controlled and managed
- Foreseeable local risks which are inherent and identified proactively by competent persons
- Strategic risks identified by the Board
- Retrospectively realised risks from risk sources.

As per the fourth method of risk identification above, risks can be identified from a number of sources, including but not restricted to:

- Recommendations from incident investigations and themes/trends; arising from cumulative analysis of incident data
- Risks arising as a result of an external review or inspections
- Recommendations from internal audit reports or other internal or external monitoring reviews, audits, assessments or reports
- Clinical risk assessments
- Non-clinical risk assessments (security, health and safety, health and wellbeing etc)
- Service user surveys
- Staff surveys
- PALS and complaints key themes
- Risks shared by other NHS organisations and/or other stakeholders/duty holders or authorities.

In some cases, through the processes described above, the Trust Board may identify complex risks that affect or involve external organisations, such as local stakeholders within the local healthcare community (local authorities, Integrated Care Systems). Where this is the case, the Trust adopts a collaborative approach to its risk mitigation plans, ensuring a transparent and 'joined-up' approach to managing risk, recognising that in some cases the Trust will be limited in the degree of risk mitigation it can achieve as an individual organisation.

Karen Taylor and Chief Constable Charlie Hall at The Colonnades May 2022

Risk assessment

The purpose of undertaking risk assessments is to effectively manage and control significant risks which are/have been identified/inherited or which are foreseeable in nature, as required by health and safety legislation. Risks are evaluated in order to determine the level of exposure and provide input to decisions on where responses to reduce, accept or avoid risks are necessary/acceptable or likely to be worthwhile. The evaluation of the risk assessment will involve the analysis of the individual risk to identify the consequences/ severity and likelihood of the risk being realised. Within the Trust, the severity and likelihood of risk is given a numeric score based on the following matrix.

Likelihood	Consequence				
	Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
1 Rare	1 (Low)	2 (Low)	3 (Low)	4 (Medium)	5 (Medium)
2 Unlikely	2 (Low)	4 (Medium)	6 (Medium)	8 (High)	10 (High)
3 Possible	3 (Low)	6 (Medium)	9 (High)	12 (High)	15 (Extreme)
4 Likely	4 (Medium)	8 (High)	12 (High)	16 (Extreme)	20 (Extreme)
5 Almost certain	5 (Medium)	10 (High)	15 (Extreme)	20 (Extreme)	25 (Extreme)

Alongside the general risk assessment process that the Trust employs, there are also service user and staff-specific risk assessment forms used at ward/department level in relation to particular risk domains. The risk register record is structured in a way that requires the recording of an 'initial risk rating', a 'current risk rating' and a 'target risk rating'. This allows the Trust to track changes in risk, from risk recognition through to an assessment of the risk post-mitigating actions.

Principal risks

The Board Assurance Framework (BAF) records the principal risks that could substantially impact on the achievement of the Trust's strategic objectives. It provides a framework for reporting key information to the Board by identifying primary controls in place to manage strategic objectives, assurance about effectiveness of controls, and any gaps in the controls or assurances.

The Executive management team prepare and approve the Board Assurance Framework as a means of communicating principal risk. The Audit Committee of the Board receives the Board Assurance Framework at least quarterly during the year to support understanding of principal risks, controls, assurance evidence and assess outcomes of management activity.

Compliance with the NHS provider licence is routinely monitored through the NHS Oversight Framework but, on an annual basis, the licence requires the Trust to self-certify as to whether the Trust has effective systems, governance arrangements, and the resources required to ensure compliance. The 2022/23 self-certification processes concluded that the Trust had taken the necessary precautions in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had with regard to the NHS Constitution. Principal risks were considered as part of this review and informed by the Board Assurance Framework—no principal risks to compliance were identified.

During late 2022/23, the Board undertook a root and branch review of its Board Assurance Framework and developed a revised architecture including current and target risk rating, controls across three levels and, using the three lines of assurance approach, reporting associated levels of assurance. Strategic risks were also reviewed and updated. All Board members contributed to this review. As of March 2023, the following principal risks that could act as barriers to the Trust's strategic objectives were reported to the Audit Committee

Strategic Risk 1: Our People: Failure to develop a sustainable workforce model that means we fail to recruit and retain the right numbers of people with the right skills which will impact on quality of care for our service users and our staff satisfaction levels.

Strategic Risk 2: Our People: Failure to maintain positive health and wellbeing support for all our staff and Trust do not provide an inclusive work experience with equality of opportunity which could mean staff do not feel valued or enabled to reach their potential.

Strategic Risk 3: Quality – Safety: There is a risk that we do not provide safe standards of care due to failure to maintain agreed safe staffing levels meaning service users do not feel safe and are not protected from avoidable harm or deaths through suicide.

Strategic Risk 4: Quality – Experience: There is a risk that the unavailability of services (community and inpatient) could lead to an increase in out of area placements, reduced access to specialist care and poor experience for services users, families and carers.

Strategic Risk 5: Finance: Failure to maintain a sustainable financial position over the longer term, will impact on the Trust's ability to deliver high quality services consistently, making progressive and sustained improvements.

Strategic Risk 6: Transformation: Failure to deliver transformation and continuous improvement could compromise quality, safety and experience of service users and ability to recruit staff.

Strategic Risk 7: System: Failure to influence partners in the new system architecture which may lead to a shift of influence and resources away from Mental Health Learning Disability and Autism (MHLDA), the services users and communities served by the Trust.

Involvement of Stakeholders

The interests of service users, carers, staff, our members, governors and local partner organisations are embedded in our values and demonstrated in our ways of working. Collaborations and partnerships are increasingly the cornerstone of effective integrated health and care delivery, and the Board has been an active participant in the Integrated Care Systems (ICS) in which the Trust operates.

The Trust has a continuing positive relationship with stakeholders and staff through the delivery of our strategic plans and our performance against contracts. Risks to public stakeholders are managed through partnership work and through work with local commissioners through joint actions on specific issues, such as emergency planning and learning from incidents, and through scrutiny meetings with Local Authorities' Health and Overview Scrutiny Committees. We work across the local health economy including engagement with and involvement in the ICSs across Hertfordshire, Essex, Buckinghamshire and Norfolk. We will continue to understand the emerging implications and opportunities and adjust our risk profile and response accordingly to meet both the Trust and system strategic priorities.

The Council of Governors represents the interests of members (both public and staff) as well as appointing organisations and has a role to hold the Non-Executive Directors both individually and collectively to account for the performance of the Board.

Information Governance

Data security and protection toolkit (DSPT) attainment levels

Information governance is the way organisations process or handle information. It covers information relating to patients and staff, as well as corporate information, and helps ensure the information is handled appropriately and securely with particular emphasis on managing personal data within the data protection legislation.

The DSPT is an online self-assessment tool that enables NHS organisations and their partnering

bodies to measure how well they are complying with Department of Health standards on the correct and secure handling of data, and how well they are protecting data from unauthorised access, loss, and damage. It aims to demonstrate how we are implementing the ten data security standards recommended by the late Dame Fiona Caldicott, the National Data Guardian for health and adult social care. Approximately 70% of the DSPT is related to IT cyber security.

The attainment level assessed within the DSPT provides an overall measure of the quality of data systems, standards and processes. The DSPT sets out specific criteria that enable performance to be assessed based on submitted evidence and assertions, resulting in four possible outcomes—standards exceeded, standards met, standards not fully met (plan agreed), and standards not met. For more information about the DSPT please visit www.dsptoolkit.nhs.uk.

- **Assessment outcome:** For 2021/22 the Trust achieved 'standards met' and we believe we will again achieve this standard for 2022/23

IG incidents reported to the Information Commissioner's Office (ICO)

Information governance incidents of a certain severity need to be reported to the UK data protection regulator, the Information Commissioner's Office (ICO), within 72 hours of discovery. The mechanism for doing this is normally through the incident reporting section of the DSPT, where you also report other serious incidents below the level of ICO involvement.

A total of two incidents met the toolkit reporting threshold and were escalated to the Information Commissioner's Office. The first incident centred on a breach where CCTV footage was allowed to be automatically deleted after it had been requested under Subject Access provisions. The ICO investigated and concluded that there was no evidence that the footage had been destroyed with intention to prevent disclosure. The second incident related to an allegation that service users who were resident on a learning disability ward had been recorded by a member of staff without their knowledge. On investigation, the allegation was unfounded.

All Trust sites use the Datix database system for reporting incidents, which provides a unified approach to aid the review of the information governance (IG) incident management process. IG incidents are summarised and reported to the information governance steering group. The IG team assists IG incident investigations as required and advises on lessons learned from these incidents at departmental meetings and/or via Trust wide communication tools.

Freedom of information (FOI)

In the financial year 2022/23 we received 321 FOI requests. The act says we must respond within 20 working days and the Trust achieved this in 64% of cases, against the ICO requirement of 90%. Although this is a significant improvement against last year's performance (33%), the ongoing demand on our services means has meant it continues to be a challenge to meet the target and respond to all FoI requests in a timely manner.

In the financial year 2022/23 we received 321 FOI requests.

Quality Governance and Performance

Ensuring safe staffing

The Integrated Governance Committee and Trust Board receive regular safe staffing reports from the Executive Director, Quality and Safety, providing assurance and confidence on the management of staffing levels so they are safe, effective and sustainable.

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

- **SafeCare Census checks –** three times daily and monitored by the Team Leader and Clinical Matron, with weekly reporting detailing the overall weekly position.

- **SafeCare calls –** held daily and chaired by the Head of Nursing to manage and monitor safe staffing within their area of responsibility, ensuring consistency across the Trust on a daily basis (for the next 24 hours). This enables deployment of staff in response to acuity levels, admissions and discharges.
- **eRoster Scrutiny** on a weekly basis, chaired by the Head of Nursing and Service Line Leader to ensure the effective utilisation of the eRoster.

SBU Safe Staffing Groups – held on a monthly basis, chaired by the SBU's Head of Nursing. Quarterly Trust wide Safer Staffing Group Committee, chaired by the Deputy Director, Nursing and Quality, which oversees staffing regarding effective utilisation of eRostering and SafeCare, bank and agency usage, staffing skill mix and establishments.

Quality Governance

The Trust registered with the Care Quality Commission (CQC) on 1 April 2010 and continues to be rated overall as Outstanding.

The Trust receives periodic unannounced CQC Mental Health Act inspections. No significant issues have arisen during 2022/23.

During 2022/23, the CQC carried out an unannounced inspection process at Warren Court in October 2022, following a number of concerns raised about the safety and quality of the services. The inspection was risk focused and the CQC did look at all Key Lines of Enquiry (KLOEs) and the service was rated at this inspection. The CQC provided a full and detailed report, following their inspection process, outlining their findings which moved the service line for Forensic inpatients or secure wards from Outstanding to Good, noting that the domain for safe moved from Good to Requires Improvement. The Trust put in place a detailed Service Improvement Action Plan which is regularly monitored.

During the year, the CQC also carried out an unannounced inspection at Oak ward, the Trust's adult Psychiatric Intensive Care Unit (PICU), in November and December 2022, following concerns raised regarding the safety and quality of the services provided. The inspection was risk focused and the CQC did look at all Key Lines of Enquiry (KLOEs) and the service was rated at this inspection. In the period, the CQC published its report and, as a result of the inspection, the rating of the Trust's Acute wards for adults of working age and psychiatric intensive care units remained Good, but the rating for safety moved from Good to Requires Improvement. Prior to the inspection, the Trust had a Service Improvement Action Plan in place and were making improvements, the actions identified during the visit are also being taken forward.

The Service Improvement Action plans for both Warren Court and Oak ward are actively led by the Executive Director, Quality and Safety and monitored by the Executive Team, Integrated Governance Committee and Trust Board. The Service Improvement Action Plans cover all the areas identified.

The CQC also undertook a follow up inspection of Forest House Adolescent Unit in July 2022, following their inspection in November/December 2021. Following this inspection, the Warning Notice under Section 29a was removed and the service rating improved from Inadequate to Requires Improvement.

In January 2023, the CQC published its report following its unannounced focus inspection of Victoria Court, one of the Trust's wards for older people with mental health problems. The report identified positive practice as well as a small number of areas of development. The service line was not rated following the inspection.

Our People

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.

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

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

- Recruitment and Retention Group
- Medical Educators Forum
- Joint Consultative and Negotiating Committee.

Data assurance

The Trust assures the quality and accuracy of the data for its performance reporting through a combination of regular meetings, reviews and sign-off procedures. Data quality is also audited annually by our internal auditors.

We have an advanced feed from the Electronic Patient Record (EPR) to our operational business intelligence system which is available throughout the Trust and updated every two hours. This also includes data quality reports on key data items in line with the national data quality matrix. Divisional staff and the performance team regularly review a suite of reports including more advanced information for access, quality and safety indicators. The Trust has a set of training modules available to support staff and is currently undertaking an assessment to further improve staff adoption.

A data validation process is undertaken to review the information entered into the EPR and to investigate the data that underlies reported performance. Identified data issues are logged by the performance team, then investigated and corrected. Recurring issues are subject to root cause analyses, from which corrective action plans are developed to support the relevant services to improve the quality of inputted and reported data.

We have invested significantly in data quality improvement via the electronic patient record (EPR) system and our most recent internal audit has provided Substantial Assurance on data quality.

Corporate governance

Details of the corporate governance structure can be found within the accountability report from page 33. It is a fundamental part of our Trust's governance structure that all material risks and issues are scrutinised and monitored by the Executive Team, in addition to being reported to Board committees. This includes the key areas of quality, people, performance and finance, giving further assurance that the Trust is fully compliant with the Care Quality Commission registration requirements.

Black History Month celebration at The Colonnades October 2022

Conflicts of interest

The Trust has an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months as required by 'managing conflicts of interest' in the NHS guidance. This can be viewed at www.hpft.nhs.uk/media/6145/declarations-of-interest-august-2022.pdf

Climate change and Greener NHS programme

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

The Trust, with its partners, will continue to pursue its ambition to reduce the impact of our activities on the environment while providing leading sustainable healthcare. This means that the way the Trust operates today must meet the needs of the present, while collaboratively building on a cleaner healthier environment for future generations.

The Trust recognises and understands the pressing and immediate need to reduce carbon emissions and to address sustainability issues as part of the climate emergency and ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust's updated green plan was approved by the Trust Board in November 2021 and confirms commitment to the NHS Delivering a Net-Zero Health Service report and Greener NHS programme, which outlines the NHS's ambition to become the world's first carbon net-zero national health service by 2045. The Sustainability Steering Group has been established to monitor progress of the Green programme and drive forward sustainability improvements across the Trust. The Sustainability Steering Group reports through Improvement Board to the Finance and Investment Committee and on to Trust Board.

karen Taylor launching the Trust's Green Plan on Earth Day in April 2022

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

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 information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Integrated Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

As Accounting Officer, I also have responsibility for ensuring economy and efficiency of the use of resources and am supported by my executive team that has responsibility for overseeing the day-to-day operations of the Trust. Performance in this area is monitored by the Board on a regular basis and through assurance reports from its standing committees. The Board discusses and approves the Trust's strategic and annual plans (and budgets) taking into account the views of the Council of Governors.

Throughout the year the Board receives regular finance, financial viability, quality and performance reports (including key staff metrics), which enable it to monitor progress in implementing the annual plan, the Trust's strategic objectives and the performance of the Trust. The Board's performance report provides assurance to the Board on the delivery of the Trust's strategy and Trust-wide performance and seeks to demonstrate how the Trust is improving the quality of life for all we serve.

The Trust's Audit Committee supports the Board and I as Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management and the control environment. The scope of the Audit Committee's work is defined in its terms of reference and encompasses all the assurance needs of the Board and the Accounting Officer. The Audit Committee has engagement with the work of internal audit and external audit and is chaired by a Non-Executive Director.

Internal audit services support the Trust's system of internal control by providing an objective and independent opinion on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives. The Trust's internal audit plan which is agreed by the Audit Committee sets out the full range of audits across the Trust, and includes reviews of the economy and the efficient and effective use of resources. The Audit Committee routinely reviews the outcomes and recommendations of all internal audit reports including the management response and progress against action plans and reports; recommendations are also considered by the IGC and FIC as relevant to their areas of responsibility.

The Trust's counter fraud work plan which is approved by the Audit Committee demonstrates an embedded counter fraud focus. During this period the Trust completed its Counter Fraud Functional Standards Return, recording that it was compliant against all twelve domains.

The Trust Board keeps a monthly review of the Trust's use of resources through the performance, integrated safety finance and people reports. This allows the Trust Board to maintain a 'grip' on financial performance, cost-effectiveness and enables the triangulation of quality, performance, workforce and financial data.

During 2022/23, the Trust has continued to use various benchmarking sources and the improvement board to identify efficiency and productivity opportunities. Where the Trust Board identifies key risks and issues in relation to the Trust's use of resources, it will instruct the Finance and Investment Committee to undertake deep dive reviews of such concerns to ensure that a sufficient degree of assurance can be obtained.

During this period the Trust commissioned an independent review of year-end processes as a way of identifying areas of learning and improvement. The outcome of the review was considered by the Executive Team, Finance and Investment Committee and the Audit Committee.

The governance structure below the executive management Board provides opportunities through the SBUs for operational performance to be reviewed, and quarterly reviews with the Executive Team and SBU triumvirate teams allow for regular oversight of the performance within the respective services they provide. The Delivering Value programme is monitored through the Executive Team and Finance and Investment Committee and is further supplemented by deep dives, which is in addition to the internal audit work undertaken throughout 2022/23.

Also, during this period, the external auditors undertook a Value for Money review in line with requirements for 2022/23 to provide a public commentary on the arrangements in place for ensuring Value for Money is achieved at the Trust. The report is very positive with no significant weaknesses identified across any of the domains with six recommendations identified .

The clinical audit programme also supports my review of the effectiveness of the system of internal control. A full internal review of each clinical audit is undertaken, and actions taken to address any identified risks and improve the quality of healthcare that is provided. The internal audit programme provides a further mechanism for assuring the Board and its Committees on the effectiveness of the Trust's system for Internal Control.

Of the 9 assurance opinions provided, Internal Auditors considered that two provided substantial assurance, five reasonable assurances and two partial assurances across the areas of internal audit work undertaken, they also issued three final advisory reports. This included the nationally mandated review of the Trust's response to the requirements of the financial sustainability audit. RSM, the Trust's internal auditors, identified high, medium and low priority recommendations within their audit reports the audit of Data Security and Protection Toolkit was assessed using the national framework and the outcome was limited with medium level of confidence. Any actions identified are monitored in an internal audit action tracker and reviewed frequently by the executive team and Audit Committee.

During this period access to the e-Financials system, provided by Advanced (under a contract with the Trust's Shared Financial Services Provider, ELFS), was removed as a precautionary measure due to a cyber attack on other Advanced systems. It was unavailable for a short period of time while the Trust's IT partners HBLICT, completed a review of the risks. E-Financials itself was never compromised by the attack and the lack of access was purely a precautionary measure. During this period Business continuity plans were enacted, the Trust altered some processes in order to ensure suppliers could still be paid and business could still continue, the SFIs nor the Scheme of Delegated Authority were not deviated from. On restoration a number of checks were carried out to ensure the integrity of the Trust's accounts. There was no lasting impact on the Trust.

The overall head of internal audit opinion for the period 1 April 2022–31 March 2023 is positive and states that "The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework for risk management, governance and internal control to ensure that it remains adequate and effective".

During this period the Trust made a payment to a number of staff to provide support with the cost of living. Under Managing Public Money these payments require approval by His Majesty's Treasury as the combined value of the payments exceeded £95,000. Approval was not sought in advance as the Trust was not aware that such payments should have been considered in aggregate. At the time of preparing the Annual Governance Statement a retrospective business case has been submitted and been approved by NHS England. Approval from His Majesty's Treasury is still awaited.

Conclusion

In conclusion, to the best of my knowledge there are no significant internal control issues that have been identified.

Karen Taylor,
Chief Executive
29 June 2023

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hertfordshire Partnership University NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayer's Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in March 2023 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Trust's services or dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Trust over the going concern period.

Our conclusions based on this work:

- we consider that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Trust's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance because of the need to achieve financial performance targets delegated to the Trust by NHS England
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls, in particular the risk that Trust management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the funding provided to the Trust during the year. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included summarise high risk journal criteria.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Testing a sample of expenditure transactions entered into around 31 March 2023 to assess whether they were recorded within the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Executive management (as required by auditing standards), and from inspection of the Trust's regulatory and legal correspondence and discussed with the Executive management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment and data protection, recognising the regulated nature of the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Whilst the Trust is subject to many other laws and regulations, we did not identify any others, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Accounting Officer is responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page [A], the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Trust or dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on page 73, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have planned our work and undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006. We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Hertfordshire Partnership University NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Dean Gibbs

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square, Canary Wharf, London E14 5GL

30 June 2023

Finance
Annual Accounts

FOREWORD TO THE FINANCIAL STATEMENTS

HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

These accounts, for the year ended 31 March 2023, have been prepared by Hertfordshire Partnership University NHS Foundation Trust ('the NHS FT') in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

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

Sam Garrett
Financial Controller
Hertfordshire Partnership University NHS Foundation Trust
Head Office
The Colonnades, Hatfield
Hertfordshire
AL10 8YE
Telephone number: 07773 165327
Email: sam.garrett1@nhs.net

Signed 

Karen Taylor, Chief Executive Date 29 June 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2023

	note	2022/23 £000	2021/22 £000
Operating income from patient care activities	4	377,522	330,105
Other operating income	4	15,294	13,935
Operating expenses	5	(407,596)	(340,527)
OPERATING (DEFICIT)/ SURPLUS*		**(14,780)**	**3,513**
FINANCE COSTS			
Finance income	9	1,238	68
Finance expense	9.1	(445)	(186)
PDC dividend charge		(3,842)	(3,180)
NET FINANCE COSTS		(3,049)	(3,298)
(DEFICIT)/SURPLUS FOR THE YEAR*	24	(17,829)	**215**
Other comprehensive income will not be reclassified to income and expenditure:			
Impairments	13	(7,457)	(901)
Revaluations	11	18,766	2,960
Remeasurements of net defined benefit pension scheme	26	1,130	39
Will not be reclassified to income and expenditure:		**12,439**	**2,098**
TOTAL COMPREHENSIVE EXPENSE/INCOME FOR THE YEAR		**(5,390)**	**2,313**

STATEMENT OF FINANCIAL POSITION
31 March 2023

	note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	10	2,975	1,168
Property, plant and equipment	11	163,898	164,170
Right of use assets	12.1	15,182	0
Trade and other receivables	16	358	386
Other assets	16	931	0
Total non-current assets		**183,344**	**165,724**
Current assets			
Inventories	14	59	59
Receivables	16	21,240	15,664
Assets held for sale	15	1,274	2,582
Cash and Cash Equivalents	17	52,271	71,642
Total current assets		**74,844**	**89,947**
Current liabilities			
Trade and other payables	21	(56,641)	(59,924)
Borrowings	19	(3,022)	(541)
Provisions	20	(3,625)	(5,516)
Other liabilities	22	(1,348)	(3,891)
Total current liabilities		**(64,636)**	**(69,872)**
Total assets less current liabilities		**193,552**	**185,799**
Non-current liabilities			
Borrowings	19	(19,579)	(7,939)
Provisions	20	(5,723)	(6,264)
Other liabilities	22	0	(303)
Total non-current liabilities		**(25,302)**	**(14,506)**
Total assets employed		**168,250**	**171,293**
Financed by (taxpayers' equity)			
Public dividend capital		97,959	95,612
Revaluation reserve		42,198	30,889
Other reserves		641	(489)
Income and expenditure reserve		27,452	45,281
Total taxpayers' and others' equity		**168,250**	**171,293**

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

Karen Taylor, Chief Executive Date 29 June 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March 2023

	note	Total	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2022 - brought forward		**171,293**	**95,612**	**30,889**	**(489)**	**45,281**
Surplus for the year	SOCI	(17,829)	0	0	0	(17,829)
Net impairments	13	(7,457)	0	(7,457)	0	0
Revaluations - property, plant and equipment	11	18,766	0	18,766	0	0
Remeasurements of defined net benefit pension scheme liability / asset	26	1,130	0	0	1,130	0
Public dividend capital received	18	2,347	2,347	0	0	0
Taxpayers' Equity at 31 March 2023		**168,250**	**97,959**	**42,198**	**641**	**27,452**

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

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

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued by the Department of Health and Social Care. In 2022/23 £2,347k (2021/22 £928k) was issued to fund capital investment on the Frontline Digitisation of the NHSFT. A charge, reflecting the cost of capital utilised by the NHS FT, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

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

Other reserves

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

Income and expenditure reserve

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2023

	note	2022/23 £000	2021/22 £000
Net cash inflow from operating activities (see note 24.1)	24	**1,939**	**12,740**
Cash flows used in investing activities			
Interest received	9	1,097	35
Purchase of intangible assets	10	(1,763)	0
Purchase of property, plant and equipment	11	(16,895)	(17,991)
Initial direct costs or up front payments in respect of new right of use assets	12	(94)	0
Proceeds from sales of property, plant and equipment	11	1,308	0
Net cash flows used in investing activities		**(16,347)**	**(17,956)**
Net cash generated used in financing activities			
Public dividend capital received		2,347	928
Movement in loans from the Department of Health and Social Care		(530)	(530)
Capital element of lease liability repayments		(2,521)	0
Interest on loans		(228)	(243)
Interest element of lease liability repayments		(147)	0
PDC dividend paid		(3,884)	(2,188)
Net cash generated used in financing activities		**(4,963)**	**(2,033)**
DECREASE IN CASH AND CASH EQUIVALENTS	17	(19,371)	(7,249)
Cash and Cash equivalents at 1 April	17	**71,642**	**78,891**
Cash and Cash equivalents at 31 March		**52,271**	**71,642**

The Statement of Cash Flows reports transactions purely on a cash basis and not on an accruals basis as used in the other Financial Statements. For this reason some figures may appear different to the figures reported elsewhere. An example of this is 'PDC dividend paid' being £3,884k in the statement above, compared to £3,841k on the Statement of Comprehensive Income. Cash and cash equivalents are recorded at current value.

The 'Proceeds from sales of property, plant and equipment' in 2022/23 consisted of the sales proceeds realised on the sale of the Stewarts, there were no such sales proceeds in 2021/22 with no disposals.

The cash flow includes elements for the capital and interest elements of leases under IFRS 16 within financing activities, these would previously been within operating activities. The cash impact of IFRS 16 is net neutral.

NOTES TO THE ACCOUNTS

1. Accounting Policies

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

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

Going Concern

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

1.2 Critical accounting judgements and key sources of estimation uncertainty

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

1.2.1 Critical judgements in applying accounting policies

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

1.2.2 Key sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The Trust has been required to make a number of judgements in relation to asset valuations, which due to the value of Plant, Property and Equipment held by the Trust is, by definition, potentially material. The Trust has taken professional advice in determining the recorded valuation of land and buildings and the valuation assumptions for Property, Plant and Equipment are based on valuations provided by the District Valuer, Giles Awford, as at 31 March 2023 in line with note 1.7. The Trust also recognises market conditions do vary and that buildings have the potential to either deteriorate or last longer than predicted and therefore the useful asset lives estimated may not be appropriate. These are reviewed each year to ensure that any changes to condition, use etc which affect this are picked up annually and at least every 5 years under full valuation.

The Trust has also valued a number of sites on an alternative site basis, £50,226k out of the Trust's £147,120k of land and buildings are recorded on an alternative site rather than an existing site basis.

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

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

1.3 Revenue from contracts with customers

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

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

This year block payment arrangements continued for most of the NHS FT's main commissioners. From July 2022 and the inception of ICBs nationally these main commissioners changed from being largely CCGs to being largely ICBs. The one significant exception is that from July 2022 the NHS FT reverted to invoicing the Local Authority (Hertfordshire County Council) who manage the Hertfordshire block on behalf of the Herts and West Essex ICB. Non-block contract performance obligations require payment 30 days from the date of request for payment. Block contract income accounts for circa 91% of the NHS FT's income in this year.

The main source of income for the NHS FT is contracts with commissioners for health care services, with funding envelopes set at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the NHS FT's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives income from commissioners under the Commissioning for Quality Innovation (CQUIN) scheme. Delivery under this scheme is part of how care is provided to patients. As such CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria. Adjustment for actual performance is made through a reconciliation once that performance has been ratified.

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

Mental health provider collaboratives

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

1.3.1 Revenue from research contracts

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

1.4 Other forms of income

Grants and Donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure, it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once the conditions attached to the grant have been met. Donations are treated in the same way as government grants. During 2022/23 the NHS FT received £187k of donated Covid consumables from the Department of Health and Social Care.

Apprenticeship Service Income

The value of the benefit received when accessing funds from the Governments apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition of the benefit.

1.5 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

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

Changes to the rate of employers NHS Pension contribution have not been reflected in funding provided to individual trusts during 2022/23. For this reason, the addition 6.3% liability was paid centrally by the Department of Health and Social Care . The amount is £8,427k in 2022/23 and £7,897k in 2021/22.

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

1.5 Employee Benefits (continued)

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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 Trust commits itself to the retirement, regardless of the method of payment.

Local Government Superannuation Scheme

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

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

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

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

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

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

1.6 Expenditure on other goods and services

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

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is either: probable that additional future economic benefits, or; service potential deriving from the cost incurred to replace a component of such item, will flow to the NHS FT and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

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

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

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

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

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

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

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

A full revaluation of all assets was conducted by the District Valuer, Giles Awford, as at 31 March 2023 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS).

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

1.7 Property, plant and equipment (continued)

Depreciation

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

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

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

For leases recognised under IFRS 16 the right of use assets are depreciated over the length of the lease term.

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

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

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

Revaluation gains and losses

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

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

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

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

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

1.7 Property, plant and equipment (continued)

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met: The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Of the properties listed in the 2021/22 accounts as Assets Held For Sale, the Stewarts was disposed of within 2022/23, and although the Harper Lane properties were not disposed of in 2022/23 the sales have progressed and are considered highly probable in 2023/24 and remain as held for sale with heads of terms agreed on the sale.

1.8 Intangible Assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS 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 when it meets the requirements set out in IAS 38.

Software
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset and amortised over the useful life of the asset which is generally 5 to 10 years.

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

1.8 Intangible Assets (continued)

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued as depreciated cost as an appropriate proxy of value in use. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

1.9 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The NHS FT as lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust’s incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The NHS FT as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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. Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

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

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic 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 as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust’s incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

1.10 Inventories

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

1.11 Cash and cash equivalents

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

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

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

1.12 Provisions

The NHS FT recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2023 which were for early retirement provisions and injury benefit provisions where both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

1.13 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS FT pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS FT. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS FT is disclosed at note 20 but is not recognised in the NHS FT's accounts.

1.14 Non-clinical risk pooling

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

1.15 Contingencies

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in note 30, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

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

1.16 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

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

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

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

Impairment of financial assets

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

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

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

Impairment of financial assets (continued)

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

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

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

De-recognition

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

1.17 Corporation Tax

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

1.18 Value Added Tax

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

1.19 Foreign currencies

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

1.20 Third party assets

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

1.21 Public Dividend Capital (PDC) and PDC dividend

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

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

A charge, reflecting the cost of capital utilised by the Trust, 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 Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

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

1.22 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

1.23 Subsidiaries

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

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

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

1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Notes to the Accounts - 2. Financial Risk Factors

2 Financial Risk Factors

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

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

2.1 Credit risk

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

2.2 Liquidity risk

The NHS FT's net operating costs are incurred under contract agreements principally with NHS ICBs and with Hertfordshire County Council on behalf of Herts and West Essex ICB; these are financed from resources voted annually by Parliament. The NHS FT also finances its capital expenditure from internally generated resources, from funds made available by commissioners and from loan agreements with the National Loan Fund. The NHS FT is not, therefore, exposed to significant liquidity risks.

2.3 Cash flow and fair value interest-rate risk

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

2.4 Borrowings

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

3 Segmental Information

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

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

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

Notes to the Accounts - 4 Operating Income from continuing operations

4 Operating Income from continuing operations

4.1 Operating Income (by classification)

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

	2022/23 Total	2021/22 Total
	£000	£000
Income from activities		
Block contract income	306,197	279,691
Services delivered as part of a mental health collaborative	17,669	3,563
Income for commissioning services from other providers as a mental health collaborative lead provider	32,141	34,032
Clinical partnerships providing mandatory services (including S75 agreements)	1,954	1,272
Other clinical income from mandatory services	3,732	3,650
Agenda for change pay award central funding	7,402	0
Additional pension contribution central funding	8,427	7,897
Total income from activities	**377,522**	**330,105**
Other operating income		
Research and development	227	332
Education and training	10,473	9,092
Reimbursement and top up funding	0	57
Education and training - notional income from apprenticeship fund	530	362
Consumables donated from DHSC group bodies for COVID response	187	307
Other	3,316	3,187
Rental revenue from operating leases	561	598
Total other operating income	**15,294**	**13,935**
Total operating Income	**392,816**	**344,040**

During 2022/23 the NHS FT has continued to be a lead commissioner for CAMHS tier 4 services, income the NHS FT received for services provided by itself is shown as 'Services delivered as part of a mental health collaborative', services commissioned from other providers is shown as 'Income for commissioning services from other providers as a mental health collaborative lead provider'.

In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Changes to the rate of employers NHS Pension contribution have not been reflected in funding provided to individual Trusts during 2022/23. For this reason, the additional 6.3% liability was paid centrally by the Department of Health and Social Care. The amount included above in this respect is £8,427k in 2022/23 and £7,897k in 2021/22.

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

Notes to the Accounts - 4 Operating Income from continuing operations

4.2 Income from Activities (by source)

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

	2022/23 Total	2021/22 Total
	£000	£000
Income from Activities		
NHS Trusts	702	527
NHS England	76,320	55,497
Local Authorities	190,636	38,697
NHS Foundation Trusts	18,798	12,110
Clinical commissioning groups	56,529	223,070
Integrated Care Boards	34,187	0
Department of Health & Social Care	26	0
NHS other	4	204
Non NHS	320	0
Total Income from Activities	**377,522**	**330,105**

This year block payment arrangements continued for most of the NHS FT's main commissioners. From July 2022 and the inception of ICBs nationally these main commissioners changed from being largely CCGs to being largely ICBs. The one significant exception is that from July 2022 the NHS FT reverted to invoicing the Local Authority (Hertfordshire County Council) who manage the Hertfordshire block on behalf of the Herts and West Essex ICB. This change accounts for the main movement of income from CCGs to Local authorities and ICBs.

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

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

	2022/23	2021/22
	£000	£000
Income from Commissioner Requested Services	377,522	330,105
Income from non-Commissioner Requested Services	15,294	13,935
	392,816	**344,040**

The increase in Income from Commissioner requested services relates primarily to additional income in relation to Agenda for Change pay awards, Lead Provider for the Mental Health Provider Collaborative, and additional SDF, winter and surge funding.

4.4 Operating Lease Income

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

The NHS FT leases one of its properties (31/33 Hill End Lane) under a non-cancellable operating lease agreement with New Directions and a portion of the Marlowes Health & Wellbeing Centre under an operating lease agreement with Hertfordshire Community NHS Trust. In 2022/23 the Trust also leased the sites Forest House Annex to Hertfordshire County Council, Sovereign House to New Directions and Spring House land to NHS Property Services.

The total annual income from these operating leases in 2022/23 is £598k (£622k in 2021/22).

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

Future minimum lease receipts due at 31 March 2023:	31 March 2023 £000
on leases of Buildings expiring:	
- not later than one year	589
- later than one year and not later than two years	352
- later than two years and not later than three years	339
- later than three years and not later than four years	340
- later than four years and not later than five years	340
- later than five years	688
Total	**2,648**

Future minimum lease receipts due at 31 March 2022:	31 March 2022 £000
- not later than one year;	600
- later than one year and not later than five years;	1,405
- later than five years.	1,027
Total	**3,032**

Notes to the Accounts - 5 Operating Expenses of continuing operations

5 Operating Expenses of continuing operations

5.1 Operating Expenses (by type)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies (excl. expenses as a mental health collaborative lead provider)	2,502	6,475
Purchase of healthcare from non-NHS and non-DHSC bodies (excl. expenses as a mental health collaborative lead provider)	31,261	22,279
Mental health collaboratives (lead provider) - purchase of healthcare from NHS bodies	24,761	16,988
Mental health collaboratives (lead provider) - purchase of healthcare from non-NHS bodies	25,192	17,044
Purchase of social care	20,077	18,297
Staff and executive directors costs	231,046	205,703
Non-executive directors	161	175
Supplies and services – clinical (excluding drugs costs)	840	809
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	187	307
Supplies and services - general	17,945	9,919
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	3,689	3,382
Consultancy	84	665
Establishment	3,281	2,508
Premises - business rates collected by local authorities	1,671	1,732
Premises - other	4,627	2,352
Transport (business travel only)	1,318	953
Transport - other (including patient travel)	2,460	1,807
Depreciation on property, plant and equipment and right of use assets	8,926	7,242
Amortisation	257	301
Impairments net of (reversals)	17,856	512
Movement in credit loss allowance: contract receivables/assets	295	(169)
Provisions arising / released in year	(668)	334
Audit services - statutory audit*	97	97
Internal audit - non-staff	113	101
Clinical negligence - amounts payable to NHS Resolution (premium)	755	581
Legal fees	209	424
Insurance	363	447
Research and development - staff costs	288	254
Education and training - staff costs	743	620
Education and training - non-staff	1,737	1,842
Education and training - notional expenditure funded from apprenticeship fund	530	362
Operating lease expenditure (net)	937	4,122
Car parking and security	516	641
Hospitality	103	47
Other services (e.g. external payroll)	4,325	6,198
Other**	(888)	5,176
Total Operating Expenses	**407,596**	**340,527**

* Audit services are quoted inclusive of VAT. Audit fees excluding VAT for the year are £80k. No fees have been paid to KPMG LLP in year in relation to non-audit services.
**Other is negative as includes a number of accrual releases in year

Notes to the Accounts - 5 Operating Expenses of continuing operations

5.2 Limitation on Auditor's Liability

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

5.3 Exit Packages

There were no exit packages agreed in 2022/23 or 2021/22.

Notes to the Accounts - 6 Employee expenses

6 Employee expenses

6.1 The employee expenses incurred during the year were as follows

	2022/23	2021/22
	£000	£000
Salaries and wages	169,263	153,918
Social security costs	19,059	15,712
Apprenticeship levy	834	737
Pension cost - employer contributions to NHS pension scheme	19,328	17,948
Pension cost - employer contribution amount paid directly by NHSE	8,427	7,897
Pension cost - other	133	112
Temporary staff - agency/contract staff	15,401	10,308
Total Gross Staff Costs	**232,445**	**206,632**
Costs capitalised as part of assets	368	55
Total Employee benefits excl. capitalised costs	**232,077**	**206,577**
Operating expenditure analysed as:		
Employee expenses - staff & executive directors	231,046	205,703
Research & development	288	254
Education and training	743	620
Total Employee benefits excl. capitalised costs	**232,077**	**206,577**

The figures above include an accrual for the additional 2022/23 Agenda for Change pay award (made but not yet implemented) as directed by NHS England.

Notes to the Accounts - 6 Employee expenses

6.2 Retirements due to ill-health

During 2022/23 there were 2 (3 in 2021/22) early retirements from the NHS FT on the grounds of ill-health with an estimated additional pension liability of £140k (£85k in 2021/22).

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

7 Better Payment Practice Code

Compliance against the BPPC has been analysed for 2022/23 and details can be found in the NHS FT's Annual Report.

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

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

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

9 Finance Income

	2022/23 £000	2021/22 £000
Interest receivable on bank deposits	1,238	68

Interest rates on balances held in GBS accounts increased significantly in 2022/23 from 0.39% to 4.14%

9.1 Finance Expenses

	2022/23 £000	2021/22 £000
Interest on loans from the Department of Health and Social Care:	228	242
Interest on finance lease obligations	147	0
Unwinding of discount on provisions	70	(56)
Total	**445**	**186**

Notes to the Accounts - 10 Intangible Assets

10 Intangible Assets

10.1 Balances as at 31 March 2023	2022/23 Total £000	2022/23 Software Licenses £000	2022/23 Development Expenditure £000	2022/23 Intangible assets under construction £000
Opening cost at 1 April	2,221	540	1,027	654
Additions - purchased	2,064	0	24	2,040
Reclassifications	0	0	433	(433)
Disposals/Derecognition	(540)	(540)	0	0
Gross cost at 31 March	**3,745**	**0**	**1,484**	**2,261**
Opening amortisation at 1 April	1,053	540	513	0
Provided during the year	257	0	257	0
Disposals/Derecognition	(540)	(540)	0	0
Amortisation at 31 March	**770**	**0**	**770**	**0**
Net book value				
At 1 April	1,168	0	514	654
At 31 March	**2,975**	**0**	**714**	**2,261**

The disposals/derecognition relate to assets that are fully depreciated and no longer in use.

10.2 Balances as at 31 March 2022	2021/22 Total £000	2021/22 Software Licenses £000	2021/22 Development Expenditure £000	2021/22 Intangible assets under construction £000
Opening cost at 1 April	2,221	540	1,027	654
Additions - purchased	0	0	0	0
Reclassifications	0	0	0	0
Disposals/Derecognition	0	0	0	0
Gross cost at 31 March	**2,221**	**540**	**1,027**	**654**
Opening amortisation at 1 April	752	496	256	0
Provided during the year	301	44	257	0
Disposals/Derecognition	0	0	0	0
Amortisation at 31 March	**1,053**	**540**	**513**	**0**
Net book value				
At 1 April	1,469	44	771	654
At 31 March	**1,168**	**0**	**514**	**654**

Notes to the Accounts - 11 Property, Plant and Equipment

11 **Property, Plant and Equipment as at 31 March 2023**

11.1 Balances as at 31 March 2023	**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 2022 - brought forward	**174,026**	22,923	117,129	165	18,788	2,970	8,415	3,636
Additions - purchased	**12,539**	0	2,986	0	9,119	299	0	135
Impairments charged to operating expenses	**(2,153)**	0	0	0	(2,153)	0	0	0
Impairments charged to the revaluation reserve	**(7,457)**	0	(7,457)	0	0	0	0	0
Reclassifications	**0**	0	13,528	0	(17,326)	209	1,488	2,101
Revaluations	**(1,867)**	4,502	(6,379)	10	0	0	0	0
Disposals/derecognition	**(5,334)**	0	0	0	0	(7)	(4,880)	(447)
Valuation/gross cost at 31 March 2023	**169,754**	**27,425**	**119,807**	**175**	**8,428**	**3,471**	**5,023**	**5,425**
Accumulated depreciation at 1 April 2022 - brought forward	**9,856**	0	668	5	5	879	6,062	2,237
Provided during the year	**6,264**	0	4,364	5	0	291	1,206	398
Impairments charged to operating expenses	**16,213**	1,380	14,833	0	0	0	0	0
Reversal of impairments credited to operating expenses	**(510)**	(5)	(500)	(5)	0	0	0	0
Revaluations	**(20,633)**	(1,375)	(19,253)	(5)	0	0	0	0
Disposals/derecognition	**(5,334)**	0	0	0	0	(7)	(4,880)	(447)
Accumulated depreciation at 31 March 2023	**5,856**	**0**	**112**	**0**	**5**	**1,163**	**2,388**	**2,188**
Net book value at 31 March 2023								
Owned	**163,898**	27,425	119,695	175	8,423	2,308	2,635	3,237
NBV Total at 31 March 2023	**163,898**	**27,425**	**119,695**	**175**	**8,423**	**2,308**	**2,635**	**3,237**

A full revaluation of all assets was conducted by the District Valuer, Giles Awford, as at 31st March 2023 and those values have been included. Giles Awford has full membership of the Royal Institution of Chartered Surveyors (MRICS).

See note 13 for details of Impairments.

See note 11.3 for details of property disposals.

Notes to the Accounts - 11 Property, Plant and Equipment

Property, Plant and Equipment as at 31 March 2022

11.2 Balances as at 31 March 2022	Total	Land	Buildings excluding dwellings	Dwellings	Assets Under Construction	Plant & machinery	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**158,473**	22,923	111,231	165	11,042	2,652	7,196	3,264
Additions - purchased (including capital lifecycle additions)	**17,057**	0	3,623	0	11,853	211	1,094	276
Impairments charged to operating expenses	**(1,454)**	0	(1,454)	0	0	0	0	0
Impairments charged to the revaluation reserve	**(901)**	0	(901)	0	0	0	0	0
Reversal of impairments credited to operating expenses	**1,414**	0	1,414	0	0	0	0	0
Revaluations	**(563)**	0	(563)	0	0	0	0	0
Reclassifications	**0**	0	3,779	0	(4,107)	107	125	96
Transfers to/from assets held for sale and assets in disposal groups	**0**	0	0	0	0	0	0	0
Disposals/derecognition	**0**	0	0	0	0	0	0	0
Valuation/gross cost at 31 March 2022	**174,026**	**22,923**	**117,129**	**165**	**18,788**	**2,970**	**8,415**	**3,636**
Accumulated depreciation at 1 April 2021 - brought forward	**6,137**	0	138	0	5	633	3,381	1,980
Provided during the year	**7,242**	0	4,053	5	0	246	2,681	257
Revaluations	**(3,523)**	0	(3,523)	0	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	**0**	0	0	0	0	0	0	0
Accumulated depreciation at 31 March 2022	**9,856**	**0**	**668**	**5**	**5**	**879**	**6,062**	**2,237**
Net Book Value at 31 March 2022								
Owned	**164,170**	22,923	116,461	160	18,783	2,091	2,353	1,399
Net Book Value at 31 March 2022	**164,170**	**22,923**	**116,461**	**160**	**18,783**	**2,091**	**2,353**	**1,399**

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

See note 13 for details of Impairments.

See note 11.3 for details of property disposals.

Notes to the Accounts - 11 Property, Plant and Equipment

11.3 Disposal Of Property, Plant and Equipment

	2022/23 £000	2021/22 £000
Gains on disposal of property, plant and equipment	0	0
Total gain/loss on disposal recorded in the Statement of Comprehensive Income	**0**	**0**

The asset disposed of in 2022/23 was the Stewarts (previously categorised as an Asset Held For Sale (see note 15.)

Notes to the Accounts - 12 Leases

12.1 Right of use assets - 2022/23

This note details information about leases for which the Trust is a lessee.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. See note 1.9 for more detail.

	Property (land and buildings) £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	16,863	401	**17,264**	370
Additions	186	394	**580**	-
Disposals / derecognition	-	(24)	**(24)**	-
Valuation/gross cost at 31 March 2023	**17,049**	**771**	**17,820**	**370**
Provided during the year	2,416	246	**2,662**	67
Disposals / derecognition	-	(24)	**(24)**	-
Accumulated depreciation at 31 March 2023	**2,416**	**222**	**2,638**	**67**
Net book value at 31 March 2023	**14,633**	**549**	**15,182**	**303**
Net book value of right of use assets leased from other NHS providers				303

Notes to the Accounts - 12 Leases

12.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 19

	2022/23 £000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	16,687
Lease additions	486
Interest charge arising in year	147
Lease payments (cash outflows)	(2,668)
Carrying value at 31 March 2023	**14,652**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.
These payments are disclosed in Note 5.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 12.2 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	2,610	69
- later than one year and not later than five years;	8,168	242
- later than five years.	4,391	-
Total gross future lease payments	**15,169**	**311**
Finance charges allocated to future periods	(517)	(6)
Net lease liabilities at 31 March 2023	**14,652**	**305**
Of which:		
Leased from other NHS providers		305
Leased from other DHSC group bodies		-

Notes to the Accounts - 12 Leases

12.3 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.
The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.9.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**24,305**
Impact of discounting at the incremental borrowing rate	**(1,035)**
IAS 17 operating lease commitment discounted at incremental borrowing rate	**23,270**
Less:	
Irrecoverable VAT previously included in IAS 17 commitment	(3,305)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(1,871)
Other adjustments:	
Variable lease payments based on an index or rate	74
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	451
Other adjustments	(1,932)
Total lease liabilities under IFRS 16 as at 1 April 2022	**16,687**

Notes to the Accounts - 13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

13 Impairment of Assets (Property, Plant & Equipment and Intangibles)

	2022/23 £000	2021/22 £000
Impairments of Property, Plant and Equipment charged to operating expenses due to other reasons	2,153	472
Impairments of Property, Plant and Equipment charged to operating expenses due to changes in market price	16,213	1,454
Reversal of prior year impairments of Property, Plant and Equipment credited to operating expenses	(510)	(1,414)
Total impairments and reversal of impairments charged to the Statement of Comprehensive Income	**17,856**	**512**

Total Net Impairments of Property, Plant and Equipment charged to the Revaluation Reserve	7,457	901
Total impairment charged to the Revaluation Reserve	**7,457**	**901**

The impairment adjustments for 2022/23 follows a full revaluation conducted by the District Valuer.

14 Inventories

	2022/23 £000	2021/22 £000
Carrying Value at 1 April	59	59
Additions	1,879	591
Additions (donated) - from DHSC	187	307
Inventories recognised in expenses	(2,066)	(898)
Carrying Value at 31 March	**59**	**59**

15 Assets Held For Sale

	31 March 2023 £000	31 March 2022 £000
Net Book Value of assets held for sale at 1 April	2,582	3,054
Less assets sold in year	(1,308)	0
Less impairments of assets held for sale	0	(472)
Net Book Value of assets held for sale at 31 March	**1,274**	**2,582**

Assets held for sale at March 31 2022 comprised 143 and 145 Harper Lane, Radlett and the Stewarts, Harpenden. The Stewarts was sold in 2022/23. The Harper Lane properties sale is expected in 2023/24.

Notes to the Accounts - 16 Receivables

16 Receivables

16.1 Trade and other Receivables

	31 March 2023	31 March 2022
	£000	£000
Current		
Contract receivables	7,590	12,920
Accrued income	11,210	810
Allowance for impaired contract receivables	(591)	(300)
Prepayments	1,819	1,735
Interest receivable	174	33
Operating lease receivables	16	200
PDC dividend receivable	75	33
VAT receivable	603	298
Clinician pension tax provision reimbursement funding from NHSE	18	35
Other receivables	326	(100)
Total current trade and other receivables	**21,240**	**15,664**
Non-Current		
Clinician pension tax provision reimbursement funding from NHSE	358	386
Total non-current receivables	**358**	**386**
Of which receivable from NHS and DHSC group bodies:		
Current	**16,247**	**3,330**
Non-current	**358**	**386**

The decrease in Contract receivables relates to additional block income invoices that were agreed and invoiced in late March and paid in April 2022.

The increase in Accrued Income relates to 2022/23 funding agreed to cover the expected pay award and additional block income that was agreed late in 2022/23 and invoiced in April.

16.2 Allowance for impaired contract receivables

	2022/23	2021/22
	£000	£000
At 1 April	300	472
Increase in provision	324	130
Amounts utilised	(4)	(3)
Unused Amounts reversed	(29)	(299)
Balance at 31 March	**591**	**300**

As part of the implementation of IFRS 9 an expected credit loss model for impaired contract receivables was applied. This has had no material impact on the allowance in the period.

16.3 Other assets

	31 March 2023	31 March 2022
	£000	£000
Net defined benefit pension scheme asset	931	0
Balance at 31 March	**931**	**0**

The net defined pension scheme asset relates to the Hertfordshire County Council and Essex Pension Funds which are accounted for as defined benefit pension schemes. As at 31 March 2023 an £840k asset has been recognised for the Hertfordshire County Council Pension Fund representing the economic value from the participation and surplus in the scheme through a reduction in future employer contributions. The Essex Pension Fund was in a net liability position in 2021/22 (£303k liability recognised in note 22) and is now in a £91k net asset position.

Notes to the Accounts - 17 Cash and cash equivalents

17 Cash and cash equivalents

	2022/23 £000	2021/22 £000
Cash and cash equivalents at 1 April	71,642	78,891
Net change in cash and cash equivalents	(19,371)	(7,249)
Cash and cash equivalents at 31 March	**52,271**	**71,642**
Comprising:		
Cash at commercial banks and in hand	90	143
Cash with the Government Banking Service	52,181	71,499
	52,271	**71,642**

The NHS FT's cash reserves have decreased in year primarily due a loss of cash inflow from operating activities and the level of capital investment above depreciation levels.

18 Public Dividend Capital

	2022/23 £000	2021/22 £000
Taxpayers' Equity at 1 April	95,612	94,684
Public Dividend Capital receipts	2,347	928
Taxpayers' Equity at 31 March	**97,959**	**95,612**

PDC receipts in 2022/23 of £2,347k (£928k in 2021/22) were received from the NHS England Frontline Digitisation its purpose is to support early adopters level up the digital maturity of the NHS FT.

19 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Capital loans	540	541
Lease liabilities	2,482	0
Total current borrowings	**3,022**	**541**
Non-current		
Capital loans	7,409	7,939
Lease liabilities	12,170	0
Total non-current borrowings	**19,579**	**7,939**
Total borrowings	**22,601**	**8,480**

The NHS FT has a loan arrangement with the Department of Health and Social Care (see note 2.4) The total amount outstanding is £7,949k repayable in six monthly instalments until 2038.

The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 1.9.

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) 2022/23

2022/23	Total	Pensions - Early departure costs	Pension - Injury benefits	Other legal claims	Restructuring	2019/20 Clinicians pension reimbursement	Other
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021 - brought forward	11,780	1,775	2,523	95	16	421	6,950
Change in discount rate	(331)	0	0	0	0	(331)	0
Arising during the year	1,573	131	9	104	0	286	1,043
Utilised during the year - accruals	(94)	(55)	(31)	0	0	(8)	0
Utilised during the year - cash	(2,776)	(143)	(83)	0	0	0	(2,550)
Reversed unused	(882)	0	0	(57)	(8)	0	(817)
Unwinding of discount rate	78	29	41	0	0	8	0
Total at 31 March 2023	**9,348**	**1,737**	**2,459**	**142**	**8**	**376**	**4,626**
Expected timing of cashflows:							
- not later than one year (current)	3,625	218	125	142	8	18	3,114
- later than one year and not later than five years (non current)	1,600	872	502	0	0	28	198
- later than five years (non current)	4,123	647	1,832	0	0	330	1,314
Total	**9,348**	**1,737**	**2,459**	**142**	**8**	**376**	**4,626**

The 'Pensions - Early departure costs' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of long stay institutions, namely, Hill End, Leavesden, Cell Barnes and Harperbury Hospitals. Early retirement provisions are discounted using the HM Treasury's pension discount rate of 1.7% in real terms.

The 'Pension - Injury benefit' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. Injury Benefit provisions are discounted using the HM Treasury's pension discount rate of 1.7% in real terms.

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £22,115k (£50,228k as at 31 March 2022) is included in the provisions of NHS Resolution at 31 March 2023 in respect of clinical negligence liabilities of the NHS FT.

Other provisions includes a restoration provision which relates to the cost to return leased buildings back to their original condition upon exit, Continuing Health Care provision comprises the potential liability for claims to the NHS FT for the reimbursement of the costs of Continuing Health Care incurred by the claimant where the claimant considers the costs should have been met by the NHS FT, a provision for the costs of fulfilling an onerous SRS contract ceasing in 2023/24, and a provision for refurbishment costs agreed as part of the sale of the Stewarts.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities. See note 1.2.2 for details of the uncertainties about the amount and timing of outflows.

Notes to the Accounts - 20 Provisions for liabilities and charges

20.2 Provisions for liabilities and charges (held in current and non-current liabilities) 2021/22

2021/22	Total	Pensions - Early departure costs	Pension - Injury benefits	Other legal claims	Restructuring	2019/20 Clinicians pension reimbursement	Other
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020 - brought forward	10,279	1,897	2,629	425	179	0	5,149
Arising during the year	2,407	97	51	0	0	421	1,838
Utilised during the year - accruals	(87)	(53)	(34)	0	0	0	0
Utilised during the year - cash	(398)	(143)	(90)	(144)	0	0	(21)
Reversed unused	(365)	0	0	(186)	(163)	0	(16)
Unwinding of discount rate	(56)	(23)	(33)	0	0	0	0
Total at 31 March 2022	**11,780**	**1,775**	**2,523**	**95**	**16**	**421**	**6,950**
Expected timing of cashflows:							
- not later than one year (current)	5,516	213	134	95	8	35	5,031
- later than one year and not later than five years (non current)	1,514	851	537	0	8	26	92
- later than five years (non current)	4,750	711	1,852	0	0	360	1,827
Total	**11,780**	**1,775**	**2,523**	**95**	**16**	**421**	**6,950**

The 'Pensions- Early departure costs' provision is the capitalised cost of early retirements as defined by the NHS Pensions Agency. This mainly relates to early retirements of staff resulting from the closure of long stay institutions, namely, Hill End, Leavesden, Cell Barnes and Harperbury Hospitals. Early retirement provisions are discounted using the HM Treasury's pension discount rate of -1.3% in real terms.

The 'Pension - Injury benefit' provision is the capitalised cost of injury benefits as defined by the NHS Pension scheme, for scheme members who have claimed that they are permanently incapable of fulfilling their duties effectively through injury. Injury Benefit provisions are discounted using the HM Treasury's pension discount rate of -1.3% in real terms.

The 'Other legal claims' provision includes provisions in respect of the NHS FT's employer and public liabilities, the amount stated is subject to uncertainty about the outcome of legal proceedings. £50,228k (£27,934k as at 31 March 2021) is included in the provisions of NHS Resolution at 31 March 2022 in respect of clinical negligence liabilities of the NHS FT.

Other provisions includes a restoration provision which relates to the cost to return leased buildings back to their original condition upon exit, a Continuing Health Care provision comprises the potential liability for claims to the NHS FT for the reimbursement of the costs of Continuing Health Care incurred by the claimant where the claimant considers the costs should have been met by the NHS FT, a provision for the refurbishment of a psychiatric intensive care unit that will require additional operational costs to be incurred during the period of refurbishment, a provision for the future legacy costs of COVID-19, a provision for the costs of fulfilling an onerous SRS contract ceasing in 2022/23, and provisions for excess pension costs and WTD enhancements.

The very nature of these provisions means that there are uncertainties regarding timing and amount of settlement, though the amount provided is judged sufficient to meet these liabilities. See note 1.2.2 for details of the uncertainties about the amount and timing of outflows.

Notes to the Accounts - 21 Trade and other payables

21 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	2,218	1,926
Capital payables (including capital accruals)	1,922	5,977
Accruals (revenue costs only)	43,699	33,393
Annual leave accrual	1,786	2,117
Social security costs	2,443	2,252
VAT payables	12	9
Other taxes payable	1,687	1,642
Pension contributions payable	2,762	2,412
Other payables	112	10,196
Total Trade and other payables	**56,641**	**59,924**

Accruals are the charges from suppliers for goods or services that have not been paid as at 31 March. The increase in accruals relates predominately to an accrual for Agenda for change pay award central funding.

22 Other liabilities

	31 March 2023	31 March 2022
Current		
Deferred income	1,348	3,891
Net defined benefit pension scheme liability	0	303
Total Other liabilities	**1,348**	**4,194**

Other liabilities largely comprises government income received from commissioners for a specific condition that will be delivered in a future period. As such, this income has been deferred and therefore not included in the Statement of Comprehensive Income in this reporting period.

The net defined pension scheme liability relates to the Essex Pension Fund which has been accounted for as a defined benefit pension scheme. As at 31 March 2023 the actuary reports show the scheme is now in a £91k net asset position (£303k deficit in 2021/22) so the scheme has moved from potential pension liability to a net other asset shown in note 16.3.

Notes to the Accounts - 23 Financial assets and liabilities

23 Financial assets and liabilities

23.1 Financial assets by category

	31 March 2023 £000	31 March 2022 £000
Receivables (excluding non financial assets) - with DHSC group bodies	16,425	3,262
Receivables (excluding non financial assets) - with other bodies	2,676	10,301
Cash and cash equivalents	52,271	71,642
Total	**71,372**	**85,205**

23.2 Financial liabilities by category

	31 March 2023 £000	31 March 2022 £000
DHSC loans	7,949	8,480
Obligations under leases	14,652	0
Trade and other payables excluding non financial liabilities	52,499	45,951
Provisions	4,346	6,519
Total	**79,446**	**60,950**

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

	2022/23		2021/22	
	£000	£000	£000	£000
Operating Surplus		(14,780)		3,513
Non cash flow movements:				
Depreciation and amortisation	9,183		7,543	
Impairments and reversals	17,856		512	
		27,039		8,055
Movement in Working Capital:				
Increase in trade and other receivables	(5,943)		(8,881)	
on SOFP Pension liability - employer contributions paid less net charge to the SOCI	(104)		(22)	
Increase in trade and other payables	772		17,140	
Decrease in other liabilities	(2,543)		(8,622)	
		(7,818)		(385)
(Decrease) / Increase in provisions		(2,502)		1,557
Net cash inflow from operating activities		**1,939**		**12,740**

Notes to the Accounts - 25 Related Party Transactions

25 Related Party Transactions

25.1 Related Party Transactions 2022/23

The NHS FT is a body corporate established by the Secretary of State for Health and Social Care. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2023 the NHS FT had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities. These are disclosed where income or expenditure is above £3m, or receivables or payables are above £300k.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

The NHS FT also has a linked charity, The HPFT Charity registered with the Charity Commission under registered charity number 1053767, which the transactions for which are not consolidated within these statements.

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

2022/23	Income from Related Party	Expenditure payments to Related Party	Receivables from Related Party	Payables to Related Party
	£000	£000	£000	£000
Central Government				
National Heath Service Pension Scheme	0	27,755	2	2,679
HMRC - VAT	0	0	603	0
HMRC - other taxes & duties	0	19,893	0	4,142
NHS				
Department Of Health	81	0	29	0
Foundation Trusts				
Cambridgeshire & Peterborough NHS Foundation Trust	(426)	6,815	373	0
East London NHS Foundation Trust	1,700	2,193	792	0
Essex Partnership University NHS Foundation Trust	14,802	14,648	1,207	0
Surrey and Borders Partnership NHS Foundation Trust	440	0	441	0
Clinical Commissioning Groups				
NHS EAST & NORTH HERTFORDSHIRE CCG	24,054	1,615	0	0
NHS HERTS VALLEYS CCG	23,349	(4)	0	0
Integrated Care Boards				
NHS BUCKINGHAMSHIRE, OXFORDSHIRE AND BEF	3,347	0	116	0
NHS HERTFORDSHIRE AND WEST ESSEX INTEGRA	12,115	2,261	3,261	0
NHS MID AND SOUTH ESSEX INTEGRATED CARE E	10,468	3	18	0
NHS NORTH WEST LONDON INTEGRATED CARE B	1,395	0	690	0
NHS SUFFOLK AND NORTH EAST ESSEX INTEGRA	4,575	15	385	0
NHS Trusts				
West Hertfordshire Hospitals NHS Trust	828	880	421	0
NHS Other				
Health Education England	10,260	35	145	0
NHS England	7,711	(3,651)	7,402	0
Local Government				
Barnet London Borough Council	1,290	0	763	0
Essex County Council	1,108	8	226	0
Hertfordshire County Council	188,349	134	1,810	1,234
Norfolk County Council	884	0	221	0
Other Local Government	244	1,436	107	1,332
Totals	**306,574**	**74,036**	**19,012**	**9,387**

Notes to the Accounts - 25 Related Party Transactions

25 Related Party Transactions

25.2 Related Party Transactions 2021/22

The NHS FT is a body corporate established by the Secretary of State for Health and Social Care. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2021 the NHS FT had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities. These are disclosed where income or expenditure is above £3m , or receivables or payables are above £300k.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with the NHS FT.

The NHS FT also has a linked charity, The HPFT Charity registered with the Charity Commission under registered charity number 1053767, which the transactions for which are not consolidated within these statements.

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

2021/22	Income from Related Party £000	Expenditure payments to Related Party £000	Receivables from Related Party £000	Payables to Related Party £000
Central Government				
National Heath Service Pension Scheme	0	25,845	0	0
HMRC - VAT	0	17	298	9
HMRC - other taxes & duties	0	16,449	0	3,894
Other Central Government	204	0	0	24
NHS				
Department Of Health	27	0	0	355
Foundation Trusts				
Camden and Islington NHS Foundation Trust t	0	105	0	0
Cambridgeshire and Peterborough NHS Foundation Trus	1,161	4,902	1,158	755
Central and North West London NHS Foundation Trust	(7)	354	0	352
East London NHS Foundation Trust	Trust 1,093	1,597	91	1,149
Essex Partnership University NHS Foundation Trust	8,986	11,619	30	1,187
Norfolk and Norwich University Hospitals NHS Foundation	97	105	8	19
Norfolk and Suffolk NHS Foundation Trust	0	2,419	0	150
Northamptonshire Healthcare NHS Foundation Trust	0	215	0	200
Nottinghamshire Healthcare NHS Foundation Trust	0	447	0	283
Northern Care Alliance NHS Foundation Trust	0	252	0	172
South London and Maudsley NHS Foundation Trust	0	415	0	196
Clinical Commissioning Groups				
NHS Basildon and Brentwood CCG	2,154	0	0	0
NHS Buckinghamshire CCG	4,346	0	13	60
NHS Cambridgeshire and Peterborough CCG NHS	(5)	0	0	0
Castle Point and Rochford CCG	783	0	0	0
NHS East and North Hertfordshire CCG	88,690	3,240	153	145
NHS Herts Valleys CCG	89,781	0	12	137
NHS Mid Essex CCG	7,257	0	261	43
NHS North East Essex CCG	5,806	0	(427)	0
NHS Norfolk & Waveney CCG	3,217	0	107	0
NHS North West London CCG	253	0	7	0
NHS Southend CCG	1,486	0	0	0
NHS Thurrock CCG	799	0	0	0
NHS West Essex CCG	19,760	180	29	552
NHS Trusts				
Coventry and Warwickshire Partnership NHS Trust	0	237	0	138
East and North Hertfordshire NHS Trust	276	1,166	128	296
Hertfordshire Community NHS Trust	915	209	122	108
The Princess Alexandra Hospital NHS Trust	24	4	0	3
West Hertfordshire Teaching Hospitals NHS Trust	847	1,142	313	499
West London NHS Trust	0	362	0	362
NHS Other				
Health Education England	7,776	36	155	4,898
NHS England	48,386	806	108	325
NHS Resolution (formerly NHS Litigation Authority)	0	779	0	16
NHS Property Services	63	151	33	23
Other NHS	1,053	574	961	181
Local Government				
Barnet London Borough Council	1,307	0	222	0
Dacorum Borough Council	0	578	0	26
Hertfordshire County Council	37,033	369	10,773	6,735
Hertsmere Borough Council	0	261	0	0
Hammersmith and Fulham London Borough Council	(116)	0	40	0
Hillingdon London Borough Council	240	0	137	0
Islington London Borough Council	(8)	0	0	0
Norfolk County Council	867	0	145	0
Westminster City Council	(138)	0	0	0
Other Local Government	180	1,579	148	531
Totals	**334,593**	**76,415**	**15,025**	**23,823**

Notes to the Accounts - 26 Pension

26 Pension

The NHS FT is also an admitted fully funded member of the Hertfordshire Local Government Pension Scheme (LGPS), for those staff who have transferred under TUPE (Transfer of Undertakings: Protection of Employment) from Hertfordshire County Council to the NHS FT's employment since 2004/05. The scheme is in an asset position with an £840k asset recognised for the Hertfordshire County Council Pension Fund representing the economic value from the participation and surplus in the scheme through a reduction in future employer contributions. In 2018/19 5 staff, with a further 3 staff in 2019/20, who had transferred under TUPE from Essex County Council remained members of the Essex Pension Fund. The NHS FT is now an admitted fully funded member of the pension scheme so has been accounted for such in 2020/21. The scheme is in a net asset position which is shown in the following table and within other assets in note 16.3.

	2022/23 £000	2021/22 £000
Present value of the defined benefit obligation at 1 April	**(26,795)**	**(28,386)**
Current service cost	(140)	(126)
Interest cost	(719)	(551)
Contribution by plan participants	(28)	(25)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains)/losses	5,261	1,328
Benefits paid	925	965
Present value of the defined benefit obligation at 31 March	**(21,496)**	**(26,795)**

Plan assets at fair value at 1 April	**26,492**	**28,022**
Interest income	944	681
Remeasurement of the net defined benefit (liability) / asset		
- Return on plan assets (excludes any amounts already included in interest income above)	0	314
- Actiarial gains	(1,637)	0
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling (excluding amounts included in interest income/expense)	(2,494)	(1,603)
Contributions by the employer	19	18
Contributions by the plan participants	28	25
Benefits paid	(925)	(965)
Plan assets at fair value at 31 March	**22,427**	**26,492**
Plan surplus/(deficit) at 31 March	**931**	**(303)**

Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised on the SoFP

	2022/23 £000	2021/22 £000
Present value of the defined benefit obligation	(21,496)	(26,795)
Plan assets at fair value	22,427	26,492
Total net (liability)/asset after the impact of reimbursement rights as at 31 March	931	(303)

Amounts recognised in the SoCI

	2022/23 £000	2021/22 £000
Current service cost	(140)	(126)
Net interest income	225	130
Total net gain / (charge) recognised in SoCI	85	4

Remeasurements of defined net benefit pension scheme liability / asset

	2022/23 £000	2021/22 £000
Actuarial gain/loss on scheme liabilities	5,261	1,328
Return on plan assets (excludes any interest element)	0	314
Actuarial gain/loss on scheme assets	(1,637)	0
Changes in the effect of the asset ceiling	(2,494)	(1,603)
Remeasurements of defined net benefit pension scheme liability / asset	1,130	39

Notes to the Accounts - 27 Losses and Special Payments

27 Losses and Special Payments

There were 24 cases (9 cases in 2021/22) of losses and special payments totalling £373k (£99k in 2021/22) during 1 April 2021 to 31 March 2023. These are reported on an accruals basis but exclude provisions for future losses.

	2022/23		2021/22	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
Losses				
Losses of cash due to:				
- other causes	3	0	0	0
Fruitless payments and constructive losses	6	2	0	0
Damage to buildings, property etc. due to;				
- other	14	4	0	0
Total losses	**23**	**6**	**0**	**0**
Special Payments				
Ex gratia payments in respect of:				
- loss of personal effects	0	0	3	1
- other negligence and injury	0	0	2	96
- other	1	367	4	2
Total Special Payments	**1**	**367**	**9**	**99**
Total losses and special payments	**24**	**373**	**9**	**99**
of Which, special payments of £95,000 or more:				
Ex gratia payments*	1	367	0	0

*During this period the Trust made a payment to a number of staff to provide support with the cost of living which exceeded £300k in total.

Notes to the Accounts - 28 Third Party Assets

28 Third Party Assets

The NHS FT held £5,102k cash at bank and in hand at 31 March 2023 (£4,776k at 31 March 2022) which relates to monies held by the NHS FT on behalf of service users.

This has been excluded from the cash and cash equivalents figure reported in the accounts.

29 Post Balance Sheet Events

There are no such events to be reported.

30 Contingencies

There are no contingent assets (recoverable values from third parties).

Contingent liabilities are a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

The contingent liability for 2022/23 is in respect of the potential to pay excesses to NHS Resolution in respect of current and ongoing LTPS scheme claims and is per the advice received from the NHS Resolution.

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities	**37**	**47**

31 Commitments under capital expenditure contracts

	31 March 2023 £000	31 March 2022 £000
Property, Plant and Equipment	1,922	5,977
Total	**1,922**	**5,977**

The capital commitments as at 31 March 2023 related to the agreement of the final account on a number of projects: Safety Suites Phase 2, Oak Ward refurbishment, Lexden Assessment and Treatment upgrade.

The capital commitments as at 31 March 2022 relate to the agreement of the final account on a number of projects: Safety Suites Phase 2, Kingfisher Court Anti Ligature Windows, Forest House HDU and Little Plumstead Plant Room.

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